



3rd September, 2021

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

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

Madam/Sir,

Re.: Intimation of Annual General Meeting

We hereby inform you that the 24th Annual General Meeting ('AGM') of Titagarh Wagons Limited ('the Company') will be held through video conferencing/other audio visual means on Monday, the 27th September, 2021 at 10:30 A.M. (I.S.T.).

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

- (i) Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 2021 to Monday, 27th September, 2021 (both days inclusive) for the purpose of AGM.
- (ii) The Cut-off date for reckoning the voting rights of the members for remote e-voting and voting at the AGM is Monday, 20th September, 2021.
- (iii) The Company has appointed National Securities Depository Limited (NSDL) for providing e-voting facility.

Further, pursuant to Regulation 34 of the LODR, we submit herewith Notice of 24th Annual General Meeting of the Company, along with Annual Report 2020-21.

In accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company / Registrar and Transfer Agent / Depository Participants.

The Notice of the AGM and Annual Report can also be accessed on the Company's website at www.titagarh.in.

Please take the above on record.

Thanking you,

Yours faithfully,
For TITAGARH WAGONS LIMITED

Sumit Jaiswal

Sumit Jaiswal
Company Secretary

Encl.: As above.

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

Registered & Corporate Office: Titagarh Towers, 756 Anandapur, E. M. Bypass, Kolkata - 700 107, India
Phone : +91 33 4019 0800 | Fax: + 91 33 4019 0823 | Email : corp@titagarh.in | Web: www.titagarh.in



TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

CORPORATE INFORMATION*

BOARD OF DIRECTORS

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

Audit Committee

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

Stakeholders' Relationship Committee

Shri Manoj Mohanka	Chairman
Shri Umesh Chowdhary	Member
Ms. Nayantara Palchoudhuri	Member
Shri Krishan Kumar Jalan	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
Shri Prithish Chowdhary	Member

Auditors

Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants, Kolkata

Bankers

State Bank of India
ICICI Bank Limited
Yes Bank Limited
Axis Bank Limited
IndusInd Bank Limited
Canara Bank
IDBI Bank Limited
Union Bank of India
*As on 10th August, 2021

Nomination & Remuneration Committee

Shri Manoj Mohanka	Chairman
Shri J P Chowdhary	Member
Shri Sunirmal Talukdar	Member
Shri Sushil Kumar Roongta	Member

Corporate Social Responsibility Committee

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

Risk Management Committee

Shri Atul Joshi	Chairman
Shri Sushil Kumar Roongta	Member
Shri Sunirmal Talukdar	Member
Shri Prithish Chowdhary	Member

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

CONTENTS

Notice	2	Independent Auditors Report	76
Directors' Report	19	Balance Sheet	85
Management Discussion and Analysis	20	Statement of Profit & Loss	86
Annexures to Directors Report	31	Cash Flow Statement	87
Corporate Governance Report	45	Notes to Financial Statement	90
Business Responsibility Report	70	Consolidated Financial Statement	154

* As on 10th August, 2021



TITAGARH WAGONS LIMITED

CIN : L27320WB1997PLC084819
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-FOURTH 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 Monday, the 27th September, 2021 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, 2021, the consolidated financial statement for the said financial year and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sudipta Mukherjee (DIN: 06871871), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:

3. To re-appoint Shri J.P. Chowdhary (DIN: 00313685) as Executive Chairman 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 21 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee (NRC) at its meeting held on 9th August, 2021, review by the Audit Committee and as decided by the Board at their respective meetings held on 10th August, 2021, the consent of the members of the Company be and is hereby accorded to the re-appointment of Shri Jagdish Prasad Chowdhary (DIN: 00313685) as Chairman and Managing Director (designated as 'Executive Chairman') of the Company for a term of 5 (five) years w.e.f. 8th January, 2022 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 J.P. Chowdhary, Executive Chairman including the monetary value thereof, to the extent recommended by the NRC from time to time as may be considered appropriate, subject to the overall limits specified 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 approve the remuneration of Shri Sudipta Mukherjee, Director (Freight Operations) for the remaining period of his existing term and in this regard to consider and if thought fit to pass, with or without modification(s) the following resolution as Ordinary Resolution:

"RESOVLED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and pursuant to Article 21 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee (NRC) at its meeting held on 9th August, 2021, review by the Audit Committee and as decided by the Board at their respective meetings held on 10th August, 2021, the consent of the members of the Company be and is hereby accorded to the continuance of payment of existing remuneration as set out in the explanatory statement annexed to this Notice to Shri Sudipta Mukherjee (DIN: 06871871), whole-time director of the Company, designated as Director (Freight Operations), in the event of inadequacy of profit or loss during the remaining period of his existing term ending on 14th May, 2024.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix, alter or vary the remuneration of Shri Sudipta Mukherjee, Director (Freight Operations) 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 under Schedule V to the Act and do all acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution.”

5. **To approve the remuneration of Shri Anil Kumar Agarwal, Director (Finance) & CFO for the remaining period of his existing term and in this regard to consider and if thought fit to pass, with or without modification(s) the following resolution as Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and pursuant to Article 21 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee (NRC) at its meeting held on 9th August, 2021, review by the Audit Committee and as decided by the Board at their respective meetings held on 10th August, 2021, the consent of the members of the Company be and is hereby accorded to the continuance of payment of existing remuneration as set out in the explanatory statement annexed to this Notice to Shri Anil Kumar Agarwal (DIN: 01501767), Director (Finance) of the Company (whole-time director), designated as Director (Finance) and Chief Financial Officer, in the event of inadequacy of profit or loss during the remaining period of his existing term ending on 28th May, 2024.

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

6. **To appoint Shri Sushil Kumar Roongta 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 Sushil Kumar Roongta (DIN: 00309302), who was appointed as an Additional Director (Category: Independent) by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 1st January, 2021 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 December, 2025.”

7. **To appoint Shri Prithish Chowdhary as a Non-Executive 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 152 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 Prithish Chowdhary (DIN: 08509158), who was appointed as an Additional Director (Category: Non-Executive) by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 1st January, 2021 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 Non-Executive Director of the Company and whose office shall be liable to determination by retirement of Directors by rotation.”

8. **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 2021-22 be and is hereby ratified.”

9. **To approve change in the Company’s shareholding in subsidiaries including Titagarh Bridges and International Private Limited, Titagarh Firema S.p.A, Italy and Titagarh Singapore Pte. Ltd., Singapore, and in this regard to consider and pass with or without modifications the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Regulations 23 and 24 of Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of the Company and subject to such other requisite approvals, consents, permissions and sanctions including Foreign Exchange Management Act, 1999 (FEMA)/Reserve Bank of India (RBI) as may be required, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board', which term shall be deemed to include, unless the context otherwise requires, any Committee of the Board or any Director/s or officer/s authorised by the Board to exercise the powers conferred on the Board under this resolution) to divest by way of sale, transfer, lease, assign, dispose-of or otherwise, to any entity including investor / special purpose vehicle company (SPV) or to any third party either the entire investment or any substantial part thereof, and thereby or otherwise which shall include increase in the paid up capital of such subsidiary(ies) resulting in reduction of shareholding (either on its own or together with other subsidiaries/entities) to less than or equal to fifty percent or ceasing to exercise control over Titagarh Bridges and International Private Limited (Formerly: Matiere Titagarh Bridges Private Limited), India, Titagarh Firema S.p.A, Italy and Titagarh Singapore Pte. Ltd, Singapore, the Company's wholly-owned subsidiaries, or any other subsidiary(ies) existing at present or may become so in future, in one or more tranches, at such price and on such terms and conditions as well as the means, methods or modes including the receipt of consideration thereof as may be decided by the Board and in such manner as the Board deems expedient and/or appropriate.

RESOLVED FURTHER THAT *the Board which term shall include a Committee thereof, be and is hereby authorised to do or cause to be done all such acts, deeds and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, from time to time for giving effect to the above resolution, including finalizing, varying and settling the terms and conditions of the proposed divestment or change in shareholding by way of investment or otherwise; to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company; to negotiate and finalize any Agreement, and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants as may be required) and to execute, deliver and perform such agreements, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities and lenders; to suitably inform and apply to all the concerned authorities, to settle any questions, difficulty or doubt that may arise in this regard, and to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution."*

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
10th August, 2021

By Order of the Board
Sumit Jaiswal
Company Secretary

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has by its Circular No. 02/2021 dated January 13, 2021, in continuation of MCA Circulars No. 14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020 and No. 20/2020 dated May 05, 2020 (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12th May 2020 and 15th January 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI 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 Companies Act, 2013 ('the Act'), relating to special business to be transacted at the AGM, is annexed hereto.
3. In terms of the MCA Circulars and SEBI Circulars, 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 convening the 24th AGM of the Company
4. The Register of Members and Share Transfer Register shall remain closed with effect from 21st September, 2021 to 27th September, 2021 (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/other-information> for the list of shareholders whose unclaimed dividend for the financial year ended March 31, 2014 is due for transfer to IEPF on 9th October, 2021.

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 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. In compliance with the MCA Circulars and SEBI Circulars, only the Electronic copy of the Notice of the 24th 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.
10. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2020-21 will also be available on the Company's website www.titagarh.in for download and will also be available on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited ('NSDL') (agency for providing the Remote e-voting facility) at www.evoting.nsdl.com.
11. The Board of Directors has, at its meeting held on 8th June, 2021, appointed Sushil Goyal & Co; Company Secretaries, having Certificate of Practice No. 8289, as the scrutinizer to scrutinize the voting process in a fair and transparent manner.
12. 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 Thursday, 23rd September, 2021 at 9:00 A.M. and ends on Sunday, 26th September, 2021 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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="text-align: center;">  App Store  Google Play </div> <div style="text-align: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use 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 etc.
 - 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 csgkgoval@gmail.com with a copy marked to evoting@nsdl.co.in.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Monday, 20th September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. 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" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30** . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Monday, 20th September, 2021 may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system"(Above).

3. 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.
4. 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 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@titagarh.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@titagarh.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

13. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

14. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 1:00 p.m. (IST) on Thursday, 23rd day of September, 2021.

6. 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 1:00 p.m. (IST) on Thursday, 23rd day of September, 2021. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. 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.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.
15. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
16. 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.
17. The registered office of the Company shall be deemed to be the venue where the recordings of proceedings of the meeting held on 27th September, 2021 is being made. The attendance of the Shareholders attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same. The result of e-voting will be declared within the prescribed timeline as specified under the Act and SEBI LODR and the same, along with the consolidated Scrutiniser's Report will be placed on the Company's website at www.titagarh.in and on the website of NSDL at <https://www.evoting.nsdl.com>. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

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

Item No. 3:

Shri J.P. Chowdhary, Executive Chairman whose term of five years is till 7th January, 2022, as approved by the members at the Annual General Meeting held on 31st July, 2017, has been reappointed by the Board for 5 years w.e.f. 8th January, 2022.

The Board at its meeting held on 10th August, 2021, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) made at its meeting held on 9th August, 2021 and the Audit Committee at its meeting held on 10th August, 2021, has accorded its approval to the reappointment of Shri J.P. Chowdhary, as Chairman and Managing Director (CMD) (designated as 'Executive Chairman') for a term of 5 years, i.e. till 7th January, 2027. He is also the Chairman of the Board. The Board had earlier passed a resolution that Shri J.P. Chowdhary shall continue to be the Chairman of the Board of Directors during the entire tenure of his Directorship with the Company.

There will be no change in the existing remuneration i.e. remuneration of 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 J.P. Chowdhary as CMD is set out hereunder:

Basic Salary	Rs. 12,00,000/- per month
Performance Bonus	Aggregate of Salary, Perquisites and Performance Bonus shall not exceed 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.

Shri J.P. Chowdhary, aged 80 years, has vast experience of about 58 years in railway sector/heavy engineering industry and besides being the founder/promoter of Titagarh Group has as an astute leader been the driving force behind the Company and Group's growth. In order to avail of the excellent and proven leadership of Shri J.P. Chowdhary, it would be in the interest of the Company if he continues as Executive Chairman of the Company.

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

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

A copy of the draft service agreement for the aforesaid reappointment of Shri J.P. Chowdhary would be 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 Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Shri J.P. Chowdhary for the office of Director. The Company has received from Shri J.P. Chowdhary: (i) consent in writing to act as Director in Form DIR-2; (ii) intimation in Form DIR-8 to the effect that he is not disqualified under the Act; and (iii) notice of interest in Form MBP-1. He has also confirmed that he is not debarred from holding the office of director by virtue of any order by SEBI or any other authority.

The Directors recommend passing of the aforesaid Special Resolution.

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

Items No. 4 & 5:

Appointment and remuneration of Shri Sudipta Mukherjee, Director (Freight Operations) and Shri Anil Kumar Agarwal, Director (Finance) & CFO, were approved by the members at the 22nd Annual General Meeting held on 20th September, 2019. The shareholders had then approved the payment of minimum remuneration as per the limits specified in Schedule V to the Companies Act, 2013 in the event of inadequacy of profits or loss, to each of them at any time during their respective tenure. Schedule V to the Companies Act, 2013 provides that the resolution passed at the general meeting of the company for payment of managerial remuneration as per the said Schedule, shall be valid for a period not exceeding 3 years

The Board at its meeting held on 10th August, 2021, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) made at its meeting held on 9th August, 2021 and the Audit Committee at its meetings held on 10th August, 2021, had accorded its approval to the continuance of payment of remuneration as mentioned herein below in the event of inadequacy of profits or loss respectively, to Shri Sudipta Mukherjee, Director (Freight Operations), during the remaining period of his existing term ending on 14th May, 2024 and to Shri Anil Kumar Agarwal, Director (Finance) & CFO of the Company, during the remaining period of his existing term ending on 28th May, 2024.

Shri Sudipta Mukherjee at present draws remuneration as contained in the service agreement dated 15th May, 2019, read with the supplemental agreement thereof dated 8th June, 2021, i.e. Salary- Basic: Rs. 1,35,988, HRA- Rs. 67,994, Conveyance- Rs. 27,198, Special Allowance- Rs. 1,15,796, Medical Allowance- Rs. 12,919, Vehicle Allowance Rs. 35,889 and PF Contribution- Rs. 16,319 per month, CTC per month- Rs. 4,12,103 and CTC per annum is Rs. 49,45,236, plus value of perquisites as per the Company's Rules, including exercise of ESOP options, if exercised in accordance with the TWL ESOP Scheme.

Shri Anil Kumar Agarwal at present draws remuneration as contained in the service agreement dated 15th May, 2019, read with the supplemental agreement thereof dated 8th June, 2021, i.e. Salary- Basic- Rs. 1,75,019, HRA- Rs. 87,510, Conveyance- Rs. 35,003, Special Allowance- Rs. 1,52,505, Medical Allowance- Rs. 16,626, Vehicle Allowance- Rs. 46,190 and PF Contribution- Rs. 21,002 per month, CTC per month- Rs. 5,33,855 and CTC per annum is Rs. 64,06,260, plus value of perquisites as per the Company's Rules, including exercise of ESOP options, if exercised in accordance with the TWL ESOP Scheme.

In the event of inadequacy or loss during the tenure of the aforementioned managerial personnel, they will be paid their existing remuneration or such other higher amount as may be stipulated by the prevailing provisions of the Act. The other terms and conditions in detail are contained in their respective Service Agreements which would be available for inspection at the registered office of the Company till the date of the 24th AGM and a copy thereof shall be provided to a member upon request.

Shri Sudipta Mukherjee, aged 46 years, is a Fulbright fellow from Carnegie Mellon University, USA. He has been on the Board of Directors of the Company since May 15, 2014. He has been with the Company since 1998 and starting as a Management Trainee, has risen to the position of Director (Freight Operations) and is in control of the ultimate day to day operations at all three plants of the Company at West Bengal.

Shri Anil Kumar Agarwal at 46 years has rich experience of over twenty two years in finance, accounts, and other corporate functions and been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee.

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

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

The Directors recommend passing of the aforesaid Ordinary Resolutions.

None of the Directors or key managerial personnel or their relatives, except Shri Sudipta Mukherjee and Shri Anil Kumar Agarwal and their relatives are concerned or interested respectively in the said Resolutions.

Item No. 6:

Shri Sushil Kumar Roongta was appointed as Additional Director (Category: Independent) of the Company by the Board, pursuant to selection and review of his candidature by the Nomination and Remuneration Committee, with effect from 1st January, 2021 in terms of the provisions of Sections 149, 152 and 161 of the Act, and hold office upto the date of this AGM.

Shri Sushil Kumar Roongta is an Electrical Engineer from BITS, Pilani and PG Diploma in Business Management (International Trade) from IIFT, Delhi. He has an illustrious background with about 50 years of experience in Industry. He was the Executive Chairman of SAIL (Steel Authority of India Limited) during 2006-2010. He has also served as the Chairman, Board of Governors, Indian Institute of Technology (IIT), Bhubaneswar and as Chairman of Panel of Experts on Reforms in the Central PSEs constituted by the then Planning Commission. 'Roongta Committee Report' is generally taken as a benchmark for CPSE reforms. Presently, he is Non-Executive Chairman of BALCO and also serves as Director on the boards of several reputed companies.

The Directors are of the opinion that Shri Sushil Kumar Roongta 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 Resolution as set out under Item No. 6. The Company has received declaration to this effect that Shri S.K. Roongta met the criteria of Independent Director as provided under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Shri S.K. Roongta for the office of Director. The Company has also received from Shri S.K. Roongta: (i) intimation in Form DIR-8 to the effect that he is not disqualified under the Act; and (ii) declaration that he has enrolled online with the Indian Institute of Corporate Affairs for inclusion of his name in the data bank maintained for Independent Directors. Shri S.K. Roongta is independent of the Management of the Company and is not related to any other Director/managerial personnel of the Company. The Board is of the opinion that the continued association of Shri S.K. Roongta as Director would be of immense benefit to the Company.

Shri S.K. Roongta (Independent Director) will only be entitled to sitting fees for attending Board/Committee meetings and/or commission as may be decided by the Board from time to time in accordance with the applicable provisions of the Companies Act, 2013.

A copy of the letter of appointment of Shri S.K. Roongta 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 S.K. Roongta is concerned or interested in the said Resolution.

Items No. 7:

Shri Prithish Chowdhary was appointed as Additional Director (Category: Non-Executive) of the Company by the Board, pursuant to selection and review of his candidature by the Nomination and Remuneration Committee, with effect from 1st January, 2021 in terms of the provisions of Section 161 of the Act, and holds office upto the date of this AGM.

Shri Prithish Chowdhary, aged 20 years, is a qualified International Baccalaureate from Le Rosey Institut, Geneva. He was earlier the Vice President of the Company from 1st July, 2019 to 23rd December, 2020. He has in the past few years already gained insight into the business areas in which the Company operates. He is the son of Shri Umesh Chowdhary and Smt. Rashmi Chowdhary, Directors of the Company.

The Board observes that the association of Shri Prithish Chowdhary as Director who brings fresh dynamism with him to the Board would be of benefit to the Company. Shri Prithish Chowdhary as Non-Executive Director will not be entitled for any remuneration, except sitting fees for attending Board/ Committee meetings and/or commission as may be decided by the Board from time to time in accordance with the applicable provisions of the Companies Act, 2013.

The Company has received a notice in writing under the provisions of Section 160 of the Act from a member proposing the candidature of Shri Prithish Chowdhary for the office of Director. The Company has received from Shri Prithish Chowdhary: (i) consent in writing to act as Director in Form DIR-2; (ii) intimation in Form DIR-8 to the effect that he is not disqualified under the Act; and (iii) notice of interest in Form MBP-1. He has also confirmed that he is not debarred from holding the office of director by virtue of any order by SEBI or any other authority.

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.

The Directors recommend passing of the aforesaid Ordinary Resolution.

None of the Directors or key managerial personnel or their relatives, except Shri Prithish Chowdhary to the extent of his appointment and Shri J.P. Chowdhary, Shri Umesh Chowdhary, Smt. Rashmi Chowdhary (being relatives of Shri Prithish Chowdhary) is concerned or interested in the said Resolution.

Item No 8:

The Company with the recommendation of Audit Committee and approval of the Board at its meeting held on 8th June, 2021, has appointed M.R. Vyas and Associates, Cost Accountants as Cost Auditor of the Company for the financial year 2021-22 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. 9:

The proposed resolution as set out in Item No. 9 is an enabling resolution which seeks to authorise the Board to consider and take action necessary in the event of change in investments held by the Company in its wholly-owned Indian subsidiary, namely Titagarh Bridges and International Private Limited (Formerly: Matiere Titagarh Bridges Private Limited) ('TBIPL') and the two wholly-owned foreign subsidiaries, namely Titagarh Firema S.p.A., Italy ('TFA'), Titagarh Singapore Pte Ltd, Singapore ('TSPL') such that eventually the said change as explained below may result in reduction of control or majority shareholding over/in the said subsidiaries.

The Company as a Holding Company has hitherto, as and when required from time to time has extended support to its subsidiaries. TFA's business plan prepared by a reputed independent professional firm in Italy has emphasized the requirement of funds for capital expenditure and long term working capital margin in order to execute and service the order book. TFA expected support from the Company, however Titagarh Wagons Limited had already been restricted by its Consortium of Banks from making further investment including extending any corporate guarantee into associates and subsidiaries and such restriction was also required for ensuring that the credit rating of the Company will not be further affected. Considering the above and all relevant aspects, the Board decided to review its strategy and after weighing the options available decided in November, 2020 to change its investment in the subsidiaries. Pursuant thereto, the Company's entire investment in the share capital of TFA and TSPL was transferred at a consideration based on independent valuation report to TBIPL - a wholly owned subsidiary of the Company at present engaged in the business of manufacture of metallic bridges.

Notwithstanding the above change in the equity shareholding of TFA, it has been the endeavor of Titagarh Group to actively explore all the possible fund-raising opportunities/avenues for TBIPL and TFA including inter alia possible equity infusion by the Italian Government through its National investment agency ("Invitalia") under various schemes of the Government of Italy, equity / hybrid instruments long term funds through various strategic / financial investors in India / Italy etc. The above stated equity infusion/fund raising either for TBIPL or TFA from an entity other than the existing promoter(s) might lead to reduction/loss of control or majority shareholding of the Company over TBIPL and consequently over TFA and TSPL. However, notwithstanding the aforesaid change(s) the Company's arrangement with TFA would enable the Company to continue to avail the benefit of technological capability of TFA and other strategic advantage(s).

At present, the Company directly holds 100% of the paid-up share capital of TBIPL. TBIPL holds 100% of the paid-up share capital of TSPL. TBIPL holds 90.52% of the paid-up share capital of TFA (the balance 9.48% is held by TSPL). TFA is the material subsidiary of the Company as per Regulation 24 of SEBI (LODR) Regulations, 2015.

The Regulation 24(5) of SEBI (LODR) Regulations, 2015 provides that no company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code.

The provisions of Regulations 23 and 24 of SEBI (LODR) Regulations, 2015 referred to in the Resolution stipulate approval of shareholders would become applicable in future, however to be suitably equipped and ensure prompt compliance, the Resolution is placed for your approval to enable the Board to decide and implement the proposal in the overall interest of the Company and its stakeholders.

Accordingly, the Board recommends the Special Resolution at Item No. 9 for your approval.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution except to the extent of their shareholding, if any in the Company.

Registered Office:
756, Anandapur
E.M. Bypass, Kolkata -700107
10th August, 2021

By Order of the Board

Sumit Jaiswal
Company Secretary

Details pursuant to Schedule V to the Companies Act, 2013 (refer Item Nos. 3 to 5)

I. GENERAL INFORMATION				
Name	Titagarh Wagons Limited			
Nature of industry	Rail Rolling Stock, Defence, Shipbuilding, Heavy Engineering and Infrastructure			
Date or expected date of commencement of commercial production	Existing Company, already commenced from 11/07/1997			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company - Not Applicable			
Financial performance based on given indicators	Rs. in Lakhs			
		2020-21	2019-20	2018-19
	Sales	102578.50	1,48,421.49	1,06,041.04
	Net Profit/(Loss)	5027.56	(7,992.49)	(5,530.20)
Foreign investments or collaborations, if any	None as at 31 st March, 2021.			
II. INFORMATION ABOUT THE MANAGERIAL PERSONNEL				
Name	Shri J P Chowdhary	Shri Sudipta Mukherjee	Shri Anil Kumar Agarwal	
Background details	Shri J P Chowdhary aged about 80 years is an industrialist with 58 years' experience in railways sector/heavy engineering industry.	Shri Sudipta Mukherjee, aged 46 years, is a Fulbright fellow from Carnegie Mellon University, USA	Shri Anil Kumar Agarwal, aged 46 years, is a qualified B. Com. (Hons.), FCA and ACMA.	
Past remuneration	5% of the net profits per annum including fixed components of Salaries & allowance aggregating Rs. 20 Lakhs per month and the balance by way of commission at the end of financial year	Remuneration of about Rs. 49.91 lakhs paid during financial year ended 31 st March, 2021	Paid remuneration of about Rs. 61.59 lakhs during financial year ended 31 st March, 2021	
Recognition or awards	Shri J P Chowdhary has been awarded by various Institutions like Confederation of Indian Industry (CII), Calcutta Management Association and All India Management Association. He also served as Sheriff of Kolkata in 1995.	Shri Sudipta Mukherjee had started as a Management Trainee and has risen to the position of Whole-time Director.	Has been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee	
Job profile and his suitability	Shri J P Chowdhary is known as a turnaround expert having rehabilitated sick companies with his astute leadership and has vast experience as an Industrialist. He has been the Executive Chairman of the Company since 08.01.2007. Shri J P Chowdhary has been providing exemplary leadership. He is also the Chairman of the Board.	He has been with the Company since 1998 and is on the Board of the Company since May 15, 2014 and is in control of the day to day operations at all three plants of the Company in West Bengal.	He has been with the Company for more than 22 years and has been the CFO of the Company since December 08, 2006. He is in-charge of the finance and accounts functions	
Remuneration proposed	The existing remuneration for CMD aggregating 5% of net profits to continue. Minimum Remuneration: Where in any financial year during the respective term of Shri J P Chowdhary, the Company has no profits or its profits are inadequate, the Company will pay minimum	Rs. 49.45 lakhs p.a. plus value of perquisites as per the Company's Rules including exercise of ESOP	Rs. 64.06 lakhs p.a. plus value of perquisites as per the Company's Rules including exercise of ESOP	

	remuneration equivalent to such amount as will be permitted by the prevailing Schedule V to Companies Act, 2013 provided the same is not less than the existing minimum remuneration of Rs. 240 lakhs per annum.		
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business and other relevant aspects.		
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Shri J P Chowdhary, Executive Chairman and Shri Umesh Chowdhary, Vice Chairman & Managing Directors are related to each other and also related to Smt. Rashmi Chowdhary and Shri Prithish Chowdhary, Non-Executive Directors of the Company. Shri Sudipta Mukherjee and Shri Anil Kumar Agarwal are not related to any other Director/managerial personnel of the Company		
	III. OTHER INFORMATION		
Reasons of loss or inadequate profits	Not Applicable		
Steps taken or proposed to be taken for improvement	The Company has recorded profits during the year 2020-21, however steps are continued to be taken for improvement. During the year ending 31/03/2022 the Company is planning to bid for upcoming metro projects in Tier II cities based on its award of Pune Metro order. The production of the first train in Hindmotor, West Bengal, which is the upgraded plant that has been set up, has already started in the middle of April, 2021 and the Company is expecting the first train from India to be rolled out within this financial year. 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 Rolling Stock", "Passenger Rolling Stock", "Shipbuilding" and "Others". 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 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 2020-21: (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 Sudipta Mukherjee	Shri Anil Kumar Agarwal	Shri Sushil Kumar Roongta	Shri Prithish Chowdhary
Date of Birth		23/09/1940	01/01/1975	05/07/1975	09/05/1950	31/05/2001
Date of Appointment as director		24/09/1999	15/05/2014	29/05/2019	01/01/2021	01/01/2021
Qualifications		B. Com.	Post Graduate in Industrial Law, Fulbright Scholar from Carnegie Mellon	B. Com. (Hons.), FCA and ACMA	Electrical Engineer from BITS, Pilani and PG Diploma in Business Management from IIFT, Delhi	Qualified International Baccalaureate from Le Rosey Institut, Geneva
Expertise in Specific Functional Areas		Management leadership with 58 years' experience in railways sector/heavy engineering industry.	Freight Rolling Stock Operations with about 22 years' experience.	Rich experience of over 22 years in finance, accounts and other corporate functions	He has an illustrious background with about 50 years of experience in Industry. He was the Executive Chairman of SAIL (Steel Authority of India Limited) during 2006-2010.	He has already gained insight into the business areas in which the Company operates
Remuneration last drawn (Rs.) [During FY 2020-21]		Rs. 257.28 lakhs	Rs. 49.91 lakhs	Rs. 61.59 lakhs	Rs. 1.60 lakhs (sitting fees only) and Rs. 1 lakh (Commission).	From 01/01/2020 to 23/12/2020 (as V.P.): Rs. 15.80 lakhs From 01/01/2021 (as Director): Rs. 0.80 lakhs (sitting fees only)
Number of Meetings of the Board attended	During 2020-21	6 out of 6	5 out of 6	6 out of 6	2 out of 2	2 out of 2
	During 2021-22 (till date)	3 out of 3	3 out of 3	3 out of 3	3 out of 3	3 out of 3
Directorship held in other companies (excluding foreign companies)		1. Titagarh Capital Management Services Private Limited 2. Titagarh Bridges and International Private Limited	Nil	Nil	1. J K Paper Limited 2. Jubilant Pharmova Limited 3. ACC Limited 4. Bharat Aluminium Co. Ltd. 5. Great Eastern Energy Corporation Limited 6. Hero Steels Limited 7. Jubilant Ingrevia Limited 8. PHD Chamber of Commerce and Industry	1. Titagarh Capital Management Services Private Limited 2. Titagarh Logistics Infrastructures Private Limited

Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Nil	1. Chairman of Audit Committee of Jubilant Ingrevia Limited and Hero Steels Limited 2. Member of Audit Committee of ACC Limited and Great Eastern Energy Corporation Limited 3. Member of Stakeholders Relationship Committee of Jubilant Ingrevia Limited	Nil
No. of shares held in the Company (as on 09/08/2021)	70700 equity shares	12,500 equity shares	70,000 equity shares	Nil	Nil

BOARD'S REPORT

Dear Shareholders,

The Directors hereby present their Twenty-fourth 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, 2021. 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, 2021 was as follows:

Rs. in lakhs

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	102578.50	148421.49	152063.95	176632.43
Other income	1137.03	1713.60	2485.92	3402.20
Total Income (TI)	103715.53	150135.09	154549.87	180034.63
Earnings before interest, tax, depreciation and amortisation (EBIDTA)	13065.44	14602.41	10549.64	15495.94
Less: Finance Cost	5478.57	6502.92	8119.93	8827.29
Less: Depreciation and amortization expenses	1572.95	1813.89	2986.76	2912.68
Profit/(Loss) before exceptional items & tax	6013.92	6285.60	(557.05)	3755.97
Share of Profit/(Loss) of Joint Ventures	-	-	(0.65)	(10.18)
Exceptional items	(434.75)	16135.44	-	-
Profit/(Loss) before tax	6448.67	(9849.84)	(557.70)	3745.79
Tax Expenses/(Benefits)	1421.11	(1857.35)	1320.95	(2050.55)
Profit/(Loss) for the year after tax from continuing operations	5027.56	(7992.49)	(1878.65)	5,796.34
Loss from discontinued operations (net of tax)	-	-	-	(9,410.55)
Profit/(Loss) for the year after tax	5027.56	(7992.49)	(1878.65)	(3,614.21)
Other Comprehensive Income/(Loss) (net of tax)	465.55	(11.75)	814.47	528.28
Total Comprehensive Income for the year	5493.11	(8,004.24)	(1064.18)	(3085.93)

2. Performance and Outlook

The Company's operating margin and profitability on a standalone basis improved remarkably during the Financial Year 2020-21 (FY 2020-21) as compared to the previous financial year. The EBIDTA margin increased to 12.6% in FY 2020-21 as compared to 9.7% in FY 2019-20. Profit after tax of Rs. 5027.56 lakhs in FY 2020-21 as against loss of Rs. 7992.49 lakhs in FY 2019-20, shows a turnaround from the previous financial year when due to certain exceptional items, loss was recorded on standalone basis. It may be noted that despite the total income for FY 2020-21 having been impacted primarily due to the Covid-19 pandemic induced lockdown especially during first half of the year under review the Company has delivered strong topline growth from the second quarter onwards.

On a consolidated basis, the Group's total income during the FY 2020-21 decreased from Rs. 180,034.63 lakhs in FY 2019-20 to Rs. 154549.87 lakhs in FY 2020-21 i.e. a decline of 14.15%, EBIDTA margin was 6.8% in FY 2020-21 as compared to 8.6% in 2019-20. The Company has suffered overall consolidated loss (after Tax) of Rs. 1878.65 lakhs during the financial year ended March 31, 2021.

The financial performance as reported above was achieved despite the outbreak of COVID-19 pandemic and the lockdown announced by the Governments as a measure to combat the pandemic in the countries where the Group operates, however the extent of impact would also be experienced in the financial statement 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.

The standalone operations of the Company started picking up from Q2 FY 2021 onwards yielding better margins, however the performance of Titagarh Firema SpA, the wholly-owned subsidiary in Italy, remained impacted in the first nine months and started improving in the last quarter of the year under review. The execution of order(s) with lower margin at the subsidiary in Italy impacted the overall margins, however, higher margin order book delivery in the coming year is expected to drive profitability at consolidated level. The Directors are pleased to inform you that the Company became net debt free on standalone basis during the year and the Net Debt of Rs. 678 crore as at in the end of FY 21 appearing in the financial statements is on a consolidated basis.

The consolidation of subsidiaries towards the objective of simplification of the business structure was initiated in the previous financial year. The Hon'ble National Company Law Tribunal, Kolkata Bench, by an order dated 30th September, 2020 had sanctioned the Scheme of Amalgamation ('Scheme') of Cimmco Limited, the Company's subsidiary, and Titagarh Capital Private Limited, the Company's wholly-owned subsidiary, with the Company with effect from April 1, 2019, being the appointed date as per the Scheme.

During November 2020, the Company transferred the investments held by it in subsidiaries, namely Titagarh Firema S.p.A., Italy ('TFA') and Titagarh Singapore Pte Ltd, Singapore ('TSPL'), to Titagarh Bridges and International Private Limited (Formerly: Matiere Titagarh Bridges Private Limited) ('TBIPL') - a wholly owned subsidiary of the Company at present engaged in the business of manufacture of metallic bridges. The consolidated financial statement of the Company for year ended 31st March, 2021 includes the results of TFA and TSPL, the step-down wholly-owned subsidiaries, and TBIPL, the wholly-owned subsidiary.

Your Company had a design center inaugurated by the Secretary, Ministry of Housing and Urban Affairs in January 2021 in Hyderabad to work very closely with the design center in Italy to indigenize the designs for the railway rolling stock and the metro rolling stock in India which would be a big step towards realizing the full potential of 'Make in India' capability. Your Company's order book is healthy and execution of contract for metro trains for Pune Metro is well on track inspite of the difficulties faced due to the COVID-19 pandemic. It is our pleasure to report that the first Aluminium Metro train for Pune Metro was flagged off at TFA, Italy, on 30th July, 2021. 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 encouraging.

Management Discussion and Analysis

(a) Overall Review

The overall performance of the Company during the financial year 2020-21 is considered to be reasonably satisfactory.

(b) Segment Review

The completion of merger of Cimmco Limited ('Cimmco') and Titagarh Capital Private Limited with the Company has resulted in substantial benefits viz. consolidation of the different products in line with the plant capacities and bringing in efficiency resulting in creating the plant as a centre of excellence for that particular product, realigning the Company in distinct business segments i.e. Freight Rolling Stock, Passenger Rolling Stock and Others.

During the year, the Directors have identified the following reportable segments:-

- a) Freight Rolling Stock - Consists of manufacturing of Wagons, Loco Shells, Bogies, Couplers and its components.
- b) Passenger Rolling Stock - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.
- c) Others - Consisting of Shipbuilding which includes Designing and Construction of Warships, Passenger Vessels, Tug and other specialised self - propelled vessels and its components; and miscellaneous items like specialised equipment's for Defence, Bridge Girders, Tractors etc which comprises of less than 10% revenue on individual basis.

The segment wise performance is given herein below:

Rs. Lakhs

	Standalone			Consolidated		
Particulars	2020-21	2019-20	Change %	2020-21	2019-20	Change %
Segment Revenue (Gross)						
Freight Rolling Stock	96374.15	143037.10	(32.62)%	96374.16	143037.10	(32.62)%
Passenger Rolling Stock	4752.34	751.99	531.97%	54107.07	28962.93	86.81%
Others	1452.01	4632.40	(68.66)%	1582.72	4632.40	(65.83)%
Total	102578.50	148421.49	(30.89)%	152063.95	176632.43	(13.91)%
Segment Results						
Freight Rolling Stock	12377.74	13464.54	(8.07)%	12377.74	13968.48	(11.39)%
Passenger Rolling Stock	(496.89)	-	(100.00)%	(4282.63)	64.50	(6739.47)%
Others	(345.70)	664.03	(152.06)%	(407.16)	664.03	(161.32)%
Total	11535.15	14128.57	(18.36)%	7687.95	14697.01	(47.69)%
Total Profit/(Loss) before tax from continuing operations	6448.67	(9849.84)	165.47%	(557.70)	3745.79	(114.89)%
Profit/(Loss) after Tax from discontinued operations	-	-	-	-	(9410.55)	100%
Total Profit/ (Loss) after tax	5027.56	(7992.49)	162.90%	(1878.65)	(3614.21)	48.02%

During the year under review, the freight rolling stock business of the Company was impacted due to the COVID-19 pandemic, however the performance has been quite stable. The Company received a major order from Indian Railways in September 2020 for 1800 wagons worth Rs. 500 crore. Post the merger of Cimmco with the Company, the capabilities for the manufacture of wagons at the Company's plant in Titagarh, West Bengal, have been enhanced and steps are being taken to make it the center of excellence for the wagons production.

Under the Passenger Rolling Stock segment of the Company, the execution of Pune Metro is a very important milestone for the Company. The Company along with its subsidiary: TFA, had signed the first contract for design, manufacture and supply of 34 trains of 3 coaches each for Pune Metro (Maharashtra Metro Rail Corporation Limited). Under this contract, the first 3 trains are to be built in TFA's plant in Caserta, Italy and the balance 31 trains will be manufactured in the Company's plant in India. The first train manufactured for Pune Metro was flagged off from Italy on 30th July, 2021. The Company has already upgraded its plant at Uttarpara, West Bengal, by the middle of April, 2021, from where the first train from India is expected to be rolled out within this financial year. The Company is planning to bid for upcoming metro projects in Tier II cities based on its award of Pune Metro order.

"Make in India" initiative coupled with launch of Dedicated Freight Corridor (DFC), metro projects across all major Indian cities are expected to boost wagon and electrical train manufacturing industry in the country. The Company believes that going forward in the coming year and the year after, the DFC wagons should definitely contribute to revenues.

The collaboration of the Company with ABB India Limited (ABB) is for the growing business of propulsion equipment (traction converters) for the Indian railway EMU/MEMU market and trade propulsion. 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, West Bengal, with certain components being supplied by ABB. So, apart from having a good market potential for the propulsion business, the same is also very strategic for train production business.

The Company has also participated in several shipbuilding tenders wherein it is very well placed. While the previous orders were executed, the new orders are expected to come to the Company's way and the same shall be reported in near future as soon as they materialize.

The Company has also been awarded a contract worth about Rs. 30 crore in the Defence sector, for which the production is being carried out at Bharatpur, Rajasthan. The Company is also participating in larger tenders for similar or equivalent type of defense equipments.

(c) Overseas Operating Subsidiary: Titagarh Firema SpA, Italy (TFA)

The Financial year 2020-21 was certainly one of the most complex since TFA's incorporation. The pandemic that began last February has severely affected its performance, resulting in periods of total suspension of production activities and other slowdowns with the use of double shifts at production sites. Such a situation has significantly affected TFA's production levels and overall efficiency. At the same time, TFA had equipped itself with a set of indirect structures that enabled the company to regain full control of the various phases that make up the cycle of its activity. On the market side, the pandemic has led to slowdowns in tendering and contracting processes, or even in the awarding of additional contracts as envisaged in the context of framework contracts already awarded.

During the past financial year, 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 greater development and growth.

Economic performance was affected by the effects of Covid-19. Due to the measures adopted by the Government, TFA had been forced to close its production facilities, with a corresponding reduction in direct production hours from 16 March to 20 April 2020. This situation led to a postponement of activities and caused delay in the delivery of some products, which remained on the production lines. TFA has initiated all the necessary procedures required by the extraordinary provisions adopted by the Government. The situation triggered by Covid-19 did not lead to any cancellation or reduction of orders, so TFA only experienced a shift in business.

TFA has drawn up a detailed strategic plan that takes into account the effects of the pandemic on the market, while confirming the growth trend expected over the next five years. The growth factor, although impacted by the situation described above, already showed its effects in 2021 with a significant increase in turnover. The year ended had to contend with the negative effects deriving from a number of orders, which are however destined for definitive completion in the current year.

Significant improvements are foreseen during the current financial year in terms of both profitability and turnover compared to the previous year, owing to the start of production on new orders and a general increase in productivity, which is evident from the analysis of hourly costs, which have already benefited from the review of certain business processes and the policies for revising operating costs as a whole.

The situation described above is accompanied by an order backlog that places TFA, for the financial year 2022, in a situation of substantial overall coverage of the revenue forecasts assumed. The total value of the order backlog is €307 million.

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

- the technical consolidation of the TFA order with a consequent increase in reliability parameters and a declared appreciation by the customer Trenitalia;
- the launch of the Catania Metro order (54 trains for the Circumetnea railway), the design phase of which is at an advanced stage and production has started on schedule.
- From August 2020, following the award of the Indian contract for the construction of the Metro Coaches for Pune, production of the first three complete trains and the flatpacks for further trains is underway
- deliveries of the "T21" order have restarted and delivery times have improved thanks to the approval to put trains into service;
- an important milestone was the resumption of collaborations with major international players.

The significant increase in revenues compared to the previous year, of approximately €30 million, is mainly due to the start of production on the new contracts acquired: FCE - Catania Metro, SEPSA (Ente Autonomo del Volturno), PUNE (Pune City Metro) and TAF (Ferrovie Nord Milano) for the revamping of 25 trains.

However, as mentioned above, the 2021 result was mainly impacted due to the Covid 19 pandemic and the loss arising out of the legacy contracts which would be executed in FY 21-22.

(d) Operating subsidiary in India: Titagarh Bridges and International Private Limited (TBIPL)

TBIPL was originally formed as a Joint Venture Company (JVC) pursuant to joint venture agreement between Matiere SAS, France ('Matiere') and Titagarh Wagons Limited ('TWL'), where each was holding 50% of its paid-up capital. Pursuant to discussions between the joint venture partners covering strategic aspects of business etc., TWL acquired the shares held by Matiere, representing 50% of the paid-up share capital of TBIPL. As a result of the above, the

shareholding of TWL in TBIPL changed from 50% to 100% (holding 15,09,764 equity shares of Rs. 10/- each) and thus TBIPL became a wholly-owned subsidiary of TWL w.e.f. 14th July, 2020. The name of the Company was changed from Matiere Titagarh Bridges Private Limited to Titagarh Bridges and International Private Limited w.e.f. 21st October, 2020.

During the year under review, TBIPL incurred a loss of Rs. 63.91 lakhs as compared to the loss of Rs. 19.36 lakhs in the financial year ended 31st March, 2020, mainly due to increase in expenses during the year relating to finance costs.

(e) Order Book position

The total order book of Company on a consolidated basis stands at Rs. 5,601 crore at the end of March, 2021, which is one of the highest order book levels the Company ever had. It is well diversified across Indian and Italian business operations (Italy business constitutes 47% to the total order book) 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. More than 50% of Indian order book is from the non-wagon division which will reduce dependency on the wagon business.

(f) Industry overview of Business Segments

Freight Rolling Stock

Indian Railways is the world's 3rd largest rail network registered double-digit growth in freight traffic amid the COVID-19 pandemic and recorded a 10 per cent increase in freight loading in financial year 2020-21, compared to the previous fiscal 2019-20. The national transporter's total freight loading was 203.88 million tonnes in fiscal 2020-21, compared to 184.88 million tonnes in the financial year 2019-20, marking a 10 per cent year-on-year growth.

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 with also announcement of two new technologies - metro lite and metro neo - to provide metro services at much less cost with same experience, convenience in tier II and tier III cities.

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

Indian Railways have prepared a National Rail Plan for India 2030. The plan is to create a future ready railway system by 2030 bringing down the logistic cost for industry is at the core of the strategy to 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, in 2021-22 Railway expects to earn 63% of the total revenue through the same. Indian Railways is targeting to increase its freight traffic to 3.3 billion tonnes by 2030 from 1.1 billion tonnes in 2017. Indian Railways plans to achieve 2,024 MT (metric tonne) loading in 2024 from the current 1,200-1,300 MT. It is projected that freight traffic via the Dedicated Freight Corridors will increase at a CAGR of 5.4% to 182 MT in 2021-22.

Passenger Rolling Stock

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

Presently, the Indian shipping industry is reviving from the impact of the COVID 19 pandemic. One such important step is the Merchant Shipping Bill, 2020 that has been promulgated, with the primary aim of promoting the growth of the Indian shipping industry by incorporating the best practices adopted by other advanced countries like the U.S., Japan, U.K., Singapore, and Australia. Also, Neptune Declaration initiated at a global level in order to streamline and categorize seafarers as “frontline workers” to ensure their well-being.

In Union Budget 2020-21, the total allocation for the Ministry of Shipping was Rs. 1,702.35 crore (US\$ 233.48 million). The key ports are expected to deliver seven projects worth more than Rs. 2,000 crore (US\$ 274.31 million) on a public-private partnership basis in FY22. Over the last few years, to make the Indian maritime sector “atmanirbhar”, there have been concerted attempts by our Government to shift gears with respect to development of ports and expansion of shipping connectivity to our hinterlands in achieving the 5 trillion economy mark.

Outlook

Increasing investment and cargo traffic point towards a healthy outlook for the Indian ports sector. In Maritime India Summit 2021, the Ministry of Ports, Shipping and Waterways identified a total of 400 projects worth Rs. 2.25 lakh crore (US\$ 31 billion) investment potential.

(g) 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 distinct parts viz. “Freight Rolling Stock”, “Passenger Rolling Stock” and “Others”. 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.

(h) 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 business 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 Metro and defence establishment of India make the outlook for the current year encouraging.

(i) 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	2020-21	2019-20	Difference (%)
1	Debtors Turnover Ratio (%)	13%	11%	15.52%
2	Inventory Turnover Ratio (%)	19%	14%	38.48%
3	Interest Coverage Ratio (times)	2.18	1.98	9.96%
4	Current Ratio (times)	2.35	2.01	16.75%
5	Debt Equity Ratio	0.12	0.26	(54.55)%
6	Operating Profit Margin (%)	11.63%	8.68%	33.97%
7	Net Profit Margin (%)	6.29%	(6.64)%	194.68%

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

- Inventory Turnover Ratio: It has increased due to procurement made for new contracts for which revenue booking is yet to start.
- Debt Equity Ratio: It has improved due to better operating margin and cash generated from operation being used to repay/prepay the debt.
- Operating Profit Margin: It has improved due to increase in sales and better profit margins on new contracts.
- Net Profit Margin: It has improved 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	2020-21	2019-20	Difference (%)
Return on Net Worth (%)			
- Before considering exceptional item	5.80%	9.96%	8.00%
- After considering exceptional item	6.30%	(9.79)%	(6.17%)

Notes on significant changes in financial ratios where change is > 25%: Not Applicable.

3. Dividend

Considering various financial/non-financial parameters, the Directors with a view to conserving resources do not recommend any dividend for the FY 2020-21.

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Dividend Distribution Policy of the Company is available on the following weblink in the Company's website: <https://titagarh.in/policies-and-codes>.

4. Employee Stock Options Scheme/Change in Share Capital

Pursuant to the Scheme of Amalgamation of Cimmco Limited and Titagarh Capital Private Limited with the Company, the authorised share capital of the Company increased from Rs. 228.10 crore to Rs. 385.10 crore.

In terms of the Scheme of Amalgamation of Cimmco Limited and Titagarh Capital Private Limited with the Company sanctioned by the Hon'ble National Company Law Tribunal (NCLT), Kolkata, the Company made allotment of 37,20,469 equity shares of Rs. 2/- each of the Company to the eligible members of Cimmco as on 23rd October, 2020 (Record Date) in the share exchange ratio of 13 equity share of Rs. 2/- each of the Company for every 24 equity share of Rs. 10/- each held in Cimmco. These were issued to those erstwhile members of Cimmco on November 7, 2020 resulting in the paid-up Equity Share Capital of the Company to Rs. 23,86,53,278/- divided into 11,93,26,639 equity shares of Rs. 2/- each.

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 60,950 equity shares allotted on 9th January, 2021 to the eligible employees upon exercise by them in conformity with ESOS led to increase in the paid up equity share capital to Rs. 23,87,75,178/- as at 31st March, 2021 consisting of 11,93,87,589 equity shares of Rs. 2/- each fully paid up. The equity shares so allotted rank pari-passu with the existing equity shares of the Company.

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

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

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

6. Investor Education and 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 20,598 equity shares of Rs. 2/- each, to the IEPF account, on 20th November 2020, 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. 24th September, 2020. The details of all shares transferred to the IEPF Account are uploaded on the Company's website.

The Company has identified 191 shareholders holding 49,259 equity shares in aggregate, who have not claimed their dividend consecutively since FY 2013-14 and therefore shares held by them are liable to be transferred to the IEPF Account on due date i.e. 9th October, 2021. The Company had 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 and also published a Notice in the leading Newspaper both in English and Vernacular language on 8th July, 2021, which was also uploaded at the website of the Company and the Stock Exchanges. The details of such shareholders are uploaded on the Company's website.

7. Transfer to Reserves

No amount is proposed to be transferred for the year under review to the general reserves.

8. Risk Management, Risks and Concerns

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

Risk management is an integral part of the Company's risk management policy adopted by the Board with periodic review by the Audit Committee and the Board. A Risk Management Committee has been constituted by the Board on 8th June, 2021, the terms of reference of which includes the review the risk management. Prudence and conservative dealing with risks is at the core of risk management strategy being followed by the Company. The risks, both internal and external to which the Company is exposed to include macro-economic, regulatory, strategic, financial, operational, value chain, human resources etc. and each of them is taken into consideration for development and maintaining of a robust mechanism for mitigation which is evolving with time and circumstances within which the Company operates.

9. Subsidiary Companies and Joint Venture

A report containing the details required under Section 134 of the Companies Act, 2013 ('the Act') read with Rule 8(1) of the Companies (Accounts) Rules, 2014 in respect of performance and financial position for the financial year ended March 31, 2021, of subsidiaries: Titagarh Singapore Pte. Ltd., Singapore; Titagarh Firema SpA, Italy; Titagarh Bridges and International Private Limited and Joint Venture Company: 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.

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

10. Copy of the Annual Return

Pursuant to the provisions of Section 92(3) of the Act, the copy of the annual return has been uploaded on the website of the Company [www.titagarh.in](https://titagarh.in/report/annual-report) (<https://titagarh.in/report/annual-report>) and the same can be viewed by the members and stakeholders of the Company.

11. Number of Board Meetings

The Board of Directors met Six (6) times during the financial year 2020-21 as per the details provided in the Corporate Governance Report forming part of Annual Report.

12. Loans, Guarantee and Investments

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

13. Significant and Material orders

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

14. Composition of Audit Committee

The Audit Committee constituted by the Board has Shri Atul Joshi as Chairman and Shri Manoj Mohanka and Shri Sunimal 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.

15. Related Party Transactions

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

16. Corporate Governance Report

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

17. Business Responsibility Report (BRR)

In compliance with Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Company has included Business Responsibility Report, as part of the Annual Report, describing initiatives taken by the Company from an environmental, social and governance perspective.

The BRR for FY 2020-21 has been hosted on the Company's website, which can be accessed at <https://titagarh.in/report/annual-report>

18. Internal Control System

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

- That its assets are safeguarded
- that transactions are authorised, recorded and reported properly; and
- 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 2020-21.

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 of the Company at the 23rd AGM, the Board had on 22nd June, 2020 and 13th August, 2020 appointed 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. The shareholders at their Annual General Meeting held on 30th December, 2020 passed the necessary resolutions for their appointment.

Pursuant to the recommendations of the Nomination and Remuneration Committee (NRC) and subject to the approval of the members of the Company at the ensuing AGM, the Board had on 1st January, 2021 appointed Shri Sushil Kumar Roongta (DIN: 00309302) as Additional Director (Category: Independent) to hold office for a term of 5 years, and Shri Prithish Chowdhary (DIN: 08509158) as Additional Director (Category: Non-Executive), w.e.f. the date of passing of such resolution.

Pursuant to the recommendation of the NRC and review by the Audit Committee, the Board at its meeting held on 10th August, 2021, subject to approval of the shareholders at the ensuing AGM, reappointed Shri Jagdish Prasad Chowdhary (DIN: 00313685) as the Chairman & Managing Director (designated as 'Executive Chairman') of the Company for five years w.e.f. 8th January, 2022.

The Board has recommended necessary resolutions at the ensuing 24th AGM for the appointment of Shri Sushil Kumar Roongta as Independent Director and Shri Prithish Chowdhary as Non-Executive Director, and the reappointment of Shri J.P. Chowdhary as the Chairman and Managing Director (designated as 'Executive Chairman') of the Company.

Shri Sudipta Mukherjee, wholtime director, retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

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

During the year under review, Shri Ramsebak Bandyopadhyay, Independent Director, resigned from the Board of the Company with effect from 4th May, 2020 due to his personal reasons. He has confirmed that there were no other material reasons for his resignation other than the one stated above.

Pursuant to the retirement of Shri Dinesh Arya, Company Secretary, upon attaining superannuation w.e.f. the end of business hours on 27th February, 2021, Shri Sumit Jaiswal has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 28th February, 2021.

During the year under review, there was no change in the Key Managerial Personnel of the Company, except the aforesaid retirement/appointment of Company Secretary of the Company.

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 2020-21 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. In the opinion of the Board, the Independent Directors hold highest standard of integrity and possess the requisite qualifications, experience, expertise and proficiency.

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, 2021 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 profit 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, 2021 does not contain any qualification, reservation or adverse remark.

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, 2021 does not contain any qualification, reservation or adverse remark and as regards an emphasis of matter in their Report wherein they referred to the communication regarding the going concern status of TFA from its Auditors, their opinion is not modified in respect of the same.

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 2020-21 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, 2021 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 Sumantra Sinha, Practicing Company Secretary 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, 2021.

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, 2021 was 453.

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, 2021 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 situated 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, 2022 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
August 10, 2021

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
Name of the subsidiary	Titagarh Bridges and International Private Limited ('TBIPL')	Titagarh Firema S.p.A., Italy ('TFA')	Titagarh Singapore Pte. Ltd. ('TSPL')
Date since when subsidiary was acquired	14.07.2020	30.06.2015	22.08.2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.		
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	Rs.	EURO Rs. 86.0990	EURO Rs. 86.0990
	Rs. in lakhs		
Share capital	3,445.58	9763.19	637.10
Reserves & surplus	(1,106.17)	178.45	(1493.96)
Total assets	10,198.68	120458.28	2178.16
Total Liabilities	7859.27	110516.64	3035.02
Investments	7,662.04	-	1986.40
Turnover	541.27	55045.35	-
Profit before taxation	(85.41)	(6064.37)	979.14
Provision for taxation	(21.50)	(89.46)	-
Profit after taxation	(63.91)	(5974.91)	979.14
Proposed Dividend	-	-	-
% of shareholding	100.00	100.00	100.00

Notes:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil
- The above numbers have been taken from Standalone Financial Statements of the respective subsidiaries (The above does not include any inter Company eliminations).
- The Hon'ble National Company Law Tribunal, Kolkata Bench, by an order dated 30th September, 2020 had sanctioned the Scheme of Amalgamation ('Scheme') of Cimmco Limited ('Cimmco') and Titagarh Capital Private Limited ('TCPL') with the Company, w.e.f. the Appointed Date: 1st April, 2019.
- The Company holds 100% of the equity share capital in TSPL through TBIPL, the wholly-owned subsidiary. The Company holds 100% of the equity share capital in TFA through TBIPL along with TSPL.

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
Name of Associates/ Joint ventures	Titagarh Mermec Private Limited
1. Latest audited* Balance Sheet Date	31/03/2021
2. Date on which the Associate or Joint Venture was associated or acquired	18/07/2018
3. Shares of Associates or Joint Ventures held by the company on the year end:	
No.	5,000
Amount of investment in Associates or Joint Ventures	Rs. 50,000
Extent of Holding (in percentage)	50%
4. Description of how there is significant influence	50% of the paid up Equity capital is held by the Company
5. Reason why the associate/ joint venture is not consolidated	N.A.
6. Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. (3.225) lakhs
7. Profit (Loss) for the year	Rs. (3.21) lakhs
i. Considered in Consolidation	Rs. (1.605) lakhs
ii. Not Considered in Consolidation	Rs. (1.605) lakhs

* as certified by the Management.

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

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

Anil Kumar Agarwal
Director (Finance) & CFO

Sumit Jaiswal
Company Secretary

Place: Kolkata

Date: June 08, 2021

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**

SI 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
Nil						

For and on behalf of the Board

Kolkata
August 10, 2021

J P Chowdhary
Executive Chairman

Annexure DR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021

(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)

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Titagarh Wagons Limited** (CIN: L27320WB1997PLC084819) having its Registered office at 756 Anandapur, E.M. Bypass, Kolkata 700107 (hereinafter called 'the Company'). This was done by scrutiny and relying upon documents provided to me through email only, including registers, certificates, returns and forms filed, minutes etc., thereby avoiding physical interaction with the Company personnel, owing to the prevalent COVID 19 pandemic and consequent State lockdown. However, Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the aforesaid documents and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended **31.03.2021**, 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.

Auditor's Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate with the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I report that, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31.03.2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) Listing Agreement(s) with the Stock Exchange(s);
- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

The other laws specifically applicable to the Company as per the representations made by the Management are:

- (i) Factories Act, 1948 and related State laws of West Bengal, amongst others;
- (ii) Water (Prevention & Control of Pollution) Act, 1974 and Water (Prevention & Control of Pollution) Rules, 1975;
- (iii) Air (Prevention & Control of Pollution) Act, 1981 and Rules made thereunder,
- (iv) The Environment (Protection) Act, 1986

During the period under review, based on my examination and verification the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the period under review, based on my examination and verification of the books, papers, Memorandum and Articles of Association, minutes, forms and returns which were required to be examined by me for this report and according to the information and explanations provided to me in the course of my audit by the Company, I report that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

- (a) The status of the Company during the financial year has been that of a Listed Public Company;
- (b) (i) 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:
 1. Appointment of Shri Sandeep Fuller as 'COO-Transit and Propulsion' and entering into strategic business alliance for Propulsion business with ABB India Limited;
 2. Appointment of Ms. Nayantara Palchoudhuri, Shri Krishan Kumar Jalan and Shri Sushil Kumar Roongta as Independent Directors and Shri Prithish Chowdhary as Non-Executive Director;
 3. Noting resignation(s) of Shri V.K. Sharma and Shri R. Bandyopadhyay, Independent Directors vide respective resignation letters dated the 28th February, 2020 and 4th May, 2020;
 4. Suspension of Company's operations temporarily from 23rd March, 2020 till end May, 2020 due to lockdown declared owing to the outbreak of COVID- 19 pandemic;
 5. Acquisition of entire Shareholding of Matiere Titagarh Bridges Private Limited by the Company;
 6. Re-appointment of Shri Umesh Chowdhary as Managing Director of the Company for a term of five years w.e.f. 1st October, 2020;

7. Change of Registrar and Share Transfer Agent ('RTA') from KFin Technologies Pvt. Ltd. to Maheshwari Datamatics Pvt. Ltd., Kolkata, w.e.f. 19th September, 2020;
 8. Sanction of the Scheme of Amalgamation of Cimmco Limited and Titagarh Capital Pvt. Ltd. with the Company vide Hon'ble National Company Law Tribunal (NCLT) final order on 30th September, 2020 (Appointed Date 1st April, 2019);
 9. Transfer/sale of 70,62,353 shares of Euro 1 each of Titagarh Firema S.p.A., Italy and 2,00,00,000 shares of USD 1 each of Titagarh Singapore Pte Ltd, Singapore held by the Company to Titagarh Bridges and International Pvt. Ltd., the Company's wholly owned subsidiary.
 10. Allotment of 37,20,469 equity shares of Rs. 2/- each of the Company to the eligible members of Cimmco Limited pursuant to its amalgamation with the company;
 11. Passed an enabling Resolution to offer additional securities to Bank of Baroda, London branch, in lieu of the corporate guarantee which had expired, for securing the facilities aggregating 100 million Euro availed by Titagarh Firema SpA, Italy, the wholly owned subsidiary of the Company;
 12. Re-constitution of Committees of the Board following the appointments & resignations of Directors during the year;
 13. Retirement of Shri Dinesh Arya, Company Secretary, and appointment of Shri Sumit Jaiswal in his place;
 14. Decision to Invest upto Rs. 25.00 Crores in Titagarh Bridges and International Pvt. Ltd, the wholly owned subsidiary of the company, by way of subscription to OFCD or loan/ equity/ other securities;
 15. Passed an enabling Resolution to discuss with Mermec SpA for exiting the joint venture with them, by sale of the Company's entire stake in Titagarh Mermec Private Limited.
- (b) (ii) The Company received intimation dated 20th August, 2020 from the National Stock Exchange (NSE) and BSE Limited (BSE) with observations about the absence of Independent Woman Director on its Board from April 01, 2020 to June 21, 2020. The Company represented against the fine levied by the Stock Exchanges by its letter dated August 28, 2020 inter-alia mentioning the outbreak of novel coronavirus (COVID-19) as the reason for delay in such appointment and requested for waiver, which was granted by BSE and rejected by NSE, wherein the requisite fine was paid to NSE during the year.
- (iii) Intimations were received from BSE and NSE, each imposing fine(s) for delay in submission of financial results for the quarter and year ended 31st March, 2020 ('31st March FR') and the quarter ended 30th June, 2020 ('30th June FR'). The Company requested for waiver of the fines explaining that the delay was due to a reason beyond the Company's control i.e. time taken in passing the final order by the Hon'ble National Company Law Tribunal sanctioning the Scheme of Amalgamation of two subsidiaries with the Company from the Appointed Date i.e. 1st April, 2019. The Company had represented the matter in detail to SEBI and the related correspondence on record states that considering the facts of the case, should the stock exchange(s) were to demand fine/penalty for delay in submission of the financial results, then the Company should submit response to the said stock exchange(s) requesting for waiver of fine/penalty and that SEBI would advise the stock exchange(s) to waive the fine/penalty and not take any consequential action. In view of the same, the Company requested BSE and NSE respectively not to take any consequential action in this regard. The response from BSE to this is still awaited. While NSE is yet to respond for the fine waiver request for the 31st March FR, it rejected the fine waiver request for the 30th June FR, even as fine was paid to NSE under protest with a request for necessary waiver and refund, the response from NSE being awaited.
- (c) 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 Act.
- (d) As informed to me, adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (e) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (f) There is a system of compliance mechanism established by the Company and on reviewing the same and on the basis of the Compliance Certificate(s) issued by the Key Managerial Personnel including the Company Secretary, as 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 which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

- (g) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
- (h) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorship in other companies and interests in other entities.

(CS Sumantra Sinha)
Practising Company Secretary
ACS-11247 / CP-15245
UDIN: A011247C000444988

Place: Kolkata

Date: 8th June, 2021

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

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Shri J P Chowdhary, Executive Chairman	84.29
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	69.72
		c	Shri Sudipta Mukherjee, Director (Freight Operations)	16.35
		d	Shri Anil Kumar Agarwal, Director (Finance) & CFO	20.18
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Shri J P Chowdhary, Executive Chairman	Nil
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	Nil
		c	Shri Sudipta Mukherjee, Director (Freight Operations)	Nil
		d	Shri Anil Kumar Agarwal, Director (Finance) & CFO	Nil
		e	Shri Dinesh Arya, Company Secretary (From 01.04.2020 till 27.02.2021)	Nil
		f	Shri Sumit Jaiswal, Company Secretary (Appointed w.e.f. 28.02.2021)	Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year			40.69
(iv)	The number of permanent employees on the rolls of the Company			453
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been no increase in the remuneration of managerial personnel and others		
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.			

For and on behalf of the Board

Kolkata
August 10, 2021

J P Chowdhary
Executive Chairman

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. Solar Power Plant of 833.48 KW capacity has been installed as alternative source of energy.
 3. Usage of LED Energy Efficient lighting system for shop floor illumination.
 4. Light sensitive switches have been installed in lighting circuit to reduce consumption by 20%.
 5. Installed VFD (variable frequency drive) in Overhead Cranes to reduce consumption by 20%.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
 1. Replacement of rewound and inefficient drives.
 2. Inverter based Welding machines with power savers to be installed to save power.
 3. 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. 52.91 Lakhs for the year ended 31st March, 2021.

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 carbon footprint and the movement of logistics from road to rail, we have developed a wagon for carrying automobiles – Car on 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 currently 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.
- e) The Company is manufacturing 34 Train sets i.e. 102 Cars for the Pune Metro project, which is basically a metro rail based rapid transit system under construction to serve Pune Central and the areas of Pimpri & Chinchwad. Some features of the trains being manufactured by the Company are as under:
 - (i) Modern Aluminium light weight coaches
 - (ii) Weight savings of almost 5 Tons per Train

- (iii) Energy Efficient- Low Carbon footprint
- (iv) Italian styling
- (v) Latest Trench IGBT based converter
- (vi) Modern spacious interior
- (vii) Highest level of passenger safety as per European Norms
- (viii) Anit-drag feature in doors for passenger safety
- (ix) Infrared fire detection unit
- (x) Bigger aluminium frame windows
- (xi) 4.0 initiatives being undertaken such as tablets for shop floor workers, IRIS certification along with OHSAS and ISO. Rfid tagging for all incoming material and JIT warehousing.

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) : N/A

- 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)

	2020-21	2019-20
Capital	Nil	Nil
Recurring	13.14	7.10
Total	13.14	7.10
Total R & D expenditure as a percentage of total turnover	0.01%	0.01%

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
August 10, 2021

J P Chowdhary
Executive Chairman

Annexure DR-6

Report on CSR Activities

Corporate Social Responsibility (CSR) activities to be included in the Board's Report for the financial year ending on 31st March, 2021

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

Corporate Social Responsibility (CSR) at Titagarh Wagons Limited ('Titagarh') has been a part of its existence long before social responsibility became mandatory by law and Titagarh aspires to continue making consistently increasing improvement in the life of beneficiaries of Titagarh's CSR initiatives. The Company actively contributes to the social and economic development of the communities in which it operates and continuously endeavours towards building a better, sustainable way of living for the weaker sections of society and thus participate in raising the country's human development index. It also promotes education, including employment enhancing vocation skills especially among children, women, elderly, and the differently abled; and livelihood enhancement projects and setting up endowment funds in academic institutions with the objective of assisting economically backward but meritorious students in their studies, eradicating hunger, poverty and malnutrition and also promotes the healthcare including preventive health care and making available safe drinking water. Titagarh also strives to promote gender equality, empowering women, setting up measures for reducing inequalities faced by socially and economically backward groups. It also ensures environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

Titagarh's CSR initiatives are planned with various monitoring mechanisms and control points to increase their effective delivery. A suitable organizational structure is constituted to steer the CSR Projects/activities of the Company, at the corporate level. Keeping in view the importance of CSR Projects/activities, the Divisional Heads carry out due diligence and also discuss the modalities, monitor the progress of CSR Projects/activities during their periodical interactions. The role/function of every employee involved in planning, implementing and monitoring of the CSR Projects /programs is monitored to bring the desired clarity and accountability. At the end of every financial year, the CSR Committee is required to submit its Report to the Board.

2. Composition of CSR Committee:

SI No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt Rashmi Chowdhary	Chairperson, Non-Executive Director	1	0
2.	Shri J P Chowdhary	Member, Executive Chairman	1	1
3.	Shri Ramsebak Bandyopadhyay *	Member, Independent Director	N.A.	N.A.
3.	Ms. Nayantara Palchoudhuri **	Member, Independent Director	1	1
4.	Shri Krishan Kumar Jalan ***	Member, Independent Director	N.A.	N.A.

* Shri Ramsebak Bandyopadhyay ceased to be a member of the Committee w.e.f. 4th May, 2020.

** Ms. Nayantara Palchoudhuri was appointed as a member of the Committee w.e.f. 31st July, 2020.

*** Shri Krishan Kumar Jalan was appointed as a member of the Committee w.e.f. 30th January, 2021.

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

- Web-link where CSR policies and projects are disclosed: <https://titagarh.in/policies-and-codes>
- Web-link where the composition of CSR Committee is disclosed: https://titagarh.in/storage/report/actual/1586255209_mQWHh_twl-committeespdf.pdf

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

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

Sl. No.	Financial Year	Amount available for set off from preceding financial years (Rs. in lakhs)	Amount required to be set off for the financial year, if any (Rs. in lakhs)
1	2018-2019	Nil	Nil
2	2019-2020	Nil	Nil
3	2020-2021	Nil	Nil

6. Average net profit of the Company as per section 135(5): Rs. (67,24,09,855)
7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. (1,34,48,197)
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): Nil. However, the amount of Rs. 7,53,625/- was carried forward from previous years by the Board on a voluntary basis.
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
Rs. 5,14,892	Rs. 2,38,733 *	30 th April, 2021	NIL	NIL	NIL

* The unspent CSR amount of Rs. 2,38,733/- pertained to cumulative amount of unspent CSR expenditure voluntarily brought forward from the earlier years by the Board. In terms of the provisions of CSR under the Companies Act, 2013 as amended, the said amount was transferred to a separate account opened in the name of 'Titagarh Wagons Limited – Unspent CSR Expense Account 2020-21', from where the said amount was duly transferred to the Society for Indian Children's Welfare (SICW) on 23rd July, 2021 towards CSR expenditure, for an ongoing CSR project of the Company.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Y/N)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Society for Indian Children's Welfare (SICW)	Item No. (ii)	Yes	West Bengal	Kolkata	Upto 3 years	Rs. 2,56,233	Rs.17,500	Rs. 2,38,733	Yes	Not Applicable	
2.	South Kolkata Hamari Muskaan (SKHM)	Item No. (ii)	Yes	West Bengal	Kolkata	Upto 3 years	Rs. 1,56,142	Rs. 1,56,142	Nil	Yes	Not Applicable	
3.	Muskaan School- A School for under privileged	Item No. (ii)	Yes	West Bengal	Kolkata	Upto 3 years	Rs. 3,28,750	Rs. 3,28,750	Nil	Yes	Not Applicable	

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

(1) Sl. No.	(2) Name of The Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local Area (Y/N)	(5) Location of the Project		(6) Amount Spent for the project (in Rs.)	(7) Mode of Implementation -Direct (Yes/No)	(8) Mode of Implementation through Implementing Agency	
				State	District			Name	CSR Registration No.
Not Applicable									

(d) Amount spent in Administrative Overheads: Rs. 12,500/-

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 514,892/-

(g) Excess amount for set off, if any: Rs. Nil

Sl No.	Particular	Amount in Rs.
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	514,892
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (Rs. in lakhs)	Amount spent In the Reporting Financial Year (Rs. in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs. in lakhs)
				Name of the Fund	Amount (Rs. in lakhs)	Date of Transfer	
1.	2017-18	Nil	Nil	Nil	Nil	Nil	Nil
2.	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
3.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil

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

(1) Sl No	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total Amount Allocated For the Project (in Rs.)	(7) Amount spent on the project in the reporting Financial Year (in Rs.)	(8) Cumulative Amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project – Completed/ Ongoing
1.	Society For Indian Children Welfare (SICW)	Society For Indian Children Welfare (SICW)	2019	3 years	2,56,233	17,500	17,500	Ongoing
2.	South Kolkata Hamari Muskan (SKHM)	South Kolkata Hamari Muskan (SKHM)	2019	3 years	1,56,142	1,56,142	1,73,642	Ongoing
3.	Muskaan School- A School for under privileged	Muskaan School - A School for under privileged	2019	3 years	3,28,750	3,28,750	5,02,392	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**
- (a) Date of creation or acquisition of the capital asset(s): N.A.
 - (b) Amount of CSR spent for creation or acquisition of capital asset: N.A.
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: N.A.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicable**

For and on behalf of the Board

Umesh Chowdhary
Vice Chairman & Managing Director

Rashmi Chowdhary
Chairperson, CSR Committee

Kolkata, August 10, 2021

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 while value maximization for the stakeholders is at the core, the Company consistently retains due focus on its social responsibility.

Board of Directors

TWL's Board as at March 31, 2021 comprised twelve directors including Executive Chairman, Vice Chairman & Managing Director, Wholtime Directors, Director (Finance) & CFO being the four Executive Directors, six Independent Directors (including one Independent Woman Director) and two Non-Executive Directors. The composition of the Board is in compliance with the provisions of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Managing Director(s), the Wholtime Director(s) and the Non-Executive Director(s) (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 30.12.2020	No. of Shares held (Face value of Rs. 2 each)	No. of other directorships Held		Chairmanship in other Committees Chairman	Members hip in other Committees Member
						Total	Listed		
1.	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	6	Present	70,700	2	Nil	Nil	Nil
2.	Shri Umesh Chowdhary DIN: 00313652	Promoter & Vice Chairman and Managing Director	5	Present	77,530	4	Nil	Nil	Nil
3.	Shri Sudipta Mukherjee DIN: 06871871	Director (Freight Operations)	5	Present	12,500	Nil	Nil	Nil	Nil
4.	Shri Anil Kumar Agarwal DIN: 01501767	Director (Finance) & CFO	6	Present	70,000	Nil	Nil	Nil	Nil
5.	Shri Manoj Mohanka DIN: 00128593	Independent & Non-executive	6	Present	Nil	7	3	Nil	3
6.	Smt. Rashmi Chowdhary DIN: 06949401	Non-Independent & Non-executive	3	Absent	128,16,105	Nil	Nil	Nil	Nil
7.	Shri Atul Joshi DIN: 03557435	Independent & Non-executive	6	Present	Nil	4	Nil	1	1

8.	Shri Sunirmal Talukdar DIN: 00920608	Independent & Non-executive	6	Present	Nil	9	4	5	8
# 9.	Ms. Nayantara Palchoudhuri DIN: 00581440	Independent & Non-executive	6	Present	Nil	9	5	Nil	9
## 10.	Shri Krishan Kumar Jalan DIN: 01767702	Independent & Non-executive	5	Present	Nil	7	2	4	6
### 11.	Shri Sushil Kumar Roongta DIN: 00309302	Independent & Non-executive	2	N.A.	Nil	8	3	2	5
#### 12.	Shri Prithish Chowdhary DIN: 08509158	Non-Independent & Non-executive	2	N.A.	Nil	Nil	Nil	N.A.	N.A.
##### 13.	Shri Ramsebak Bandyopadhyay DIN: 01122778	Independent & Non-executive	N.A.	N.A.	N.A.	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. Shri Prithish Chowdhary is son of Shri Umesh Chowdhary and Smt. Rashmi 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.

Ms. Nayantara Palchoudhuri was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 22nd June, 2020.

Shri Krishan Kumar Jalan was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 13th August, 2020.

Shri Sushil Kumar Roongta was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 1st January, 2021.

Shri Prithish Chowdhary was appointed as Non-Executive Director (Category: Non-Independent) of the Company with effect from 1st January, 2021.

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.

Details of Directorships in other Listed Entities as at 31.03.2021:

Name and Category of the Director	Details of Directorships of other Listed Entities and Category of Directorship	
Shri J P Chowdhary, Executive Chairman	Nil	N.A.
Shri Umesh Chowdhary, Vice Chairman and Managing Director	Nil	N.A.
Shri Sudipta Mukherjee, Director (Freight Operations)	Nil	N.A.
Shri Anil Kumar Agarwal, Director (Finance) & CFO	Nil	N.A.
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 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
Ms. Nayantara Palchoudhuri, Independent Director	Rossell India Limited Tide Water Oil Co India Ltd Vesuvius India Ltd Ludlow Jute & Specialities Limited Nicco Parks & Resorts Ltd.	Independent Director Independent Director Independent Director Independent Director Independent Director
Shri Krishan Kumar Jalan, Independent Director	PNC Infratech Limited Minda Industries Limited	Independent Director Independent Director
Shri Sushil Kumar Roongta, Independent Director	J K Paper Limited Jubilant Pharmova Limited Jubilant Ingrevia Limited ACC Limited	Non-Executive Director Independent Director Independent Director Independent Director
Shri Prithish Chowdhary, Non-Executive Director	Nil	N.A.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 27th February, 2021 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 is 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 31 st March, 2021 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 Shri Prithish Chowdhary
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 Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary
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 Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary
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 Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary
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 Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary
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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 considers the oral assessments provided by the individual Directors during interaction(s) and carries 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, 2021

Six (6) meetings of the Board of Directors were held in the financial year ended March 31st, 2021 i.e. on 31st July, 2020, 8th October, 2020, 14th October, 2020, 11th November, 2020, 30th January, 2021 and 27th February, 2021.

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 Director

Shri Ramsebak Bandyopadhyay who was appointed as Non-Executive Director (Category: Independent) of the Company on 10th August, 2017 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. 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, 2021 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, 2013 read with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Shri Sumit Jaiswal, Company Secretary acts as Secretary to the Audit Committee.

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 2020-21.

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 10 (Ten) meetings of the Audit Committee of the Company were held i.e. on 17th April, 2020, 31st July, 2020, 8th October, 2020, 14th October, 2020, 10th November, 2020, 27th January, 2021, 29th January, 2021 (adjourned to 30th January, 2021), 30th January, 2021 (adjourned from 29th January, 2021) 27th February, 2021 and 25th March, 2021. The attendance of Directors at these meetings was as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Atul Joshi	Chairman	10
2.	Shri Manoj Mohanka	Member	10
3.	Shri Sunirmal Talukdar	Member	10

The previous Annual General Meeting (AGM) of the Company held on 30th December, 2020 was attended by Shri Atul Joshi, Chairman of the Committee.

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, Ms. Nayantara Palchoudhuri and Shri Krishan Kumar Jalan being the other members as at 31st March, 2021. The attendance at and date of Stakeholders' Relationship Committee meeting held and the Status of Investors' complaints are as follows:

Attendance at the Stakeholders' Relationship Committee meetings

During the year only one meeting of the Stakeholders' Relationship Committee of the Company was held i.e. on 8th October, 2020. The attendance of Directors at these meeting is as under:

Sl. No.	Name of the Directors	Designation	No of meetings attended
1	Shri Manoj Mohanka	Chairman	1
2	Shri Umesh Chowdhary	Member	1
3	Shri Ramsebak Bandyopadhyay *	Member	N.A.
4	Ms. Nayantara Palchoudhuri **	Member	1
5	Shri Krishan Kumar Jalan***	Member	N.A.

* Shri Ramsebak Bandyopadhyay ceased to be a member of the Committee w.e.f. 4th May, 2020.

**Ms. Nayantara Palchoudhuri was appointed as a member of the Committee w.e.f. 31st July, 2020.

***Shri Krishan Kumar Jalan was appointed as a member of the Committee w.e.f. 30th January, 2021

In aggregate 3 (Three) cases of Investors' Grievances (routine queries included therein) were received during the Financial Year 2020-2021 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, 2021. There was also no Investor complaint pending against the Company as at 31st March, 2021 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 was in charge of Compliance upto 27th February, 2021. Upon his retirement, Shri Sumit Jaiswal, Company Secretary, is acting as the Compliance Officer w.e.f. 28th February, 2021.

All valid requests for transfer of shares in physical mode received during the financial year ended the 31st March, 2021 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, Shri Sushil Kumar Roongta, all Independent Directors and Shri J P Chowdhary, Executive Chairman, and is headed by Shri Manoj Mohanka as at 31st March, 2021.

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. on 31st July, 2020, 8th October, 2020 and 27th February, 2021.

The attendance of Directors at these meetings is as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri Manoj Mohanka	Chairman	3
2	Shri J P Chowdhary	Member	3
3	Shri Sunirmal Talukdar	Member	3
4	Shri Sushil Kumar Roongta *	Member	1

* Shri Sushil Kumar Roongta was appointed as a member of the Committee with effect from 30th January, 2021.

The previous AGM of the Company held on 30th December, 2020 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, 2021 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	212.80	49.91	61.59
Commission	Nil	Nil	Nil	Nil
Total	257.28	212.80	49.91	61.59
Stock Option Granted	Nil	Nil	Nil	Was allotted 14,000 equity shares of Rs. 2/- each at price of Rs. 44.20 per share on 09/01/2021
Period for which appointed by the Board	5 years w.e.f. 08/01/2017 (The Board passed resolution on 10/08/2021 for his reappointment for 5 years w.e.f. 08/01/2022)	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	20 th AGM on 31/07/2017 (Proposed to be reappointed in 24 th AGM scheduled on 27/09/2021)	23 rd AGM on 30/12/2020	22 nd AGM on 20/09/2019	22 nd AGM on 20/09/2019
No of shares	70700	77530	12500	70000

Remuneration to Non-Executive Directors (in Rs.):

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Shri Manoj Mohanka	8,40,000	NIL	2,30,000	10,70,000
Shri Sunirmal Talukdar	8,20,000	NIL	2,30,000	10,50,000
Shri Atul Joshi	7,00,000	NIL	2,30,000	9,30,000
Smt. Rashmi Chowdhary	1,20,000	NIL	NIL	1,20,000
Ms. Nayantara Palchoudhuri*	3,00,000	NIL	1,05,000	4,05,000
Shri Krishan Kumar Jalan**	2,40,000	NIL	1,05,000	3,45,000
Shri Sushil Kumar Roongta***	1,60,000	NIL	1,00,000	2,60,000
Shri Prithish Chowdhary****	80,000	NIL	NIL	80,000
Shri Ramsebak Bandyopadhyay*****	NIL	NIL	NIL	NIL
Total	32,60,000	NIL	10,00,000	42,60,000

*Ms. Nayantara Palchoudhuri was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 22nd June, 2020.

** Shri Krishan Kumar Jalan was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 13th August, 2020.

*** Shri Sushil Kumar Roongta was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 1st January, 2021.

**** Shri Prithish Chowdhary was appointed as Non-Executive Director (Category: Non-Independent) on the Board of Directors of the Company with effect from 1st January, 2021.

***** Shri Ramsebak Bandyopadhyay resigned as Director w.e.f. 4th May, 2020.

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary heads the Corporate Social Responsibility (CSR) Committee and Shri J P Chowdhary, Ms. Nayantara Palchoudhuri and Shri Krishan Kumar Jalan are the other members as at 31st March, 2021. 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 8th October, 2020.

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	0
2	Shri J P Chowdhary	Member	1
3	Shri Ramsebak Bandyopadhyay *	Member	N.A.
4	Ms. Nayantara Palchoudhuri**	Member	1
5	Shri Krishan Kumar Jalan***	Member	N.A.

* Shri Ramsebak Bandyopadhyay ceased to be a member of the Committee w.e.f. 4th May, 2020.

**Ms. Nayantara Palchoudhuri was appointed as member of the Committee w.e.f. 31st July, 2020.

*** Shri Krishan Kumar Jalan was appointed as member of the Committee w.e.f. 30th January, 2021

Risk Management Committee

The Board at its meeting held on 8th June, 2021 constituted the 'Risk Management Committee' (RMC) pursuant to the amended Regulation 21 of SEBI (LODR) Regulations, 2015 consisting of Shri Atul Joshi, Independent Director, as Chairman, Shri Sushil Kumar Roongta and Shri Sunirmal Talukdar, Independent Directors and Shri Prithish Chowdhary, Non- Executive Director. The terms of reference of the Committee are as specified in Part D of Schedule II to the SEBI (LODR) Regulations, 2015.

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. During the year, the Committee is re-constituted in view of Section 4(3) of the Act which states that every member of the Committee shall hold office for not more than three years from the date of their nomination. The Committee was re-constituted during the year with the consent/approval of Shri Umesh Chowdhary, Vice Chairman & Managing Director (pursuant to authority granted to him by the Board at its meeting held on 28th October, 2017) as follows:

- Smt. June Coelho as Presiding Officer, Smt. Sangita Bhattacharya, Ms. Piyali Dhar and Smt. Srabani Sarkar Neogi (Founder Secretary & Director - South Kolkata Hamari Muskan - 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 31, 2021.

Other non-mandatory Committee

Finance and Project Committee:

Finance and Project Committee 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 Prithish Chowdhary, Non-Executive Director, Shri Manoj Mohanka and Shri Atul Joshi, Independent Directors as at 31st March, 2021.

During the year, five meetings of the Committee were held i.e. on 25th August, 2020, 8th October, 2020, 14th October, 2020, 29th October, 2020 and 27th January, 2021.

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

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

* Shri Prithish Chowdhary was appointed as member of the Committee w.e.f. 30th January, 2021

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 .

Compliance Officer

Shri Dinesh Arya, Company Secretary, was the Compliance Officer and acted as the Secretary to all the Committees upto 27th February, 2021. Upon his retirement, Shri Sumit Jaiswal, Company Secretary, is the Compliance Officer and acts as the Secretary to all the Committees w.e.f. 28th February, 2021.

General Body Meetings

Annual General 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
2017-18	21 st	Rotary Sadan, 94/2 Chowringhee Road, Kolkata – 700020	29.09.2018	3.15 P.M	Three
2018-19	22 nd	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017	20.09.2019	3:15 P.M.	Two
2019-20	23 rd	756 Anandapur, E.M. Bypass, Kolkata – 700107 (Through Video Conferencing)	30.12.2020	10:30 A.M.	Four

Postal Ballot

No postal ballot exercise was conducted during the financial year ended 31st March, 2021.

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. Monday, the 20th September, 2021, 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 2020-21 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. 79.44 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 instances 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.	Observations/ remarks of the Company
1	BSE Limited (BSE) and NSE Limited (NSE)	Delay in appointment of Woman Independent Director (ID). The Company did not had a Woman ID on its Board from April 01, 2020 to June 21, 2020 as per Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015	BSE and NSE each: A fine of Rs. 4,10,000/- plus GST@18% was levied on the Company as per letters dated August 20, 2020.	<p>The Company represented against the fine levied by the Stock Exchanges by its letter stating inter-alia that the outbreak of novel coronavirus (COVID-19) as the reason for delay in appointment of woman Director and requested for waiver.</p> <p>The Company received an email from BSE on May 10, 2021 stating that the Company's representation for waiver of fine was placed before the relevant Committee and the Company's request for waiver of the fine has been approved by the said Committee.</p> <p>The Company received a letter from NSE on March 19, 2021 mentioning that the Company's representations/request for waiver of fine was placed before the relevant Committee of NSE, but was rejected. The Company paid the fine of Rs. 4,10,000/- plus GST @ 18%, to the NSE.</p>

2	BSE Limited (BSE) and NSE Limited (NSE)	Delay in Submission of financial results for the Quarter/Year ended 31 st March 2020 as per Regulation 33 of the SEBI (LODR) Regulations, 2015	<p>BSE: A fine of Rs. 80,000/- plus GST@18% was levied till that date as per letter dated 18th August, 2020. Subsequently by letter dated 27th July, 2021, it granted partial waiver of fine and advised to pay a basic fine of Rs. 40,000/- plus GST@18%.</p> <p>NSE: A fine of Rs. 80,000/- plus GST@18% was levied till that date as per letter dated 18th August, 2020. The Company's waiver request is currently under process.</p>	<p>The Company by its letter(s) to BSE and NSE had informed that it had already submitted letters to SEBI and the Stock Exchanges for extension of time for submission of the financial results for the Quarter ended March 2020 and June 2020 respectively on the grounds inter-alia that the order sanctioning the Scheme of Amalgamation of Cimmco Limited and Titagarh Capital Private Limited with the Company was expected within a short time and will enable giving effect to the merger of subsidiaries in the accounts of the Company from the Appointed Date i.e. April 01, 2019 thereby facilitating reflection of correct financial position of the Company on standalone and consolidated basis; and the extension of time for submission of the Results after giving effect to the amalgamation therein will facilitate publication of financials such that there will be no confusion in the minds of the shareholders and other stakeholders regarding financial position of the Company. Further, while considering the Company's application for the extension of time for submission of the aforesaid financial results, the concerned officer of SEBI had advised that considering the facts of the case, should the stock exchange(s) were to demand fine/penalty for delay in submission of the financial results, then the Company should submit response to the said stock exchange requesting for waiver of fine/penalty and that SEBI would advise the stock exchange to waive the fine/penalty and not take any consequential action.. In view of the same, the Company requested BSE and NSE not to take any consequential action in that regard.</p> <p>The aforesaid Scheme of Amalgamation was sanctioned on 30th September, 2020 and the Company submitted the Results for the Quarter/Year ended 31st March 2020 to the Stock Exchanges on 8th October, 2020.</p> <p>BSE by an email dated 27th July, 2021 informed that the Company was liable to a basic fine of Rs. 3,35,000/- plus GST@18% for the delayed submission of Results for the Quarter/Year ended 31st March 2020, however the Company's representation for waiver of fine was placed before its relevant Committee and after considering the facts of the case, the written submissions made by the company, the Committee decided to partially accede to the request for waiver of fines and advised the Company to pay a basic fine of Rs. 40,000/- plus GST@18%, which was paid by the Company.</p> <p>NSE is yet to respond for the Company's request for waiver of fine on the subject.</p>
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3	BSE Limited (BSE) and NSE Limited (NSE)	Delay in Submission of financial results for the Quarter ended 30 th June 2020 as per Regulation 33 of the SEBI (LODR) Regulations, 2015	<p>BSE: A fine of Rs. 1,55,000/- plus GST@18% was levied till that date as per letter dated 16th October, 2020. Subsequently by letter dated 27th July, 2021, it granted partial waiver of fine and advised to pay a basic fine of Rs. 70,000/- plus GST@18%.</p> <p>NSE: A fine of Rs. 1,55,000/- plus GST@18% was levied on the Company as per letter dated 16th October, 2020, which was revised to Rs. 1,45,000/- + GST@18% as per letter dated 19th March, 2021.</p>	<p>The observations/ remarks of the Company are the same as mentioned above in the matter regarding delay in submission of financial results for the quarter/year ended 31st March, 2020, i.e. the delay was due to a reason beyond the Company's control i.e. time taken in passing the final order by the Hon'ble National Company Law Tribunal sanctioning the Scheme of Amalgamation of two subsidiaries with the Company from the Appointed Date i.e. 1st April, 2019. In view of the same, the Company had requested BSE and NSE not to take any consequential action in that regard.</p> <p>The aforesaid Scheme of Amalgamation was sanctioned on 30th September, 2020 and the Company submitted the Results for the Quarter/Year ended 31st March 2020 and the Quarter ended 30th June, 2020 to the Stock Exchanges on 8th October, 2020 and 14th October, 2020 respectively.</p> <p>BSE by an email dated 27th July, 2021 informed that the Company was liable to a basic fine of Rs. 1,45,000/- plus GST@18% for the delayed submission of Results for the Quarter ended 30th June 2020, however the Company's representation for waiver of fine was placed before its relevant Committee and after considering the facts of the case, the written submissions made by the company, the Committee decided to partially accede to the request for waiver of fines and advised the Company to pay a basic fine of Rs. 70,000/- plus GST@18%, which was paid by the Company.</p> <p>On 19th March, 2021, the Company received a letter from NSE which mentioned that the Company's representations for waiver of fine for delay in submission of financial results for the quarter ended 30th June, 2020 was placed before the Relevant Authority of the Exchange and the Company's request for waiver of fine was not considered favourably and therefore demanded fine. The Company paid the said fine to NSE on 10th May, 2021 and informed NSE by its letter dated 11th May, 2021 that although the Company had stated favorable/genuine grounds to waive off the fines but to avoid any stricter action of NSE, the Company has paid the stated amount 'under protest' and requested to waive off the fines levied & refund the amount paid to the Company at the earliest. The response from NSE is still awaited.</p>
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4	BSE Limited (BSE) and NSE Limited (NSE)	The Stock Exchanges 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	BSE and NSE each: 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 Exchanges. The Company by its letters to the Exchanges 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. 29 th 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 29 th August, 2019 to fill the aforesaid intermittent vacancy. The Company by its letter dated 02.11.2019 wrote to the Exchange that: <i>"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"</i> . The Exchange(s) informed that the Company's representation will be placed before relevant authority of the Exchange. Eventually, the Exchanges did not agree with the Company's view and decided to levy the fine, which was paid by the Company.
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(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 2020-21.

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 are observations in the said report regarding the action taken by NSE Limited and BSE Limited in the matter relating to delay in appointment of woman Independent Director and delay in submission of financial results for the year/quarter ended 31st March, 2021 and 30th June, 2021, which are explained hereinabove at Sl. No. (vi). The report is annexed hereto –

Annexure CG-3.

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. The Company Secretary has been designated Compliance Officer in respect of compliance of the Code. Code of Conduct is posted on the Company's website.

Code of Conduct for Independent Directors

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

Means of Communication

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

The Quarterly, Half-yearly and Annual Results are published by the Company generally in English (Business Standard and/or 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 presentation whenever made to institutional investors or analysts is also uploaded on the websites of the Company and the Stock Exchanges. The address of the Company's web site is www.titagarh.in

General Shareholder Information

Annual General Meeting

Day, Date and Time : Monday, the 27th September, 2021 at 10:30 A.M.
Venue : Online platform of NSDL (Deemed venue: 756 Anandapur, E.M. Bypass, Kolkata – 700107)
Dates of Book Closure : 21st September, 2021 to 27th September, 2021

Financial Calendar

First Quarter Results : 10th August, 2021
Second Quarter Results : October/November, 2021
Third Quarter Results : January/February, 2022
Fourth Quarter Results : April/May, 2022

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 2021-22 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 then Clause 5A of Listing Agreement, the Company had dematerialized 2,774 equity shares comprising of 729 folios in 2013 of the shareholders holding shares in physical mode and failing to respond to the reminder issued by the Company. Subsequently due to some equity shares having been claimed and stock split, the balance in the Demat (suspense) account with Karvy Stock Broking Limited ('KSBL') was 13,725 equity shares as at the end of September, 2020 comprised in 698 folios. Since the dividends paid on the said 13,725 equity shares remained unclaimed for a period of seven consecutive years, the said shares were transferred to the Demat account of the Investor Education and Protection Fund (IEPF) during the year under review pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the IEPF Rules.

Pursuant to the Scheme of Amalgamation of Cimmco Limited ('Cimmco') with the Company sanctioned by Hon'ble NCLT, Kolkata, by its Order dated 30th September, 2020, the Company had on 7th November, 2020 allotted its 45,210 equity shares of Rs. 2/- each, against the 89,498 (comprising of 9961 folios) equity shares of Cimmco held in Unclaimed Suspense Account maintained with KSBL. The necessary corporate action was executed by the Depository whereby the said Account maintained with KSBL was debited with 89,498 equity shares of Cimmco and credited with 45,210 equity shares of the Company. Further, the 2,173 equity shares of Rs. 2/- each of the Company allotted on 7th November, 2020 to 25 shareholders of Cimmco which could not be credited to their demat accounts and since rejected at the time of execution of Corporate action due to their accounts having been closed or dormant or other procedural issues were transferred to the Unclaimed Suspense Account of the Company maintained with Axis Securities Limited. The Company has been from time to time transferring shares from the said Account to the demat accounts of concerned shareholders as and when claim application from them are received and processed after necessary compliances applicable thereto. As at 31st March, 2021, 1,290 equity shares of Rs. 2/- each (held in 20 shareholder's folios) were held in the

said Account with Axis Securities Limited. The voting rights on these shares shall remain frozen till the rightful owner of such shares 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	
2020				High	Low
April	38.00	25.25	884626	33887.25	27500.79
May	35.00	33.40	428266	32845.48	29968.45
June	37.85	30.55	701387	35706.55	32348.1
July	43.90	33.35	1400907	38617.03	34927.2
August	53.40	39.75	2800194	40010.17	36911.23
September	48.50	44.30	581838	39359.51	36495.98
October	48.00	48.00	521997	41048.05	38410.2
November	47.50	41.00	694657	44825.37	39334.92
December	59.90	46.50	3018600	47896.97	44118.1
2021					
January	62.25	59.00	2080603	50184.01	46160.46
February	57.45	55.80	1724622	52516.76	46433.65
March	56.95	51.05	3517481	51821.84	48236.35

(B) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	CNX NIFTY	
2020				High	Low
April	37.7	24.55	5553469	9889.05	8055.8
May	35.00	28.6	2962454	9598.85	8806.75
June	37.85	30.25	4438655	10553.15	9544.35
July	43.9	33.1	7747349	11341.4	10299.6
August	53.45	38.8	16594413	11794.25	10882.25
September	48.4	38.00	6053110	11618.1	10790.2
October	46.8	40.00	3699964	12025.45	11347.05
November	47.6	39.85	6330327	13145.85	11557.4
December	59.95	45.00	28539040	14024.85	12962.8
2021					
January	62.2	54.05	18102979	14753.55	13596.75
February	56.25	48.00	16151144	15431.75	13661.75
March	57.00	44.3	13714944	15336.3	14264.4

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

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

Categories of Shareholding as on the 31st March, 2021

Category	No. of Shares held	% of Total Shares
• Promoter & Promoter Group	52853560	44.27
• Indian Public		
Mutual Funds & UTI	10426550	8.73
Financial Institutions & Banks	532	Negligible
Private Corporate Bodies	4387649	3.67
Individuals/Others	46060279	38.58
• Non-Residents		
Foreign Institutional Investors/ Non-Residents	5320548	4.46
• Clearing Members	338471	0.28
TOTAL	119387589	100.00

Dematerialisation of shares and liquidity: 99.80% of total equity shares of the Company have been dematerialised as on 31st March, 2021.

Distribution of Shareholding as on 31st March, 2021

Range of Shares	No. of Holders	% To Holders	No. of Shares	% To Equity
1 to 5000	120275	99.08	29429367	24.65
5001 to 10000	653	0.54	4744914	3.97
10001 to 20000	262	0.22	3748512	3.14
20001 to 30000	83	0.07	1991047	1.67
30001 to 40000	27	0.02	963867	0.81
40001 to 50000	23	0.02	1064502	0.89
50001 to 100000	30	0.02	1977186	1.66
100001 & above	44	0.03	75468194	63.21
TOTAL	121386	100.00	119387589	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: <https://titagarh.in/policies-and-codes>.

Pursuant to the SEBI (LODR) Regulations, 2015, Titagarh Firema SpA, Italy, was the material subsidiary of the Company during the financial year 2020-21.

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

Wagons and Shipbuilding

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

Metro Coaches, Train Electricals & Steel Casting

2, Hindmotor Road, P.O.: Hindmotor
P.S. Uttarpara, Dist : Hooghly, Pin : 712233, West Bengal
Telephone : 91 33 2664 7009

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

Wagons & Heavy Engineering Division

Mal Godown Road, P.O. Bharatpur – 321001, Rajasthan

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) :

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

Kolkata

Date : 10th August, 2021

J P Chowdhary
Executive Chairman

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2021.

For Titagarh Wagons Limited

Kolkata
Date: 8th June, 2021

Umesh Chowdhary
Vice Chairman and Managing Director

Certificate on Corporate Governance

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

I have examined the compliance of conditions of Corporate Governance by Titagarh Wagons Limited (CIN: L27320WB1997PLC084819) for the year ended on 31st March, 2021, 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 generally 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.

Place: Kolkata
Date: 8th June, 2021

(CS Sumantra Sinha)
Practising Company Secretary
ACS-11247 / CP-15245
UDIN: A011247C000447067

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, 2021 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
8th June, 2021

Umesh Chowdhary
Vice Chairman and Managing Director & CEO

Anil Kumar Agarwal
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 Limited** 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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the 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	ATUL RAVISHANKER JOSHI	03557435	24/01/2018
6	SUDIPTA MUKHERJEE	06871871	15/05/2014
7	RASHMI CHOWDHARY	06949401	14/08/2014
8	SUNIRMAL TALUKDAR	00920608	10/12/2019
9	KRISHAN KUMAR JALAN	01767702	13/08/2020
10	NAYANTARA PALCHOUDHURI	00581440	22/06/2020
11	SUSHIL KUMAR ROONGTA	00309302	01/01/2021
12	PRITHISH CHOWDHARY	08509158	01/01/2021

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.

Place: Kolkata
 Date: 8th June, 2021

(CS Sumantra Sinha)
 Practising Company Secretary
 ACS – 11247 / CP - 15245
 UDIN: A011247C000447254

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>.

ANNEXURE CG - 3

Annual Secretarial Compliance Report

Secretarial Compliance Report of

Titagarh Wagons Limited

For the year ended 31st March, 2021

I, CS Sumantra Sinha, Practising Company Secretary, have examined:

- (a) all the documents and records made available to us and explanation provided by **Titagarh Wagons Limited (L27320WB1997PLC084819)** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended **31st March, 2021** ("Review Period") in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:
 - (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
1	Regarding submission of financial results for the Quarter/Year ended 31 st March 2020 and 30 th June, 2020 as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in submission	Representations were made by the Company to the individual stock exchanges i.e. NSE Ltd. and BSE Ltd. where the securities of the company are listed and the matters are pending consideration of the respective exchanges
2	Regarding composition of Board of Directors of top 1000 listed entities as per Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Absence of Woman Independent Director from April 01, 2020 to June 21, 2020	The Company represented against the fine levied by the Stock Exchanges inter-alia mentioning the outbreak of novel coronavirus (COVID-19) as the reason for delay in such appointment and requested for waiver, which was granted by BSE and rejected by NSE, wherein the requisite fine was paid to NSE during the year.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	BSE Limited (BSE)	Delay in Submission of financial results for the Quarter/Year ended 31 st March 2020	A fine of Rs. 80,000/- plus GST@18% was levied on the Company as per email dated 18 th August, 2020 (The Company's waiver request is currently under process)	It was observed that the Company by its letter dated August 24, 2020 to BSE mentioned that it had already submitted letters to SEBI and the Stock Exchanges for extension of time for submission of the financial results for the Quarter ended March 2020 on the grounds inter-alia that the subject compliance had become impossible since the delay was beyond the control of the Company and the extension will enable the Company to comply with the accounting adjustment to give effect to the merger of two subsidiaries viz. Cimmco Limited and Titagarh Capital Private Limited with the Company which was in advanced stage of completion, pursuant to the order of the Hon'ble NCLT, Kolkata Bench expected shortly, since the Appointed Date as per the Scheme is 1st April, 2019, thereby facilitating reflection of correct financial position of the Company on standalone and consolidated basis. In view of the same, the Company requested BSE not to take any consequential action in that regard. The response from BSE is still awaited. However, the Company had since submitted the said Results on 8th October, 2020.
2	NSE Limited (NSE)	Delay in Submission of financial results for the Quarter/Year ended 31 st March 2020	A fine of Rs. 80,000/- plus GST@18% was levied on the Company as per letter dated 18 th August, 2020 (The Company's waiver request is currently under process)	The Company by its letter dated August 24, 2020 to NSE mentioned that it had already submitted letters to SEBI and the Stock Exchanges for extension of time for submission of the financial results for the Quarter ended March 2020 on the grounds inter-alia that the subject compliance had become impossible since the delay was beyond the control of the Company and the extension will enable the Company to comply with the accounting adjustment to give effect to the merger of two subsidiaries viz. Cimmco Limited and Titagarh Capital Private Limited with the Company which was in advanced stage of completion, pursuant to the order of the Hon'ble NCLT, Kolkata Bench expected shortly, since the Appointed Date as per the Scheme is 1st April, 2019, thereby facilitating reflection of correct financial position of the Company on standalone and consolidated basis. In view of the same, the Company requested the Stock Exchanges not to take any consequential action in that regard. During November, 2020, the Company observed that NSE had marked its waiver request as 'rework' with the remarks that the request for waiver of fine shall be considered by the Exchange only after the compliance is achieved by the Company. The Company by its letter dated 17th November, 2020 replied to NSE that it had already submitted the financial results for the quarter and year ended 31st March, 2020 in the NEAPS portal on 8th October, 2020 and requested for waiver by also mentioning that while considering the Company's application for the extension of time for submission of the aforesaid financial results, the concerned officer of SEBI had advised that considering the facts of the case, should the stock exchange(s) were to demand fine/penalty for delay in submission of the financial results, then the Company should submit response to the said stock exchange requesting for waiver of fine/penalty and that SEBI would advise the stock exchange to waive the fine/penalty and not take any consequential action. In view of the same, the Company requested NSE not to take any consequential action in that regard. The response from NSE is still awaited.

3	BSE Limited (BSE)	Letter dated August 20, 2020 regarding Non-compliance with the provisions of Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 for not having Woman Independent Director on its Board from April 01, 2020 to June 21, 2020.	A fine of Rs. 4,10,000/- plus GST@18% was levied on the Company (The Company's waiver request was approved)	The Company represented against the fine levied by the Stock Exchange by its letter dated August 29, 2020 stating inter-alia that the outbreak of novel coronavirus (COVID-19) as the reason for delay in appointment of woman Director and requested for waiver. The Company received an email from BSE on May 10, 2021 stating that the Company's representation for waiver of fine was placed before the "Committee for Reviewing Representations for Waiver of Fines Levied under Standard Operating Procedure (SOP)" and the Company's request for waiver of the fine has been approved by the said Committee.
4	NSE Limited (NSE)	Letter dated August 20, 2020 regarding Non-compliance with the provisions of Regulation 17(1), 17(1A) of SEBI (LODR) Regulations, 2015 for not having Woman Independent Director on its Board from April 01, 2020 to June 21, 2020.	A fine of Rs. 4,10,000/- plus GST@18% which was levied, was paid by the Company	The Stock Exchange had observed that the Company was not having a woman Independent Director on its Board from April 01, 2020 to June 21, 2020. The Company represented against the fine levied by the Stock Exchange by its letter dated August 28, 2020 inter-alia mentioning the outbreak of novel coronavirus (COVID-19) as the reason for delay in appointment of woman Director and requested for waiver. On March 19, 2021, the Company received a letter from NSE mentioning that the Company's representations/request for waiver of fine was placed before the relevant Committee of NSE, but was rejected. The Company paid the fine of Rs. 4,10,000/- plus GST @ 18%, to the NSE on 25.03.2021.
5	BSE Limited (BSE)	Delay in Submission of financial results for the Quarter ended 30 th June 2020	A fine of Rs. 1,55,000/- plus GST@18% was levied on the Company as per email dated 16 th October, 2020 (The Company's waiver request is currently under process)	The Company by its letter dated October 27, 2020 to BSE & NSE mentioned that the Company had already submitted the financial results for the quarter ended 30 th June, 2020 to the Stock Exchanges on 14 th October, 2020. Further, the Company had earlier on 10 th September, 2020 applied to SEBI and the Stock Exchanges concerned for extension of time for submission of financial statement/results for the quarter ended 30 th June, 2020 till 15 th October, 2020 inter-alia on the grounds that the order sanctioning the Scheme of Amalgamation of Cimmco Limited and Titagarh Capital Private Limited with the Company was expected within a short time and will enable giving effect to the merger of subsidiaries in the accounts of the Company from the Appointed Date i.e. April 01, 2019 thereby facilitating reflection of correct financial position of the Company on standalone and consolidated basis. The Company has represented the matter in detail to SEBI and the related correspondence on record states that considering the facts of the case, should the stock exchange(s) were to demand fine/penalty for delay in submission of the financial results, then the

6	NSE Limited (NSE)	Delay in Submission of financial results for the Quarter ended 30 th June 2020	A fine of Rs. 1,55,000/- plus GST@18% was levied on the Company as per letter dated 16 th October, 2020, which was revised to Rs. 1,45,000/- + GST@18% as per letter dated 19 th March, 2021, was paid by the Company	<p>Company should submit response to the said stock exchange requesting for waiver of fine/penalty and that SEBI would advise the stock exchange to waive the fine/penalty and not take any consequential action. In view of the same, the Company requested BSE and NSE respectively not to take any consequential action in that regard. The response from BSE is still awaited.</p> <p>On 19th March, 2021, the Company received a letter from NSE which mentioned that the Company's representations for waiver of fine for delay in submission of financial results for the quarter ended 30th June, 2020 was placed before the Relevant Authority of the Exchange and the Company's request for waiver of fine was not considered favourably and therefore demanded fine. The Company paid the said fine to NSE on 10th May, 2021 and informed NSE by its letter dated 11th May, 2021 that although the Company had stated favorable/genuine grounds to waive off the fines but to avoid any stricter action of NSE, the Company has paid the stated amount 'under protest' and requested to waive off the fines levied & refund the amount paid to the Company at the earliest. The response from NSE is still awaited.</p>
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(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The Stock Exchanges i.e. NSE Ltd. and BSE Ltd. had observed that half of the Board of the Company was not Independent for the period from 29-May-2019 to 20-Aug-2019 with reference to Regulation 17(1) of SEBI (LODR) Regulations, 2015 and levied fine(s) on the Company.	It was observed that the Company had represented against the fines levied by the Stock Exchanges and sought to clarify 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. 29 th May, 2019, which was an intermittent vacancy as per the Section 149(4) of the Companies Act, 2013. It stated that the provisions of the said Section provided that 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 29 th August, 2019 to fill the aforesaid intermittent vacancy. The Company's representations were placed before relevant authority (ies) of the Exchange(s) but were eventually rejected as the Exchanges did not agree with the Company's views.	The fine of Rs. 4,20,000/- each (excluding GST) which was levied, was paid by the Company	No further/consequential action was taken by the Exchanges against the Company after payment of the fine amounts.

Place : Kolkata
Date : 22nd June, 2021

(CS Sumantra Sinha)
Practising Company Secretary
ACS-11247 / CP-15245
UDIN: A011247C000495357



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	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Rail Rolling Stock, Defence, Shipbuilding, Heavy Engineering and Infrastructure Rail Rolling Stock: NIC Code - 3020 Shipbuilding: NIC Code - 3011 Heavy Engineering and Infrastructure: NIC Code - 4210
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Freight Wagons Passenger Coaches Metro Trains
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	Two
	ii. Number of National Locations	Registered & Corporate Office: 756, Anandapur, E.M. Bypass, Kolkata – 700107 Regional Offices: i. Delhi ii. Mumbai iii. Pune iv. Hyderabad Plant Locations: West Bengal: i. Wagons and Shipbuilding Division, Titagarh – 700119 ii. Steel Castings Division, Titagarh – 700119 iii. Metro Coaches/Train Electricals & Steel Castings, Uttarpara – 712233 Bhartapur, Rajasthan: iv. Wagons & Heavy Engineering Division (HED), Bharatpur – 321001
10.	Markets served by the Company	National / International

SECTION B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	23,87,75,178/-
2.	Total Turnover (₹)	102578.50 lakhs
3.	Total Profit after Taxes (₹)	5027.56 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. 5.14 lakhs as CSR expenditure during 2020-21.
5.	List of activities in which expenditure in 4 above has been incurred:	<p>Titagarh Wagons Limited (TITAGARH) has been continuing its CSR interventions under various themes/heads as briefly described below:</p> <ul style="list-style-type: none"> • <u>Health & Hygiene:</u> <ol style="list-style-type: none"> 1) Society for Indian Children Welfare (SICW): The project has been providing benefits to many children abandoned/orphaned. • <u>Education:</u> <ol style="list-style-type: none"> 1) South Kolkata Humari Muskaan: NGO for extending support to the children of women in prostitution (WIP) aged between (approximately) 4 and 18 years (girls and boys in red light areas). 2) Muskaan School: A School for under privileged

SECTION C - OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 3 (three) subsidiaries, namely: i. Titagarh Bridges and International Private Limited (Formerly: Matiere Titagarh Bridges Pvt. Ltd.) ii. Titagarh Firema S.p.A, Italy iii. Titagarh Singapore Pte. Limited, Singapore
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, by passing an 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	033-40190800	corp@titagarh.in
Shri Umesh Chowdhary	Vice Chairman & Managing Director	00313652	033-40190800	corp@titagarh.in
Shri Sudipta Mukherjee	Director (Freight Operations)	06871871	033-40190800	corp@titagarh.in
Shri Anil Kumar Agarwal	Director (Finance) & CFO	01501767	033-40190800	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, who is empowered to oversee the implementation of 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**

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?**

The BR report is published as part of our annual report disclosures, 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.

The Company also complies with Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). Concerned employees are covered by this Code of conduct for regulation of trades by designated persons, pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. These policies are reviewed periodically and updated as required. Any non-compliance with these policies is viewed seriously by the Compliance Officer and Board and actions commensurate with proven violations are initiated as required.

During the financial year 2020-21, the Company has not received any complaints in relation to ethics, bribery or 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 were commissioned in 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- 633 (includes 453 permanent staffs/employees and 180 workers)
- Total number of employees hired on temporary / contractual / casual basis - Variable
- Number of permanent women employees - 23
- 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.

The Policy on Prevention of Sexual Harassment at Workplace (POSH) ensures the safety and security of female employees. Each complaint of sexual harassment is investigated by an independent Committee chaired by women employee and consisting of various internal and external female members, providing full anonymity to the complainant and in cases where evidence of harassment is found, strict disciplinary action is initiated

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 making 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, Improvement in lives of people in weak section of society, 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 2021.

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 2020-21.

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 products.

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.

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, 2021, 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, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. 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.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of carrying value of Investment in subsidiaries</p> <p>Assessment of carrying value of equity investments in subsidiary and fair value of other investments</p> <p>(Refer to Note 2.8 - "Investments (other than Investments in Subsidiaries and Joint Ventures) and Other Financial Assets", Note 2.9 - "Investments in Subsidiaries and Joint Venture", Refer Note 2.34 - "Critical Estimates and Judgements - Impairment of Investments in Subsidiaries", Note 4 - "Investments (Non-current)" and Note 41 - "Fair Values")</p> <p>The Company has equity investments in subsidiaries and other companies. It also has made investments in debenture in a subsidiary.</p> <p>The Company accounts for equity investments in subsidiaries at cost (subject to impairment assessment) and other investments at fair value.</p> <p>For investments carried at cost amounting to Rs. 5,230.31 lacs where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised.</p> <p>For investments carried at fair values, a fair valuation is done at the year-end as required by Ind AS 109.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment and fair valuation of material investments.• Evaluated the Company's process regarding impairment assessment and fair valuation by involving auditor's valuation experts, as applicable to assist in assessing the appropriateness of the valuation model including the independent assessment of the underlying assumptions relating to discount rate, terminal value etc.• Assessed the carrying value/fair value calculations of all individually material investments, where applicable, to determine whether the valuations performed by the Company were within an acceptable range determined by us and the auditor's valuation experts.• Evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.• Checked the mathematical accuracy of the impairment model and agreed the relevant data on sample basis

<p>The accounting for investments is a Key Audit Matter as the determination of recoverable value for impairment assessment/fair valuation involves significant management judgement and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, terminal growth rate etc.</p>	<p>with the latest budgets, actual past results and other supporting documents.</p> <ul style="list-style-type: none"> Evaluated the adequacy of the disclosures made in the Standalone Financial Statements. <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity investments in subsidiary and fair value of other investments.</p>
Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment of Property, Plant and Equipment</p> <p>(Refer to Note 2.2 - "Property, Plant and Equipment", Refer Note 2.34 - "Critical Estimates and Judgements - Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets", Note 3.1 - "Property, Plant and Equipment")</p> <p>Property, plant and equipment represents 39.5% of total assets on the balance sheet. If these were to be impaired, it would have a significant impact on the reported profit and the balance sheet position of the Company.</p> <p>Impairment assessment requires judgements and estimates towards future results of business including key assumptions like discount rate, growth rate etc.</p> <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding, evaluating and validating 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. <p>Based on the above procedures performed, we noted that the management's assessment of impairment of property, plant and equipment is reasonable.</p>

Other Information

5. 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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and

for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Report on other legal and regulatory requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those
- (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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 standalone financial statements – Refer Note 15 and 36 to the financial statements.
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.
 - 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, 2021.

15. 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

Avijit Mukerji
Partner
Membership Number 056155

UDIN: 21056155AAAABA3663
Place: Gurugram
Date: June 8, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the standalone financial statements for the year ended March 31, 2021

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, 2021 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.

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the member of Titagarh Wagons Limited on the standalone financial statements for the year ended March 31, 2021.

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Avijit Mukerji
Partner
Membership Number 056155

UDIN: 21056155AAAABA3663
Place: Gurugram
Date: June 8, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the standalone financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable. Certain fixed assets of the company, representing 672 railway wagons aggregating to Rs. 663.85 Lacs (Gross Book Value) and Rs. 626.72 Lacs (Net book Value) are in the possession of Indian Railways and has not been physically verified by the management during the year. Accordingly, we are unable to comment on discrepancies, if any.
- (c) The title deeds of immovable properties, as disclosed in Note 3.1 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 3.1(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.
2	Freehold Land	3,550.15	3,550.15	Title deeds are not in the name of the Company
1	Buildings	117.04	103.16	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.
- 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, except for dues in respect of Provident fund, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees state insurance, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 47 to the financial statements regarding management's assessment on certain matters relating to provident fund. Further, for the period April 1, 2020 to April 30, 2020, the company has paid Goods and Service Tax and filed GSTR-3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notifications No. 31/2020 dated April 3, 2020 on fulfilment of conditions specified therein.

The extent of the arrears of statutory dues outstanding as at March 31, 2021, 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	29.97	2019 – 2021	April 2019 to September 2020	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, 2021 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
		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
		17.43	2010-2011	Additional Commissioner of Commercial Tax West Bengal
The Rajasthan Sales Tax Act	Sales Tax	32.74	2012-13, 2014-17	Deputy Commissioner Appeal
		154.74	2014-15	Joint Commissioner Appeals
		5.52	2013-14	Commissioner Appeal
		13.28	1998-99	Assessing Authority, Special Circle
		111.92	2013-14	Rajasthan Tax Board
		59.93	2017-18	The Additional Commissioner, Appellate Authority
The Orissa 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	1,117.22	1999-2000 2007 to 2012	Customs, Excise and Service Tax Appellate Tribunal
		538.08	2011 to 2017	Additional Commissioner of Central Excise and Service Tax
		74.56	2009 to 2017	Assistant Commissioner of Central Excise and Service Tax
		12,140.53	1995-96 to 2013-14	Commissioner of Central Excise and Service Tax
		127.83	2007-08 to 2013-14, 2015-16	Commissioner of Central Excise (Appeal)
		43.08	2014-2016	Commissioner (Appeal)
		329.21	2013 to 2015	Joint Commissioner of Central Excise and Service Tax
		126.27	1989-1994	Supreme Court
The Income-Tax Act, 1961	Income Tax	3013.15	AY 2011-12, AY 2015-16, AY 2017-18, AY 2018-19	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 bank. The Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures as at the balance sheet date.

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of 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

Avijit Mukerji
Partner
Membership Number 056155

UDIN: 21056155AAAABA3663
Place: Gurugram
Date: June 8, 2021

STANDALONE BALANCE SHEET as at March 31, 2021

			Rs. in Lacs	
	Notes	As at March 31, 2021	As at March 31, 2020	
I. ASSETS				
Non-current Assets				
a) Property, Plant and Equipment	3.1	55,957.64	56,566.56	
b) Right-of-Use Assets	3.5	152.15	-	
c) Capital Work-in-progress	3.4	1,628.92	-	
d) Investment Properties	3.3	821.24	821.24	
e) Intangible Assets (Other than Goodwill)	3.2	612.15	1,202.85	
f) Financial Assets				
i) Investments	4	13,271.39	10,417.53	
ii) Trade Receivables	5	-	142.99	
iii) Loans and Deposits	6	357.35	358.24	
iv) Other Financial Assets	7	4,895.87	4,278.61	
g) Deferred tax assets (Net)	17	-	420.20	
h) Non-current Tax Asset (Net)	8	2,640.77	2,914.51	
i) Other Non-current Assets	9	1,679.98	989.37	
Total Non-current Assets		82,017.46	78,112.10	
Current Assets				
a) Inventories	10	19,887.32	20,574.38	
b) Financial Assets				
i) Trade Receivables	5	13,035.07	15,884.45	
ii) Cash and Cash Equivalents	11.1	5,012.89	1,030.11	
iii) Other Bank Balances	11.2	4,214.30	2,709.01	
iv) Loans and Deposits	6	1,588.94	3,244.80	
v) Other Financial Assets	7	3,713.62	8,733.53	
c) Other Current Assets	9	12,307.41	13,444.10	
Total Current Assets		59,759.55	65,620.38	
TOTAL - ASSETS		141,777.01	143,732.48	
II. EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	12	2,387.75	2,312.12	
b) Other Equity	13	84,777.56	79,323.79	
Total Equity		87,165.31	81,635.91	
Liabilities				
Non-current Liabilities				
a) Financial Liabilities				
i) Borrowings	14	10,205.91	14,748.98	
ii) Lease Liabilities	3.5	117.20	-	
b) Provisions	15	350.55	349.29	
c) Deferred Tax Liabilities (Net)	17	980.53	-	
d) Other Non-current Liabilities	20	17,535.77	14,406.29	
Total Non-current Liabilities		29,189.96	29,504.56	
Current Liabilities				
a) Financial Liabilities				
i) Borrowings	14	-	6,330.59	
ii) Trade Payables	18			
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		769.43	158.31	
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		12,614.89	21,043.15	
iii) Other Financial Liabilities	19	542.61	3,063.70	
b) Other Current Liabilities	20	10,582.37	1,043.24	
c) Provisions	15	889.54	930.12	
d) Current Tax Liabilities	16	22.90	22.90	
Total Current Liabilities		25,421.74	32,592.01	
TOTAL - LIABILITIES		54,611.70	62,096.57	
TOTAL - EQUITY AND LIABILITIES		141,777.01	143,732.48	
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the standalone financial statements				

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

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji
Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place: Kolkata
Dated : June 8, 2021

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

		Rs. in Lacs	
	Notes	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Income			
Revenue from Operations	21	102,578.50	148,421.49
Other Income	22	1,137.03	1,713.60
Total Income		103,715.53	150,135.09
Expenses			
Cost of Raw Materials and Components Consumed	23	71,771.82	107,188.90
Changes in Inventories of Finished Goods, Work in progress and Saleable Scrap	24	1,370.49	625.66
Employee Benefits Expense	25	2,847.68	3,486.14
Finance Costs	26	5,478.57	6,502.92
Depreciation and Amortization Expense	27	1,572.95	1,813.89
Other Expenses	28	14,660.10	24,231.98
Total Expenses		97,701.61	143,849.49
Profit before exceptional items and tax		6,013.92	6,285.60
Exceptional items (Income) / Expenses	30	(434.75)	16,135.44
Profit / (Loss) Before Tax		6,448.67	(9,849.84)
Tax Expense			
Current Tax			
Pertaining to profit for the current year	29	176.96	-
Adjustment of tax relating to earlier years		-	687.81
Deferred Tax		1,244.15	(2,545.16)
Total Tax Expense		1,421.11	(1,857.35)
Profit / (Loss) for the Year After Tax		5,027.56	(7,992.49)
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss in subsequent periods :			
Remeasurement Gains/(Losses) on Defined Benefit Plans		41.90	(15.70)
Tax on above		(10.55)	3.95
Item that will be reclassified to Profit or Loss in subsequent periods :			
Fair value change of cash flow hedges		580.23	-
Tax on above		(146.03)	-
Other Comprehensive Income for the Year (Net of Taxes)		465.55	(11.75)
Total Comprehensive Income for the Year		5,493.11	(8,004.24)
Earnings per Equity Share[Nominal Value of Share Rs. 2/- (March 31, 2020: Rs 2/-)]	31		
Basic (In Rs.)		4.21	(6.71)
Diluted (In Rs.)		4.21	(6.71)
Summary of Significant Accounting Policies	2		
The accompanying notes are an integral part of the standalone financial statements			

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

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

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

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Director (Finance) and Chief Financial Officer
DIN: 01501767

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place: Kolkata
Dated : June 8, 2021

STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2021

	Rs. in Lacs	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
A. Cash Flows from Operating Activities		
Profit/ (Loss) before Tax	6,448.67	(9,849.84)
Adjustments for:		
Depreciation and Amortisation Expense	1,572.95	1,813.89
Finance Cost	5,478.57	6,502.92
Employee Stock Option Expenses	9.33	67.81
Unrealised Foreign Exchange Fluctuations Gain	(12.65)	(147.95)
Goodwill written-off	-	24.85
Irrecoverable Debts/ Advances Written Off (Net)	405.03	249.36
Provision for Doubtful Debts and Advances	-	495.34
Net Gain on Disposal of Property, Plant and Equipment	(61.57)	(18.00)
Net Gain on Disposal of Investment	-	(237.74)
Fair Value Gain on Investment - FVTPL	(405.52)	89.86
Unspent Liabilities / Provisions No Longer Required Written Back	(159.55)	(552.02)
Interest Income Classified as Investing Cash Flows	(481.47)	(513.63)
Exceptional Items	(434.75)	13,508.31
Operating Profit before Changes in Operating Assets and Liabilities	12,359.04	11,433.16
Increase/(Decrease) in Non-current and Current Financial and Non-financial Liabilities and Provisions	2,673.00	(1,161.76)
(Increase)/ Decrease in Trade Receivables	2,586.68	2,334.27
(Increase)/ Decrease in Inventories	(1,174.95)	10,188.64
(Increase)/Decrease in Non-current and Current Financial and Non-financial Assets	6,029.19	7,628.04
Cash Generated From Operations	22,472.96	30,422.35
Income Taxes Paid / Refund (net)	96.78	(841.09)
Net Cash From Operating Activities	22,569.74	29,581.26
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(2,117.98)	(844.94)
Proceeds from Disposal of Property, Plant and Equipment	105.00	1,100.12
Loans Given to Subsidiaries	-	(4,727.89)
Loans Refunded by Subsidiaries	1,243.50	2,361.00
Investments in Subsidiaries	(2,013.59)	(13,904.91)
Investment in Joint Venture	-	(0.50)
Sale of Investment	-	6,288.05
Fixed Deposits Made	(6,554.72)	(6,845.74)
Fixed Deposits Matured	5,134.15	1,960.29
Dividend Received	-	3.01
Interest Received	308.42	348.11
Net Cash (Used in) Investing Activities	(3,895.22)	(14,263.40)

STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2021

	Rs. in Lacs	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
C. Cash Flows from Financing Activities		
Proceeds from Long-term Borrowings	-	10,815.65
Repayment of Long-term Borrowings	(4,650.00)	(5,477.56)
Repayment of Lease Liabilities	(10.76)	-
Repayment of Short Term Borrowings - Net	(6,330.59)	(14,280.45)
Finance Costs Paid	(3,725.27)	(5,538.23)
Proceeds from Issue of Employee Stock Option Scheme	26.96	19.11
Proceeds from Sale of Shares of erstwhile Cimmco Ltd (since merged with the company)	-	365.23
Dividend Paid (including Dividend Distribution Tax)	(2.08)	(417.44)
Net Cash (Used in) Financing Activities	(14,691.74)	(14,513.69)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	3,982.78	804.17
Cash and Cash Equivalents - Opening Balance (Refer Note 11.1)	1,030.11	225.94
Cash and Cash Equivalents - Closing Balance (Refer Note 11.1)	5,012.89	1,030.11

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji
Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place : Kolkata
Dated : June 8, 2021

Standalone Statement of Changes in Equity for the year ended March 31, 2021

A) Equity Share Capital (Refer Note 12)

Rs. in Lacs

Particulars	Number in Lacs	Amount
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
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 12)	37.81	75.63
Balance as at March 31, 2021	1,193.87	2,387.75

B) Other Equity

Particulars	Reserves and Surplus (Refer Note 13)							Other Reserve (Refer Note 14)		Total
	Securities Premium Account	General Reserve	Capital Reserve	Employee Stock Options Outstanding Account	Reserve Fund	Equity Share Merger Account	Retained Earnings	Hedge Reserve Account	Share Pending Allotment	
Balance as at March 31, 2019	40,632.78	5,411.39	6,526.38	353.95	10.32	61.11	34,284.16	-	15.47	87,280.09
Loss for the Year	-	-	-	-	-	-	(7,992.49)	-	-	(7,992.49)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	(11.75)	-	-	(11.75)
- Remeasurement Losses on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(8,004.24)	-	-	(8,004.24)
Transactions with Owners in their Capacity as Owners:										
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 46)	-	-	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 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)	-
Balance as at March 31, 2020	40,740.50	5,411.39	6,878.31	249.83	10.32	74.41	25,959.03	-	-	79,323.79
Profit for the Year	-	-	-	-	-	-	5,027.56	-	-	5,027.56
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	31.35	-	-	31.35
- Remeasurement Losses on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	434.20	-	434.20
- Fair value change of cash flow hedges	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	5,058.91	434.20	-	5,493.11
Transactions with Owners in their Capacity as Owners:										
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	25.74	-	-	-	-	-	-	-	-	25.74
Recognition of Share Based Payment	-	-	-	9.33	-	-	-	-	-	9.33
Transfer from ESOPs Outstanding Account on Exercise and Lapse	53.76	-	-	(92.55)	-	-	38.79	-	-	-
Transfer Within Equity	-	-	-	-	(10.32)	-	10.32	-	-	-
Issue of Equity Shares during the year	-	-	-	-	-	(74.41)	-	-	-	(74.41)
Balance as at March 31, 2021	40,820.00	5,411.39	6,878.31	166.61	-	-	31,067.05	434.20	-	84,777.56

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

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

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji
Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place : Kolkata
Dated : June 8, 2021

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

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 June 8, 2021.

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	8 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

As a Lessee

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. The difference on initial recognition is recognised as an expense or a reduction of income, or in the case of intra-group transactions as an equity contribution based on economic substance of the cashflows.

Debt Instruments

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

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit 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. Interest income / expense on the financial instruments measured at FVTPL is included as part of fair value changes.

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 42(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. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss

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 Derivatives

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges for highly probable forecast transactions. Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

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 defence 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 firm commitments received from suppliers / contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts.

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

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

Revenue from services rendered is recognised as the services are rendered and is booked based on agreement / arrangements with the concerned parties.

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 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 crystallising 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 39 for segment information presented.

2.28 Governments Grants

Grants from the Government are recognised at their 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 dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.30 Exceptional items

When items of income and expenses within statement of profit and loss from ordinary activities are of as such size, nature and or incidence that there disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately 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.

2.33 Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, within other gains/(losses). When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:- If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

2.34 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 42(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, Right of use Assets and Intangible Assets — Notes 2.2, 2.3, 2.7, 3.1,3.2 and 3.5**
Management reviews its estimate of the useful lives of property, plant and equipment, Right of use assets 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, right of use assets 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 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.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2021

3.1 Property, Plant and Equipment

(Rs. in Lacs)

	Freehold Land [Refer (a) below]	Leasehold Land	Leasehold Improvement	Buildings [Refer (a) below]	Plant and Equipment	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
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
Additions	-	-	-	-	361.40	-	-	4.75	4.95	40.17	6.30	417.57
Disposals	-	-	-	612.68	255.96	27.83	-	-	-	-	-	896.47
As at March 31, 2021	23,420.99	20,059.70	70.94	8,200.75	9,054.66	663.85	409.32	386.72	163.35	355.87	282.83	63,088.98
Accumulated Depreciation & Impairment												
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
Charge for the year	-	166.68	2.89	221.28	460.84	-	12.51	37.02	9.16	24.07	32.63	967.08
Disposals	-	-	-	582.03	243.15	11.88	-	-	-	-	-	837.06
As at March 31, 2021	-	999.08	58.37	1,155.16	3,883.99	37.13	137.08	208.41	121.86	273.86	129.04	7,003.98
Impairment												
As at March 31, 2019	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Net Carrying Amount												
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
As at March 31, 2021	23,420.99	19,060.62	12.57	7,045.59	5,063.31	626.72	272.24	178.31	41.49	82.01	153.79	55,957.64

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, 201	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
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	2	1	3,550.15	3,391.29	3,550.15	3,391.29	Title deeds not in the name of the Company
Freehold Land	-	1	-	97.96	-	97.96	Title deed not found
Buildings	-	-	-	-	-	-	Registration of title deeds is pending
Buildings	1	1	117.04	117.04	103.16	105.12	Title deeds not in the name of the Company

Notes to Financial Statements as at and for the year ended March 31, 2021

- b) 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.
- c) Refer Note 35 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
- d) 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 July 03, 2019 has restricted the Indian Railways from further using of the 887 Wagons and allowed the repossession of said Wagons to the Company being the sole and beneficial owner of the wagons. During the year, the Company has obtained possession of 215 wagons whose carrying value was Rs. 15.95 lacs and has discarded the same as scrap, being not usable. The said scrap has been sold for Rs. 1,363.80 Lacs.

The Company is in the process of obtaining possession of the balance 672 wagons, realisable value of which as per management estimate is more than the book value of Rs. 626.72 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, 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
Additions	5.18	-	-	-	5.18
Disposals	-	-	-	-	-
As at March 31, 2021	698.10	227.79	1,556.46	880.39	3,362.74
Accumulated Amortisation					
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
Charge for the year	107.32	56.94	431.62	-	595.88
Disposals	-	-	-	-	-
As at March 31, 2021	397.53	170.83	1,279.30	396.17	2,243.83
Impairment					
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
Charge for the year	-	-	-	-	-
As at March 31, 2021	22.54	-	-	484.22	506.76
Net Carrying Amount					
As at March 31, 2020	380.17	113.90	708.78	-	1,202.85
As at March 31, 2021	278.03	56.96	277.16	-	612.15

- a) The Company, based on technical evaluation, 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)

Notes to Financial Statements as at and for the year ended March 31, 2021

3.3 Investment Properties

	Rs. in Lacs Freehold Land
Carrying Amount as at March 31, 2019	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2020	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2021	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, 2021, fair valuation of the two properties is estimated to be Rs. 977.55 Lacs (March 31, 2020: Rs. 977.55 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 Company 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, 2021 and March 31, 2020 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, 2020: Rs 48.88 Lacs)

3.4 Capital Work-in-Progress

	Rs. in Lacs
	As at March 31, 2021
Total	As at March 31, 2020
	1,628.92
	-

- a) Capital work in progress as on March 31, 2021 are in respect of Plant and Equipment Rs. 378.02 Lacs and Building Rs. 1,250.90 Lacs. (March 31, 2020 Rs. Nil).

Notes to Financial Statements as at and for the year ended March 31, 2021

3.5 Right-of-use assets and leases

Rs. in Lacs

The company's leasing arrangement includes office space having a lease term of 5 years with a lock-in period of 4 years. It has extension options as described in (iv) below :

(i) Amount recognised in balance sheet

Right-of-use assets	Buildings	Total
Gross Carrying Amount		
As at March 31, 2019	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2020	-	-
Additions	162.14	162.14
Disposals	-	-
As at March 31, 2021	162.14	162.14
Accumulated Depreciation & Impairment		
As at March 31, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Charge for the year	9.99	9.99
Disposals	-	-
As at March 31, 2021	9.99	9.99
Net Carrying Amount		
As at March 31, 2020	-	-
As at March 31, 2021	152.15	152.15

Lease liabilities	March 31, 2021	March 31, 2020
Current	30.85	-
Non-current	117.20	-
Total	148.05	-

(ii) Amount recognised in statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Lease liabilities	March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets (Refer Note 27)	9.99	-
Interest expense (included in finance costs) (Refer Note 26)	3.76	-
Total	13.75	-

(iii) The total cash outflow for leases for the year was Rs. 10.93 lacs (March 31, 2020: Rs. Nil).

(iv) Extension and termination options

Extension and termination options are included in the company's lease contract. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The extension and termination options held are exercisable by mutual consent of both the lessor and the lessee.

Notes to Financial Statements as at and for the year ended March 31, 2021

4 Investments (Non-current)

	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	As at	As at
	2021	2020		March 31, 2021 Rs. In Lacs	March 31, 2020 Rs. In Lacs
Investment in Equity Shares					
In Subsidiary Companies (Unquoted) (at Cost)					
Titagarh Singapore Pte Limited (*) & (a)	-	20,000,000	USD 1	-	384.81
[Net of Rs. Nil impairment (March 31, 2020: Rs. 12,449.05 Lacs)]. (equity shares sold during the year)					
Titagarh Wagons AFR(**) & (a)	7,000,500	7,000,500	EURO 1	-	-
[Net of Rs. 4,883.89 Lacs impairment (March 31, 2020: Rs. 4,883.89 Lacs)].					
Titagarh Firema S.p.A (*) & (a)	-	7,062,353	EURO 1	-	7,098.85
[Net of Rs. Nil impairment (March 31, 2020: Rs. 6933.80 Lacs)]. (equity shares sold during the year)					
Titagarh Bridges & International Private Limited @@ (formerly Matiere Titagarh Bridges Private Limited)	34,455,764	-	3,383.62	-	
Equity portion of investment in Subsidiaries ## Titagarh Bridges & International Private Limited	1,936.19	-			
In Joint Ventures (Unquoted) (at Cost)					
Titagarh Bridges & International Private Limited @@	-	754,882	10.00	-	75.49
Titagarh Mermec Private Limited	5,000	5,000	10.00	0.50	0.50
In Others (Quoted) (at FVTPL) (b)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
Arshiya Limited	898,562	898,562	2	301.47	60.83
In Others (Unquoted) (at FVTPL) (b) ^					
Titagarh Enterprises Limited	4,932,940	4,932,940	10	2,777.13	2,746.28
Traco International Investment Private Limited	685,000	685,000	10	18.37	18.32
Titagarh Industries Limited	50,000	50,000	10	30.70	32.20
				8,448.03	10,417.33
In 4% Optionally Fully Convertible Debentures (OFCD) in a Subsidiary Company (Unquoted) (at FVTPL) (b)					
Titagarh Bridges & International Private Limited	66,238,100	-	10	4,823.16	-
National Savings Certificate (at Amortised Cost) (Unquoted) @	0.20	0.20			
				13,271.39	10,417.53

Notes to Financial Statements as at and for the year ended March 31, 2021

4 Investments (Non-current) (Contd.)

	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	As at	As at
	2021	2020		March 31, 2021 Rs. In Lacs	March 31, 2020 Rs. In Lacs
Total - Non Current Investments					
Aggregate book value of quoted investments				301.52	60.88
Aggregate book value of unquoted investments				12,969.87	10,356.65
Market value of quoted investments				301.52	60.88
Aggregate amount of impairment in the value of Investments				4,883.89	24,266.74

Quotations not available, since suspended due to penal reason.

Represents deemed Equity Contribution by the Company, being the differential between fair value and carrying value of instrument on initial recognition as per Ind AS 109.

** Nil (March 31, 2020 : 4,499,995) equity shares of face value of Euro 1 per share of Titagarh Wagons AFR whose carrying value net of impairment as at year end is Rs. Nil (March 31, 2020 : Rs. Nil) has been pledged/to be pledged with the banks for loans taken by the subsidiary company.

* Equity shares pledged/to be pledged with the banks for Term Loan taken by the Company {Also refer note 14(a)}: (a) Nil (March 31, 2020 : 20,000,000) equity shares of face value of USD 1 per share of Titagarh Singapore Pte Limited whose carrying value net of impairment as at year end is Rs. Nil (March 31, 2020 : Rs. 348.81 Lacs) (b) Nil (March 31, 2020 : 7,062,353) equity shares of face value of Euro 1 per share of Titagarh Firema S.p.A whose carrying value net of impairment as at year end is Rs. Nil (March 31, 2020 : Rs. 7,098.85 Lacs)

@@ On July 14, 2020, Company has acquired the 50% shares held by Matiere S.A.S. France in Matiere Titagarh Bridges Private Limited (MTBPL), a joint control entity of the company for Rs 13.59 Lacs. As a result, MTBPL has become a wholly owned subsidiary of Company w.e.f. July 14, 2020. Subsequently on October 21, 2020, MTBPL has been renamed as Titagarh Bridges and International Pvt. Ltd. Further during the year, the Company has invested in 32,946,000 equity shares of Rs 10 each.

^ Represents following shares pledged with the banks for the cash credit and working capital facility availed by the company {Also refer note 14(c)} :

Name of Quoted Investments	No. of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	Amount Pledged	Amount Pledged
	2021	2020		March 31, 2021 Rs. In Lacs	March 31, 2020 Rs. In Lacs
Titagarh Enterprises Limited	4,932,940	4,932,940	10	49,329,400	49,329,400
Traco International Investment Private Limited	685,000	685,000	10	6,850,000	6,850,000
Titagarh Industries Limited	50,000	50,000	10	500,000	500,000
				56,679,400	56,679,400

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit

Notes:

- (a) Valued at exchange rate prevailing on the date of transaction.
- (b) Refer Note 41 for determination of fair values.
- (c) Refer Note 42 for credit risk and market risk on investments.

Notes to Financial Statements as at and for the year ended March 31, 2021

5 Trade Receivables (At Amortised Cost) Rs. in Lacs (Unsecured, considered good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Receivables				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	-	142.99	13,142.38	17,035.95
Unsecured, Considered Doubtful	-	117.67	372.76	463.53
Having Significant Increase in Credit Risk	-	-	-	-
Credit impaired	-	-	-	1,676.59
	-	260.66	13,515.14	19,176.07
Less: Loss Allowances [Refer Note 42(II) (c)]	-	117.67	372.76	2,140.12
Less: Liquidated Damages [Refer note 42(II) (c)]	-	-	107.31	1,151.50
Total	-	142.99	13,035.07	15,884.45

- a) Liquidated damages provisions 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 42 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. 2,925.25 Lacs and Rs.Nil (March 31, 2020 Rs. 1.40 Lacs and Rs.1,676.59 Lacs). Refer Note 40 for details.

6 Loans and Deposits (At Amortised Cost) Rs. in Lacs (Unsecured, Considered good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Receivables				
Loans to Related Parties [Refer (a) below]				
Considered Good	-	-	1,291.50	2,491.49
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
	-	-	1,291.50	2,491.49
Less: Loss Allowances	-	-	-	-
	-	-	1,291.50	2,491.49
Security Deposits				
Considered Good	357.35	358.24	297.44	753.31
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
Considered Doubtful	-	66.72	253.08	40.75
	357.35	424.96	550.52	794.06
Less: Loss Allowances	-	66.72	253.08	40.75
	357.35	358.24	297.44	753.31
Total	357.35	358.24	1,588.94	3,244.80

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 40.

Notes to Financial Statements as at and for the year ended March 31, 2021

7 Other Financial Assets Rs. in Lacs (Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Measured at Fair Value through OCI				
Derivative Assets #	514.70	-	65.53	-
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months @	4,191.81	4,278.61	-	-
Claims Receivables [Refer (a) below]	-	-	2,361.23	2,361.23
Receivable from Related Parties (Refer Note 40)				
Considered Good	-	-	-	186.81
Considered Doubtful	-	-	235.93	235.93
	-	-	235.93	422.74
Less: Provision for Doubtful Recoverable from Related Parties	-	-	235.93	235.93
	-	-	-	186.81
Interest Accrued on				
Fixed Deposits with Banks	189.36	-	127.85	135.70
Loans to Subsidiaries (Refer Note 40)				
Considered Good	-	-	-	8.46
Considered Doubtful	-	-	139.97	139.97
	-	-	139.97	148.43
Less: Provision for Doubtful Interest Accrued on Loan to Subsidiaries	-	-	139.97	139.97
	-	-	-	8.46
Unbilled Revenue	-	-	900.33	4,610.61
Subsidy Receivable	-	-	69.96	1,044.78
Charges Recoverable				
Considered Good	-	-	188.72	385.94
Considered Doubtful	-	-	-	40.88
	-	-	188.72	426.82
Less: Provision for Doubtful Charges Recoverable	-	-	-	40.88
	-	-	188.72	385.94
Total	4,895.87	4,278.61	3,713.62	8,733.53

Derivative instruments used by the Company is in nature of forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. All the instruments are hedge effective as at year end.

@ Deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

(a) Claim Receivables represents amount receivables from Indian Railway in relation to differential sub lease rentals for the last 3 years of primary sub lease period along with interest in terms of the Arbitration award dated February 3, 2016. The erstwhile Cimmco Ltd (since merged with the Company) had taken on lease 1,200 wagons from four lessors and given the same on

Notes to Financial Statements as at and for the year ended March 31, 2021

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 and award was published on February 3, 2016.

8 Tax Assets (Net)		Rs. in Lacs		
	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance Tax (Including Tax Deducted at Source and Net of Provision for Tax)	2,640.77	2,914.51	-	-
(Net of provision for tax Rs. 21018.28 Lacs; March 31, 2020 Rs. 20,841.32 Lacs)				
	2,640.77	2,914.51	-	-

9	Other Assets	Rs. in Lacs		
(Unsecured, considered good unless stated otherwise)				
	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital Advances	262.85	199.96	-	-
Security Deposits	274.98	317.60	-	-
Advances Recoverable in Cash or in Kind				
Considered Good - Related Parties [Refer (a) below]	861.00	-	49.37	45.31
Considered Good - Others	-	2.55	2,799.80	2,018.85
Considered Doubtful - Others	-	88.40	195.73	100.74
	861.00	90.95	3,044.90	2,164.90
Less: Provision for doubtful advances - To Others	-	88.40	195.73	100.74
	861.00	2.55	2,849.17	2,064.16
Balance with Government Authorities				
Considered Good	-	-	8,979.52	10,806.34
Considered doubtful	-	-	94.61	103.18
	-	-	9,074.13	10,909.52
Less: Provision for doubtful balances	-	-	94.61	103.18
	-	-	8,979.52	10,806.34
Prepaid expenses	281.15	469.26	478.72	573.60
Total	1,679.98	989.37	12,307.41	13,444.10

a) Represents Rs.861.00 Lacs (March 31, 2020: Rs. Nil) recoverable from subsidiary company and Rs.49.37 lacs (March 31, 2020: Rs. 45.31 Lacs) recoverable from Officers of the Company. Also Refer Note 40.

Notes to Financial Statements as at and for the year ended March 31, 2021

10 Inventories	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realisable value)		
Raw materials and components [Includes Goods in transit Rs. 606.06 lacs (March 31, 2020: Rs Nil)]	10,952.26	10,515.26
Work in progress	5,980.09	7,035.71
Finished goods	883.85	912.85
Saleable scrap	695.30	981.17
Stores and spares	1,375.82	1,129.39
Total	19,887.32	20,574.38

- 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. 3,239.02 Lacs (March 31, 2020: Rs 956.16 Lacs)
c) Write-downs of inventories to net realisable value amounted to Rs. 11.00 Lacs (March 31, 2020: Rs 24.65 lacs).

11 Cash and Bank Balances	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
11.1 Cash and cash equivalents		
Balances with banks:		
On current accounts	4,980.39	969.12
Deposits with original maturity of less than three months@	22.20	48.45
Cash on hand	10.30	12.54
	5,012.89	1,030.11
11.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	17.18	19.26
Deposits #	4,197.12	2,689.75
	4,214.30	2,709.01
Total	9,227.19	3,739.12

@ Deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

Notes to Financial Statements as at and for the year ended March 31, 2021

12 Equity Share Capital		Rs. in Lacs	
	As at March 31, 2021		As at March 31, 2020
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs
Authorised Shares			
Equity Shares of Rs. 2/- (March 31, 2020: Rs. 2/-) each	12,905.00	25,810.00	12,905.00
Preference Shares of Rs. 10/- each	1,270.00	12,700.00	1,270.00
		38,510.00	38,510.00

Issued, Subscribed and Paid-up Shares			
Equity Shares of Rs. 2/- (March 31, 2020 Rs. 2/-) each, fully paid-up	1,193.87	2,387.75	1,156.06
	1,193.87	2,387.75	1,156.06

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period			
	2020-21		2019-20
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs
Equity Shares			
At the beginning of the year	1,156.06	2,312.12	1,155.28
Shares Issued pursuant to Scheme of Amalgamation (Refer Note 46)	37.20	74.41	-
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.61	1.22	0.78
Outstanding at the end of the year	1,193.87	2,387.75	1,156.06

@ During the year, 60,950 equity shares (March 31, 2020: 78,250 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 Option

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, 2020: 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

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2020: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Private Limited	21,670,165	18.15%	21,670,165	18.74%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	15.25%	-	-
Savitri Devi Chowdhary	-	-	12,466,034	10.78%
Rashmi Chowdhary	12,816,105	10.73%	12,816,105	11.09%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	10,425,560	8.73%	6,151,556	5.32%

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.

Notes to Financial Statements as at and for the year ended March 31, 2021

13 Other Equity	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
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 Companies Act, 2013 ('the Act').		
Balance as per the Last Financial Statements	40,740.50	40,632.78
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 12(a)]	25.74	33.02
Transfer from ESOPs Outstanding Account on Exercise and Lapse	53.76	74.70
	40,820.00	40,740.50
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
Transfer within equity (refer (f) below)	(10.32)	-
Balance as at the end of the year	-	10.32
d. Capital Reserve		
Balance as at the beginning of the year	6,878.31	6,526.38
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 46)	-	351.93
Balance as at the end of the year	6,878.31	6,878.31
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	249.83	353.95
Recognition of Share Based Payment (Refer Note 33)	9.33	67.81
Transfer from ESOPs Outstanding Account on Exercise and Lapse	(92.55)	(171.93)
	166.61	249.83
f. Retained Earnings		
Balance as per the Last Financial Statements	25,959.03	34,284.16
Profit / (Loss) for the Year	5,027.56	(7,992.49)
Add: Appropriations		
Item of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	31.35	(11.75)
Transfer from ESOPs Outstanding Account on Options Lapsed	38.79	97.23
Final Dividend for the Year ended March 31, 2019	-	346.83
Dividend Distribution Tax on above	-	71.29
Transfer within equity (refer (c) above)	10.32	-
Net surplus in the statement of profit and loss	31,067.05	25,959.03

Notes to Financial Statements as at and for the year ended March 31, 2021

	As at March 31, 2021	As at March 31, 2020
g. Share Application Money Pending Allotment	-	-
h. Equity Share Merger Account		
Balance as per the Last Financial Statements	74.41	61.11
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 46)	-	13.30
Issue of Equity Shares during the year (Refer Note 46)	(74.41)	-
	-	74.41
i. Cash Flow hedge Reserve (Refer Note 13.2 and 13.3)		
Balance as per the Last Financial Statements	-	-
Changes in fair value recognised during the year	580.23	-
Tax impact on above	(146.03)	-
	434.20	-
Total Other Equity	84,777.56	79,323.79

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.

13.2 **Cash Flow Hedge Reserve:-** The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item. The Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

13.3 During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to Rs. Nil (March 31, 2020: Rs. Nil). The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the statement of profit and loss as below:

- within the next one year: gain Rs. 49.04 lacs (March 31, 2020: Rs. Nil)
- later than one year: gain Rs. 385.16 lacs (March 31, 2020: Rs. Nil)

14 Borrowings Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured				
Indian Rupee Loan from banks	10,205.91	14,748.98	94.93	100.31
Less: Amount disclosed under other financial Liabilities-current	-	-	(94.93)	(100.31)
	10,205.91	14,748.98	-	-
Cash Credits and Working Capital Demand Loans	-	-	-	6,330.59
	-	-	-	6,330.59
	10,205.91	14,748.98	-	6,330.59

Notes:

- a) Term Loan of Rs. 4,392.87 lacs (March 31, 2020: Rs. 9,023.35 lacs) carries interest @ 9.20% to 11.25% p.a. (March 31, 2020: 10.20% to 11.25% p.a.) linked to 1 year MCLR and is repayable in 2 half yearly installments starting from April 2023 to

Notes to Financial Statements as at and for the year ended March 31, 2021

October 2023. Above term loan is secured by Immovable property (including land) at Gwalior district (Steel Foundry Division), Madhya Pradesh. The loan is further subservient charge over movable fixed assets of the borrower. During the previous year, the above facilities were also been secured by way of pledge / to be pledged investment in equity shares of Titagarh Firema S.p.A and Titagarh Singapore Pte Limited.

- b) Term Loan of Rs. 5,907.97 lacs (March 31, 2020: Rs. 5,825.94 Lacs) carries interest @ 8.75% to 11.75% p.a (March 31, 2020: 9.85% to 11.75%) linked to 1 year MCLR and is repayable in 7 quarterly installments starting from June 2022 to December 2023. Above term loan is secured by a first Pari Passu by way of mortgage upon all land and building, plant and machinery and other immovable assets of Bharatpur factory and by way of hypothecation on all moveable fixed assets at Bharatpur plant and further second Charge on the current assets (both present and future) belonging to Bharatpur factory of Titagarh Wagons Limited.
- (c) Cash Credits and Working Capital Demand Loans of Rs. Nil (March 31, 2020 : Rs. 6,330.59 Lacs) are secured by first charge on the Company's current assets, movable fixed assets both present and future at Titagarh, and Mouza, Bhadrakali, Uttarpara, West Bengal and further creating charge on immovable properties by way of depositing title deeds of various lands of the company. The above facilities have also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited, Traco International Investment Private Limited and Titagarh Industries Limited.
- (d) Cash Credits is repayable on demand and carry an interest rate ranging between 7.65 % to 12.45 % p.a. linked with MCLR.
- (e) Working Capital Demand Loans carry interest at Bank's MCLR plus spread ranging from 6.30 % to 11.80 % p.a (March 31, 2020: 8.2 % to 10.5 % p.a.) and are repayable within six months.
- (f) Refer Note 42 for information about market risk and liquidity risk on borrowings.

15 Provisions Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits :				
Gratuity [Refer Note 32 (i)]	350.55	349.29	107.23	119.87
Leave Benefits [Refer Note 32 (iii)]	-	-	147.58	137.98
	350.55	349.29	254.81	257.85
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	283.37	249.39
Litigations, Claims and Contingencies [Refer (a) below for movement] & [36 (i)]	-	-	351.36	422.88
	-	-	634.73	672.27
	350.55	349.29	889.54	930.12

a) Movement of provisions for warranty, litigation, claims and contingencies and contingency against standard assets are as follows: Rs. in Lacs

	Warranties		Litigation Claims and Contingencies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
At the beginning of the year	249.39	221.10	422.88	462.76
Made during the year	33.98	124.29	60.10	220.70
Utilized during the year	-	(96.00)	-	(173.23)
Transferred to provision against security deposit	-	-	(131.62)	-
Unused amounts reversed during the year	-	-	-	(87.35)
At the end of the year	283.37	249.39	351.36	422.88

Notes to Financial Statements as at and for the year ended March 31, 2021

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.

16 Current Tax Liabilities

	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax (Net of Advance tax and TDS Rs. Nil; March 31, 2020 Rs. Nil)	22.90	22.90
Total	22.90	22.90

17 Deferred Tax Assets / (Liabilities)

	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities		
Arising out of temporary difference in depreciable assets	(6,582.45)	(6,329.91)
Unrealised gain on FVTPL securities	(406.65)	(294.81)
Fair valuation of derivative assets	(146.03)	-
Gross Deferred tax liabilities	(7,135.13)	(6,624.72)
Deferred tax assets		
Provision for fall in value of Investment	5,525.55	4,998.95
Provision for Doubtful Debts and Advances	302.95	744.28
Provision for Liquidated Damages	27.01	289.81
Provision for Litigations, Claims and Contingencies	88.43	750.54
Provision for Employee Benefits	173.40	176.17
Lease Liability	37.26	-
Carried Forward Business Losses	-	85.17
Gross Deferred tax assets	6,154.60	7,044.92
Net Deferred Tax Assets / (Liabilities)	(980.53)	420.20

Notes to Financial Statements as at and for the year ended March 31, 2021

The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020:

	As at April 1, 2019 Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2020 Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2021 Deferred tax asset / (Liability)
Arising out of Temporary Differences in Depreciable Assets	(7,002.81)	672.90	(6,329.91)	(252.54)	(6,582.45)
Unrealised Gain on FVTPL Investments	(332.85)	38.04	(294.81)	(111.84)	(406.65)
Fair valuation of derivative assets	-	-	-	(146.03)	(146.03)
Total Deferred Tax Liabilities	(7,335.66)	710.94	(6,624.72)	(510.41)	(7,135.13)
Provision for fall in value of Investment	-	4,998.95	4,998.95	526.60	5,525.55
Provision for Doubtful Debts and Advances	954.51	(210.23)	744.28	(441.33)	302.95
Provision for Warranties and Liquidated Damages	252.16	37.65	289.81	(262.80)	27.01
Provision for Litigations, Claims and Contingencies	161.71	588.83	750.54	(662.11)	88.43
Provision for Employee Benefits	212.27	(36.10)	176.17	(2.77)	173.40
Fair Valuation of derivative assets	15.63	(15.63)	-	-	-
Carried Forward Business Losses	2,199.54	(2,114.37)	85.17	(85.17)	-
Unabsorbed Depreciation	571.08	(571.08)	-	-	-
Lease liability	-	-	-	37.26	37.26
MAT Credit Entitlement	839.85	(839.85)	-	-	-
Total Deferred Tax Assets	5,206.75	1,838.17	7,044.92	(890.32)	6,154.60
Net Deferred Tax Assets / (Liabilities)	(2,128.91)	2,549.11	420.20	(1,400.73)	(980.53)

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 10.55 Lacs [March 31, 2020 Rs. (3.95 Lacs)] and income tax impact on Fair value change of cash flow hedges amounting to Rs. 146.03 Lacs [March 31, 2020 Rs. Nil] included in Other Comprehensive Income.

18 Trade Payables (At Amortised Cost)

	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 37)	769.43	158.31
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	12,614.89	21,043.15
	13,384.32	21,201.46

(a) Trade Payables include dues to related parties of Rs. 254.02 Lacs (March 31, 2020 : Rs. 812.82 Lacs). Refer Note 40 for details.

(b) Refer Note 42 for information about market risk and liquidity risk on trade payables.

Notes to Financial Statements as at and for the year ended March 31, 2021

19 Other Financial Liabilities	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
Current Maturity of Long Term Debts [Refer Note 14(a) & (b)] #	94.93	100.31
Current Maturity of Lease Liability [Refer Note 3.5]	30.85	-
Measured at amortised cost		
Interest accrued and due on borrowings	-	220.22
Interest accrued and not due on borrowings	6.20	-
Investor education and protection fund will be credited by following amounts (as and when due)		
Unpaid dividends	17.18	19.26
Others		
Employee Related Liabilities	269.86	136.95
Payable for Purchase of Property, Plant and Equipment :-		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 37)	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	-	12.31
Other Liabilities	123.59	2,574.65
Total	542.61	3,063.70

This amount refers to the amortisation within next one year of upfront processing fees paid to bank in respect of long term loan.

20 Other Liabilities	Rs. in Lacs			
	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advances from Customers	17,535.77	14,406.29	10,287.88	879.75
Statutory Dues	-	-	294.49	147.57
Other Liabilities	-	-	-	15.92
	17,535.77	14,406.29	10,582.37	1,043.24

Non-current and current advance received from customers include an advance of Rs. 22,916.27 lacs (March 31, 2020: 14,406.29 Lacs) which will be adjusted over a period of 3 years against sale of passenger wagons. Out of such advance outstanding as at March 31, 2021 Rs. 5,380.50 lacs will be recognised by March 31, 2022 and remaining thereafter.

21 Revenue from Operations	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Contract with Customers:-		
Sale of products		
Finished Goods	90,777.11	140,403.47
Raw Materials and Components	9,506.04	7,277.59
Other operating revenues		
Scrap sales	2,282.51	291.31
Subsidy Income	-	331.01
Export Entitlement (MEIS Benefit, etc.)	12.84	24.52
Others	-	93.59
Total	102,578.50	148,421.49

Notes to Financial Statements as at and for the year ended March 31, 2021

from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 100,283.15 Lacs (March 31, 2020 Rs 147,681.06 Lacs). The details of which are given below:-

	March 31, 2021	March 31, 2020
Revenue recognised at a point in time	98,502.75	138,074.96
Revenue recognised over time	1,780.40	9,606.10
	100,283.15	147,681.06

Reconciliation of revenue recognised with contract price:

	March 31, 2021	March 31, 2020
Contract price	99,369.05	145,003.47
Adjustment for:		
Liquidated Damages	(821.95)	(1,410.55)
Escalation	1,736.05	4,088.14
Revenue from operations	100,283.15	147,681.06

22 Other Income

	For the year ended March 31, 2021	Rs. In Lacs For the year ended March 31, 2020
22.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	346.38	392.36
Loans to Subsidiaries	59.51	119.57
Others	1.75	-
From Income Tax Authorities	73.83	1.70
	481.47	513.63
22.2 Others		
Unspent Liabilities / Provisions No Longer Required Written Back	159.55	552.02
Irrecoverable debts written off in earlier years, now recovered	12.75	-
Net Gain on Disposal of Property, Plant and Equipment	61.57	18.00
Commission Income on Guarantees, etc.	-	107.56
Other Non-operating Income	16.17	180.88
	250.04	858.46
22.3 Other Gains / (Losses)		
Fair Value Gain / (Loss) on Investment - FVTPL	405.52	(89.86)
Foreign Exchange Fluctuations and Fair Value Gain / (Loss) on Derivatives Not Designated as Hedges	-	193.63
Net gain on sale of investments	-	237.74
	405.52	341.51
Total	1,137.03	1,713.60

Notes to Financial Statements as at and for the year ended March 31, 2021

23 Cost of Raw Materials and Components Consumed	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year	10,515.26	20,545.91
Add: Purchases	72,208.82	97,158.25
	82,724.08	117,704.16
Less: Inventories at the end of the year	10,952.26	10,515.26
Cost of raw materials and components consumed	71,771.82	107,188.90

24 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning 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 end of the year		
Finished Goods	883.85	912.85
Work-in-Progress	5,980.09	7,035.71
Saleable Scrap	695.30	981.17
(B)	7,559.24	8,929.73
(Increase) / Decrease (A-B)	1,370.49	625.66

25 Employee Benefits Expense	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Bonus	2,417.13	2,888.51
Employee Stock Option Expenses (Refer Note 33)	9.33	67.81
Contribution to Provident and Other Funds [Refer Note 32 (ii) and 47]	187.62	230.57
Gratuity Expense [Refer Note 32 (i)]	67.20	70.89
Staff Welfare Expenses	166.40	228.36
Total	2,847.68	3,486.14

26 Finance Costs	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.	4,095.04	5,471.71
Interest & Finance Charges on Lease Liabilities	3.76	-
Other Borrowing Cost (Bank Charges, etc.)	1,379.77	1,031.21
Total	5,478.57	6,502.92

Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs.1,862.01 Lacs (March 31, 2020: Rs. 820.41 Lacs) representing cost of financing component @ 9% against long term advance from customers.

Notes to Financial Statements as at and for the year ended March 31, 2021

27 Depreciation and Amortisation	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of Property, Plant & Equipments (refer note 3.1)	967.08	1,208.58
Depreciation of Right of Use Assets (refer note 3.5)	9.99	-
Amortisation of Intangible Assets (refer note 3.2)	595.88	605.31
Total	1,572.95	1,813.89

28 Other Expenses	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores and spares	2,972.32	5,924.91
Job Processing and other machining charges (including contract labour charges)	4,415.97	8,737.20
Power and Fuel	2,648.20	4,048.90
Design and development expenses	205.05	332.58
Repairs		
Plant and machinery	327.76	447.67
Buildings	108.60	77.18
Others	55.11	46.00
Rent and Hire charges	849.32	616.49
Rates and Taxes	89.25	141.55
Insurance	174.08	113.03
Security Services	157.48	142.97
Advertising and sales promotion	34.08	107.29
Brokerage and commission	144.99	208.85
Travelling and conveyance	228.11	432.30
Legal and professional fees	822.47	933.35
Commission to non-whole time directors	10.00	-
Directors sitting fees	33.80	33.88
Payment to Auditors		
As auditors		
Audit fee	48.00	32.00
Limited review	12.00	12.00
Other Certification services	17.25	22.75
Reimbursement of expenses	2.19	6.81
Warranty Claims	37.98	96.00
Less: Adjusted with provision	3.99	96.00
Provision for warranties	-	124.29
Irrecoverable debts/advances written off	405.03	249.36
Goodwill written-off	-	24.85
Provision for doubtful debts and advances	-	495.34
Corporate Social Responsibility expenses (Refer Note 28.1)	5.15	34.57
Foreign Exchange Fluctuations	149.07	-
Miscellaneous expenses	710.83	885.86
Total	14,660.10	24,231.98

Notes to Financial Statements as at and for the year ended March 31, 2021

28.1 Corporate Social Responsibility Expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Amount required to be spent during the year	-	-
(b) Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (fully paid)	5.15	34.57
Total	5.15	34.57

29 Income Tax Expense / (Benefit)

	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Amount recognised in the Statement of Profit and Loss		
Current Tax	176.96	-
Current Tax- Pertaining to Earlier Years	-	687.81
Deferred Tax	1,244.15	(2,545.16)
Total Income Tax Expense Recognised in Profit and Loss	1,421.11	(1,857.35)
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit / (Loss) before Tax	6,448.67	(9,849.84)
At India's Statutory Income Tax Rate of 25.168% (March 31, 2020: 25.168%)	1,623.00	(2,479.01)
Adjustments:		
Expenses not allowed as deductions	(51.99)	32.62
Income not taxable	14.83	(88.79)
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	(70.25)	24.04
Adjustment for change in tax rate	20.63	205.33
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
Others	(115.11)	216.31
	1,421.11	1,857.35

30 Exceptional Item

	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit on Sale Investments in Overseas Subsidiaries to Titagarh Bridges & International Private Limited	(434.75)	-
Impairment in value of investment of Subsidiary Companies	-	13,508.31
Provision for Corporate Guarantee and related cost given to ICICI Bank UK for Titagarh Wagon AFR	-	2,627.13
	(434.75)	16,135.44

Note:

- (a) Exceptional items for year ended March 31, 2021 represent net gain on sale of Investments in overseas subsidiaries companies, Titagarh Singapore Pte Limited and Titagarh Firema SpA to Titagarh Bridges and International Private Limited.

Notes to Financial Statements as at and for the year ended March 31, 2021

- (b) Exceptional items for year ended March 31, 2020 represents the following: i) Expenses of Rs 2,627.13 lacs 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 and Titagarh Singapore Pte Ltd of Rs. 6,574.51 lacs which in turn holds equity shares in Titagarh Firema S.p.a.

31 Earnings/(Loss) Per Equity Share		Rs. in Lacs	
		For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Basic			
(i)	Number of Equity Shares at the Beginning of the Year *	119,326,639	118,583,540
(ii)	Number of Equity Shares at the End of the Year *	119,387,589	119,326,639
(iii)	Weighted Average Number of Equity Shares Outstanding during the year	119,340,332	119,195,524
(iv)	Face Value of Each Equity Share (Rs)	2.00	2.00
(v)	Profit / (Loss) after Tax Available for Equity Shareholders (Rs.in Lacs)	5,027.56	(7,992.49)
(vi)	Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)] #	4.21	(6.71)
(B) Diluted			
(i)	Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	-	36,336
(ii)	Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	119,340,332	119,231,860
(iii)	Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)] #	4.21	(6.71)

Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.

* Includes Nil (Previous year - 3,720,470) equity shares issued pursuant to the scheme of amalgamation.

32 Employee Benefits: Rs. in Lacs

(i) Post-employment Defined Benefit Plans:

Gratuity

The Company 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.

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.10	5.30	35.92	35.19
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.05	4.12	22.13	26.28
Total	9.15	9.42	58.05	61.47
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(15.48)	2.04	(26.42)	13.66
Total	(15.48)	2.04	(26.42)	13.66

Notes to Financial Statements as at and for the year ended March 31, 2021

32 Employee Benefits: (Contd.)

Rs. in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	96.30	120.40	408.15	395.43
Fair value of Plan Assets	46.67	46.67	-	-
Net Liability	49.63	73.73	408.15	395.43
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	8.05	23.24	99.18	96.63
Non-Current Liability (Long term)	41.58	50.49	308.97	298.80
	49.63	73.73	408.15	395.43
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	120.40	118.95	395.43	368.58
Current Service Cost	5.10	5.30	35.92	35.19
Interest Cost	6.62	7.87	22.13	26.28
Benefits Paid	(17.76)	(17.87)	(18.91)	(48.28)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	-	0.96	(1.73)	2.03
Demographic Assumptions	-	4.53	-	22.60
Experience Variance	(18.06)	0.66	(24.69)	(10.97)
Closing Defined Benefit Obligation	96.30	120.40	408.15	395.43
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	46.67	56.68		
Return on Plan Assets	(2.57)	4.11		
Benefits Paid	-	(17.87)		
Investment Income	2.57	3.75		
Fair Value of Plan Assets at the end of the year	46.67	46.67		
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	2 years	4 years	3/4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	54.72	69.90	99.18	96.64
Later than 1 year and not later than 5 years	43.27	53.86	241.65	231.85
Later than 5 year and not later than 10 years	5.37	5.98	122.95	119.31
More than 10 years	3.73	31.51	64.40	62.94

Notes to Financial Statements as at and for the year ended March 31, 2021

32 Employee Benefits: (Contd.)

Rs. in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	5.50%	5.50%	5.70%	5.50-5.60%
Rate of increase in Salary	6.44%	6.44%	3.00-4.80%	3.00-4.80%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2012-2014) 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.53.07 Lacs (March 31, 2020 Rs.77.53 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:

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2021		As at March 31, 2020		As at March 31, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	98.28	94.41	122.76	118.13	425.37	392.25	412.35	379.83
Salary Growth Rate (-/+ 1%)	94.41	98.24	118.13	122.76	392.35	424.72	379.83	411.81

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, 2021	For the Year Ended March 31, 2020
Provident Fund	162.17	190.47
ESI	18.94	29.29
Total	181.11	219.76
Also, refer note 47		

(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.

Notes to Financial Statements as at and for the year ended March 31, 2021

The total provision recorded by the Company towards these benefits as at year end was Rs. 147.58 lacs (March 31, 2020: Rs. 137.98 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, 2021	March 31, 2020
Leave provision not expected to be settled within the next 12 months	93.62	87.37

(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%

Notes to Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	2,500	44.20	127,500	44.20
Granted during the year	-	-	-	-
Lapsed during the year	-	-	77,500	44.20
Forfeited during the year	2,500	44.20	-	-
Exercised during the year	-	-	47,500	44.20
Outstanding at the end of the year	-	-	2,500	44.20
Exercisable at the end of the year	-	-	2,500	44.20

The weighted average fair value of the option as on the grant date is Rs. Nil (March 31, 2020: Rs. 97.36) and weighted average contractual life of the option as at March 31, 2021 is Nil years (March 31, 2020: 1.60 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2020: Nil years). The weighted average fair value of stock options granted was Rs. Nil lacs (March 31, 2020: Rs. 2.44 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.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
March 4, 2019	65.74
June 3, 2019	67.90

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%

Notes to Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	86,250	44.20	103,500	44.20
Granted during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	15,000	44.20	-	-
Exercised during the year	28,750	44.20	17,250	44.20
Outstanding at the end of the year	42,500	44.20	86,250	44.20
Exercisable at the end of the year	-	44.20	-	44.20

The weighted average fair value of the option as on the grant date is Rs. 90.97 (March 31, 2020: Rs 90.05) and weighted average contractual life of the option as at March 31, 2021 is 4 years (March 31, 2020: 3.67 years). The weighted average remaining contractual life of options outstanding at end of period is 0.13 years (March 31, 2020: 0.80 years). The weighted average fair value of stock options granted was Rs. 37.36 lacs (March 31, 2020: Rs 61.73 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.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
June 4, 2019	68.39
June 6, 2019	66.40
June 7, 2019	65.94

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%

Notes to Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	255,200	44.20	306,250	44.20
Granted during the year	-	-	-	-
Lapsed during the year	43,400	44.20	17,000	44.20
Forfeited during the year	32,600	44.20	20,550	44.20
Exercised during the year	32,200	44.20	13,500	44.20
Outstanding at the end of the year	147,000	44.20	255,200	44.20
Exercisable at the end of the year	-	44.20	-	44.20

The weighted average fair value of the option as on the grant date is Rs. 90.97 (March 31, 2020: Rs 90.09) and weighted average contractual life of the option as at March 31, 2021 is 4 years (March 31, 2020: 3.68 years). The weighted average remaining contractual life of options outstanding at end of period is 0.13 years (March 31, 2020: 0.82 years). The weighted average fair value of stock options granted was Rs. 129.25 Lacs (March 31, 2020: 181.90 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.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
June 1, 2019	69.66
June 4, 2019	68.39
June 5, 2019	68.39
June 6, 2019	66.40

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%

Notes to Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	4,900	44.20	29,400	44.20
Granted during the year	-	-	-	-
Lapsed during the year	500	44.20	-	-
Forfeited during the year	4,400	44.20	24,500	44.20
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	4,900	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. Nil (March 31, 2020: Rs 112.20) and weighted average contractual life of the option as at March 31, 2021 is Nil years (March 31, 2020: 3.51 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2020: 1.16 years). The weighted average fair value of stock options granted was Rs. Nil Lacs (March 31, 2020: Rs 3.81 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.)
March 31, 2021	
November 16, 2020	44.09

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. 9.33 Lacs (March 31, 2020 : Rs 67.81 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, 2021	For the Year Ended March 31, 2020
Loans to Subsidiaries :		
i) Titagarh Singapore Pte. Ltd.		
Balance as at year end	1,291.50	2,491.49
Maximum amount outstanding at any time during the year	2,491.49	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, 2020: 4%]		

Notes to Financial Statements as at and for the year ended March 31, 2021

35 Commitments		Rs.in Lacs
	As at March 31, 2021	As at March 31, 2020
a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	2,000.56	77.70

36 Contingent Liabilities		Rs. in Lacs
	As at March 31, 2021	As at March 31, 2020
(i) Claims against the Company not acknowledged as debt		
Disputed claims contested by the Company and pending at various courts/arbitration*	3,277.12	3,199.86
Matters under appeal with:		
Sales tax authorities	2,203.32	2,608.49
Income tax authorities	5,368.90	3,063.80
Customs and Excise Authorities	14,390.92	15,258.62
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,190.54
	26,430.80	25,321.31

* Includes Rs 1,360.45 Lacs (March 31, 2020: 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, 2020 : 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.

(ii) Further:

- 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.
- 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.

Notes to Financial Statements as at and for the year ended March 31, 2021

37 Information relating to Micro and Small Enterprises (MSEs):

Rs. in Lacs

	As at March 31, 2021	As at March 31, 2020
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	769.43	158.31
Interest	3.52	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	1,192.41	208.27
Interest	8.52	3.76
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	20.83	6.15

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.

38 List of Subsidiaries and Joint Venture of the Company

The Company has following direct / Indirect 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, 2021	March 31, 2020
Titagarh Bridges & International Pvt Ltd (TBIPL)#	India	100%	NA
Titagarh Singapore Pte. Limited (TSPL)*	Singapore	100%	100%
Titagarh Firema S.p.A (TFA) **	Italy	100%	100%
Titagarh Wagons AFR (TWA) ***	France	100%	100%

Titagarh Bridges & International Pvt Ltd has become a wholly owned subsidiary of the Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

*The Company holds 100% equity in TSPL through its wholly owned subsidiary company, TBIPL.

**The Company holds 100% equity in TFA through its wholly owned subsidiary company, TBIPL along with 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 TWA together with TSPL. However, since TWA is under liquidation, the Company is no longer in control of TWA.

Notes to Financial Statements as at and for the year ended March 31, 2021

Particulars	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		March 31, 2021	March 31, 2020
Name of the Joint Venture			
Titagarh Mermec Private Limited	India	50%	50%
Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd) #	India	NA	50%

Titagarh Bridges & International Pvt Ltd has become a wholly owned subsidiary of the Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

39 SEGMENT INFORMATION

During the year, the Company revisited its operating segment and segregated the "Wagons and Coaches" segment into "Freight Rolling Stock" and "Passenger Rolling Stock". The reason for such segregation is to provide additional information to Chief Operating Decision Maker ('CODM') in order to enable them to benchmark and set the performance targets for both the businesses in line with the industry norms and the CODM believes that the margin drivers for both the business would be different going forward considering the demand, growing competition, changes in the tendering conditions, scope of supplies etc. Accordingly, in accordance with Ind AS 108 - Segment Reporting, Operating segments based on the Company's products have been identified by the CODM as "Freight Rolling Stock", "Passenger Rolling Stock", "Shipbuilding" and "Others". Segment "Others" consists of miscellaneous items like specialised equipment's for Defence, Bridge Girders, Tractors etc which comprises of less than 10% revenue on individual basis. In view of the aforesaid change, "Wagons & Coaches" and "Specialised equipments & Bridges" are no longer reportable segment. Accordingly, all comparative figures have been restated for comparability purpose in keeping with said standard.

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:-

- Freight Rolling Stock** - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers and its components.
- Passenger Rolling Stock** - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.
- Shipbuilding** - Consists of Designing and Construction of Warships, Passenger Vessels, Tug and other specialised self - propelled vessels and its components.
- Others** - Consists of miscellaneous items like specialised equipment's for Defence, Bridge Girders, Tractors 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.

Information about operating segments

For the year ended March 31, 2021

(Rs. in Lacs)

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Revenue from operations					
Segment revenue (external)	96,374.15	4,752.34	329.62	1,122.39	102,578.50
Segment profit	12,377.74	(496.89)	(229.81)	(115.89)	11,535.15
Unallocated (income) / expenses					
Finance Costs					3,616.57
Interest Income					(481.47)
Depreciation and Amortisation Expense					129.76
Other Corporate Income					(655.56)
Other Corporate Expenses					2,477.18
Profit before taxes					6,448.67
Tax expenses					1,421.11

Notes to Financial Statements as at and for the year ended March 31, 2021

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Profit for the year					5,027.56
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,278.87	143.54	10.79	139.75	1,572.95
Unspent liabilities / provisions no longer required written back	159.55				159.55
Segment assets	74,610.15	16,564.84	917.57	3,391.74	95,484.30
Unallocated assets					
Investments					13,271.39
Cash and cash equivalents					13,035.07
Other bank balances					5,012.89
Tax Assets (Net)					2,640.77
Other unallocated assets					12,332.59
Total assets					141,777.01
Segment liabilities	14,579.90	24,748.50	151.70	2,095.84	41,575.93
Unallocated liabilities					
Deferred Tax Liabilities (Net)					980.53
Borrowings					10,205.91
Tax Liabilities					22.90
Other unallocated liabilities					1,826.42
Total liabilities					54,611.70
For the year ended March 31, 2020					Rs. in Lacs
	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	143,037.10	751.99	2,520.07	2,112.33	148,421.49
Segment Profit	13,464.54	-	318.21	345.82	14,128.57
Unallocated (Income) / Expenses					
Finance Costs	5,681.23				
Interest Income	(513.63)				
Depreciation and Amortisation Expense	20.00				
Other Corporate Income	(1,199.97)				
Other Corporate Expenses	19,990.78				
Loss before Taxes	(9,849.84)				
Tax Credit	(1,857.35)				
Loss for the Year	(7,992.49)				
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,713.89	-	50.00	50.00	1,813.89
Provision for Doubtful Debts and Advances	222.33	-	-	273.01	495.34
Unspent liabilities / provisions no longer required written back	549.88	-	2.14	-	552.02

Notes to Financial Statements as at and for the year ended March 31, 2021

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Segment Assets	91,477.82	6,169.46	3,112.32	4,169.24	104,928.84
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					143,732.48
Segment Liabilities	22,269.62	13,658.64	268.17	1,116.61	37,313.04
Unallocated Liabilities					
Borrowings					21,079.57
Current Tax Liabilities					22.90
Other Unallocated Liabilities					3,681.06
Total Liabilities					62,096.57

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:

	For the year ended March 31, 2021	For the year ended March 31, 2020
India	99,060.30	146,888.60
Rest of the World	3,518.20	1,532.89
Total	102,578.50	148,421.49

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 75,221.86 lacs (March 31, 2020: Rs 92,529.68 lacs) which represents more than 10% of the total revenue from external customers of the Company.

40 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists:

Subsidiary Companies:

Titagarh Bridges and International Pvt Ltd (TBIPL) (Subsidiary Company w.e.f July 14, 2020)

Titagarh Singapore Pte Limited (upto November 11, 2020)

Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (upto November 11, 2020)

Titagarh Wagons AFR (Refer Note 38)

Step Down Wholly Owned Subsidiary

Titagarh Singapore Pte Limited (w.e.f November 12, 2020)

Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (w.e.f November 12, 2020)

Joint Venture Company:

Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Pvt Ltd) (Upto July 13, 2020)

Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f. May 17, 2018)

Notes to Financial Statements as at and for the year ended March 31, 2021

Other related parties with whom transactions have taken place during the period:

Key Management Personnel (KMPs):	<p>Mr. J P Chowdhary – Executive Chairman</p> <p>Mr. Umesh Chowdhary – Vice Chairman & Managing Director</p> <p>Mr. Prithish Chowdhary - Vice President (From July 08, 2019 to December 31, 2020), Non Executive Director (w.e.f. January 01, 2021)</p> <p>Mr. Dharmendar Nath Davar - Independent Director (upto September 13, 2019)</p> <p>Mr. Manoj Mohanka - Independent Director</p> <p>Mrs. Rashmi Chowdhary - Non-Executive Director</p> <p>Mr. Ramsebak Bandyopadhyay - Independent Director (upto May 04, 2020)</p> <p>Mr. Atul Ravishanker Joshi - Independent Director</p> <p>Mr. Sunirmal Talukdar - Independent Director (w.e.f. December 10, 2019)</p> <p>Mr. Sudipta Mukherjee - Director (Whole-Time Director)</p> <p>Mr. Anil Kumar Agarwal - Chief Financial Officer (upto May 28, 2019), Director (Finance) & Chief Financial Officer (w.e.f. May 29, 2019)</p> <p>Mr. Dinesh Arya - Company Secretary (Upto February 27, 2021)</p> <p>Mr. Sumit Jaiswal - Company Secretary (w.e.f. February 28, 2021)</p> <p>Mr. Vinod Kumar Sharma - Independent Director (From. August 29, 2019 to February 28, 2020)</p> <p>Ms. Nayantara Palchoudhuri - Independent Director (w.e.f. June 22, 2020)</p> <p>Mr. K.K. Jalan - Independent Director (w.e.f. August 13, 2020)</p> <p>Mr. Sushil Kumar Roongta - Independent Director (w.e.f. January 01, 2021)</p> <p>Dr. G.B. Rao - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]</p> <p>Mr. J.K.Shukla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]</p> <p>Mr. Kanwar Satya Brata Sanyal - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]</p> <p>Mr. Matlubul Jamil Zillay Mowla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]</p> <p>Mr. Nikhil Kumar Barat- Independent Director [Erstwhile Titagarh Capital Private Limited (since merged with the Company)] (from August 3, 2019)</p>
Relatives of KMPs:	<p>Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary</p> <p>Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary</p> <p>Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary</p> <p>Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary</p> <p>Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary</p>
Enterprises over which KMP/ Shareholders/Relatives of KMP have significant influence:	<p>Titagarh Capital Management Services Private Limited</p> <p>Titagarh Enterprises Limited</p> <p>Titagarh Industries Limited</p> <p>Traco International Investment Private Limited</p>

Notes to Financial Statements as at and for the year ended March 31, 2021

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 Firema S.p.A	2020-21	2,971.94	-	-	-	-	2,971.94
	2019-20	-	-	-	-	-	-
Titagarh Bridges & International Private Limited	2020-21	278.49	-	-	-	-	278.49
	2019-20	-	-	-	-	-	-
Titagarh Wagons AFR	2020-21	-	-	-	-	-	-
	2019-20	153.95	-	-	-	-	153.95
Other Income							
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-	-
	2019-20	-	2.75	-	-	-	2.75
Interest Income on Loans to Subsidiaries							
Titagarh Singapore Pte Limited	2020-21	59.51	-	-	-	-	59.51
	2019-20	119.66	-	-	-	-	119.66
Interest Received on OFCD							
Titagarh Bridges & International Private Limited	2020-21	135.48	-	-	-	-	135.48
	2019-20	-	-	-	-	-	-
Corporate Guarantee Commission							
Titagarh Singapore Pte Limited	2020-21	-	-	-	-	-	-
	2019-20	23.16	-	-	-	-	23.16
Titagarh Firema S.p.A	2020-21	-	-	-	-	-	-
	2019-20	84.88	-	-	-	-	84.88
Purchase of Raw Materials and Components							
Titagarh Firema S.p.A	2020-21	2,228.95	-	-	-	-	2,228.95
	2019-20	751.99	-	-	-	-	751.99
Purchase of Capital Goods							
Titagarh Firema S.p.A	2020-21	200.91	-	-	-	-	200.91
	2019-20	-	-	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2021

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
Reimbursement of Expenses Received							
Titagarh Bridges & International Private Limited	2020-21	4.69	-	-	-	-	4.69
	2019-20	-	9.24	-	-	-	9.24
Titagarh Enterprises Limited	2020-21	-	-	-	-	-	-
	2019-20	-	-	19.57	-	-	19.57
Reimbursement of Expenses paid							
Titagarh Singapore Pte Limited	2020-21	-	-	-	-	-	-
	2019-20	52.21	-	-	-	-	52.21
Titagarh Firema S.p.A	2020-21	55.85	-	-	-	-	55.85
	2019-20	-	-	-	-	-	-
Rent paid							
Titagarh Enterprises Limited	2020-21	-	-	675.86	-	-	675.86
	2019-20	-	-	513.30	-	-	513.30
Dividend paid							
Ms. Savitri Devi Chowdhary	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	54.35	54.35
Ms. Rashmi Chowdhary	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	38.45	-	38.45
Mr. J P Chowdhary	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	0.47	-	0.47
Mr. Umesh Chowdhary	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	0.23	-	0.23
Ms. Vinita Bajoria	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	*	*
Ms. Sumita Kandoi	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	*	*
Ms. Bimala Devi Kajaria	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	*	*
Mr. Anil Kumar Agarwal	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	0.17	-	0.17
Mr. Dinesh Arya	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	0.09	-	0.09
Mr. Sudipta Mukherjee	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	0.04	-	0.04
Titagarh Capital Management Services Private Limited	2020-21	-	-	-	-	-	-
	2019-20	-	-	65.01	-	-	65.01

*Amounts are below the rounding off norm adopted by the Company.

Notes to Financial Statements as at and for the year ended March 31, 2021

Remuneration (Excluding Employee Stock Option Expense) [Refer (b) 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
Mr. J P Chowdhary	2020-21 2019-20	- -	- -	- -	257.28 257.28	- -	257.28 257.28
Mr. Umesh Chowdhary	2020-21 2019-20	- -	- -	- -	212.80 257.28	- -	212.80 257.28
Mr. Pritish Chowdhary	2020-21 2019-20	- -	- -	- -	15.80 16.33	- -	15.80 16.33
Ms. Vinita Bajoria	2020-21 2019-20	- -	- -	- -	- -	17.52 27.64	17.52 27.64
Mr. Anil Kumar Agarwal	2020-21 2019-20	- -	- -	- -	61.59 58.51	- -	61.59 58.51
Mr. Dinesh Arya	2020-21 2019-20	- -	- -	- -	26.78 25.59	- -	26.78 25.59
Mr. Sudipta Mukherjee	2020-21 2019-20	- -	- -	- -	49.91 36.14	- -	49.91 36.14
Mr. Sumit Jaiswal	2020-21 2019-20	- -	- -	- -	1.89 -	- -	1.89 -
Employee Stock Option Expense							
Mr. Anil Kumar Agarwal	2020-21 2019-20	- -	- -	- -	7.37 11.23	- -	7.37 11.23
Mr. Sudipta Mukherjee	2020-21 2019-20	- -	- -	- -	7.37 11.23	- -	7.37 11.23
Mr. Dinesh Arya	2020-21 2019-20	- -	- -	- -	4.42 6.74	- -	4.42 6.74
Legal and Professional Fees							
Mr. Dharmendar Nath Davar	2020-21 2019-20	- -	- -	- -	- 1.70	- -	- 1.70
Sitting Fees to Directors							
Mr. Dharmendar Nath Davar	2020-21 2019-20	- -	- -	- -	- 1.40	- -	- 1.40
Mr. Manoj Mohanka	2020-21 2019-20	- -	- -	- -	8.40 7.20	- -	8.40 7.20
Mr. Atul Ravishanker Joshi	2020-21 2019-20	- -	- -	- -	7.00 4.60	- -	7.00 4.60
Mr. Ramsebak Bandyopadhyay	2020-21 2019-20	- -	- -	- -	- 6.80	- -	- 6.80
Mrs. Rashmi Chowdhary	2020-21 2019-20	- -	- -	- -	1.20 2.40	- -	1.20 2.40
Mr. Sunirmal Talukdar	2020-21 2019-20	- -	- -	- -	8.20 1.20	- -	8.20 1.20
Ms. Vinita Bajoria	2020-21 2019-20	- -	- -	- -	- -	0.20 1.00	0.20 1.00
Mr. Vinod Kumar Sharma	2020-21 2019-20	- -	- -	- -	- 1.20	- -	- 1.20

Notes to Financial Statements as at and for the year ended March 31, 2021

(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
Mr. Anil Kumar Agarwal	2020-21 2019-20	- -	- -	- -	- 0.30	- -	- 0.30
Mr. Dinesh Arya	2020-21 2019-20	- -	- -	- -	- 0.25	- -	- 0.25
Dr. G.B. Rao	2020-21 2019-20	- -	- -	- -	0.20 1.20	- -	0.20 1.20
Mr. J. K.Shukla	2020-21 2019-20	- -	- -	- -	0.40 2.60	- -	0.40 2.60
Mr. Kanwar Satya Brata Sanyal	2020-21 2019-20	- -	- -	- -	0.40 1.00	- -	0.40 1.00
Mr. Matlubul Jamil Zillay Mowla	2020-21 2019-20	- -	- -	- -	- 2.40	- -	- 2.40
Mr. Nikhil Kumar Barat	2020-21 2019-20	- -	- -	- -	- 0.33	- -	- 0.33
Ms. Nayantara Palchoudhuri	2020-21 2019-20	- -	- -	- -	3.00 -	- -	3.00 -
Mr. Krishan Kumar Jalan	2020-21 2019-20	- -	- -	- -	2.40 -	- -	2.40 -
Mr. Sushil Kumar Roongta	2020-21 2019-20	- -	- -	- -	1.60 -	- -	1.60 -
Mr. Prithish Chowdhary	2020-21 2019-20	- -	- -	- -	0.80 -	- -	0.80 -

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
Loans given							
Titagarh Singapore Pte Limited	2020-21 2019-20	- 4,727.89	- -	- -	- -	- -	- 4,727.89
Advance Given							
Titagarh Firema S.p.a	2020-21 2019-20	861.00 -	861.00 -	- -	- -	- -	- -
Advances to Employee							
Mr. Anil Kumar Agarwal	2020-21 2019-20	- -	- -	- -	0.49 -	- -	0.49 -
Mr. Sudipta Mukherjee	2020-21 2019-20	- -	- -	- -	1.34 -	- -	1.34 -
Security Deposit Given							
Titagarh Enterprises Limited	2020-21 2019-20	- -	- -	- 207.64	- -	- -	- 207.64

Notes to Financial Statements as at and for the year ended March 31, 2021

(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 made							
Titagarh Firema S.p.A	2020-21 2019-20	- 13,904.90	- -	- -	- -	- -	- 13,904.90
Titagarh Mermec Private Limited	2020-21 2019-20	- -	- 0.50	- -	- -	- -	- 0.50
Titagarh Bridges & International Private Limited- In Shares	2020-21 2019-20	3,308.19 -	- -	- -	- -	- -	3,308.19 -
Titagarh Bridges & International Private Limited- In OFCD	2020-21 2019-20	6,623.81 -	- -	- -	- -	- -	6,623.81 -
Sale of Investments							
Titagarh Singapore Pte Limited	2020-21 2019-20	384.81 -	- -	- -	- -	- -	384.81 -
Titagarh Firema S.p.A	2020-21 2019-20	7,098.85 -	- -	- -	- -	- -	7,098.85 -
Loans Refunded							
Titagarh Singapore Pte. Ltd.	2020-21 2019-20	1,243.50 2,361.00	- -	- -	- -	- -	1,243.50 2,361.00
Corporate Guarantees/Standby Letter of Credit/Put Options Released							
Titagarh Firema S.p.A	2020-21 2019-20	- 83,050.00	- -	- -	- -	- -	- 83,050.00
Titagarh Singapore Pte. Ltd.	2020-21 2019-20	- 26,384.55	- -	- -	- -	- -	- 26,384.55
Balances outstanding as at the year end							
Advance from Customer							
Titagarh Bridges & International Private Limited	2020-21 2019-20	1,596.12 -	- 41.05	- -	- -	- -	1,596.12 41.05
Advance Recoverable							
Titagarh Firema S.p.A	2020-21 2019-20	861.00 -	- -	- -	- -	- -	861.00 -
Trade Receivables							
Titagarh Wagons AFR #	2020-21 2019-20	- 1,676.59	- -	- -	- -	- -	- 1,676.59
Titagarh Bridges & International Private Limited	2020-21 2019-20	- -	- 1.40	- -	- -	- -	- 1.40
Titagarh Firema S.p.A	2020-21 2019-20	2,925.25 -	- -	- -	- -	- -	2,925.25 -
Trade Payables							
Titagarh Enterprises Limited	2020-21 2019-20	- -	- -	- 60.83	- -	- -	- 60.83

Notes to Financial Statements as at and for the year ended March 31, 2021

(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
Titagarh Firema S.p.A	2020-21 2019-20	254.02 751.99	- -	- -	- -	- -	254.02 751.99
Loans to Related Parties							
Titagarh Singapore Pte. Ltd.	2020-21 2019-20	1,291.50 2,491.49	- -	- -	- -	- -	1,291.50 2,491.49
Interest Accrued on Loans							
Titagarh Wagons AFR	2020-21 2019-20	139.97 139.97	- -	- -	- -	- -	139.97 139.97
Titagarh Singapore Pte. Ltd.	2020-21 2019-20	- 8.46	- -	- -	- -	- -	- 8.46
Receivable from Related Parties							
Titagarh Wagons AFR #	2020-21 2019-20	235.93 235.93	- -	- -	- -	- -	235.93 235.93
Titagarh Firema S.p.A	2020-21 2019-20	- 161.30	- -	- -	- -	- -	- 161.30
Titagarh Bridges & International Private Limited	2020-21 2019-20	- -	- 25.51	- -	- -	- -	- 25.51
Payable to Related Parties							
Titagarh Singapore Pte. Ltd.	2020-21 2019-20	123.59 -	- -	- -	- -	- -	123.59 -
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	2020-21 2019-20	- -	- -	- -	30.49 30.00	- -	30.49 30.00
Mr. Sudipta Mukherjee	2020-21 2019-20	- -	- -	- -	16.65 15.31	- -	16.65 15.31
Mr. Dinesh Arya	2020-21 2019-20	- -	- -	- -	2.23 -	- -	2.23 -
Security Deposit							
Titagarh Enterprises Limited	2020-21 2019-20	- -	- -	321.84 321.84	- -	- -	321.84 321.84

Full provision has been made against these receivables

Notes to Financial Statements as at and for the year ended March 31, 2021

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	2020-21	-	-	-	-	-	-
[Net of Rs. 4,883.89 Lacs impairment (March 31, 2020: Rs. 4,883.89 Lacs)].	2019-20	-	-	-	-	-	-
Titagarh Singapore Pte. Ltd.	2020-21	-	-	-	-	-	-
[Net of Rs. Nil impairment (March 31, 2020: Rs. 12,449.05 Lacs)].	2019-20	384.81	-	-	-	-	384.81
Titagarh Firema S.p.a	2020-21	-	-	-	-	-	-
[Net of Rs. Nil impairment (March 31, 2020: Rs. 6933.80 Lacs)].	2019-20	7,098.85	-	-	-	-	7,098.85
Titagarh Bridges & International Private Limited	2020-21	5,319.81	-	-	-	-	5,319.81
Equity portion of investment in Subsidiaries	2019-20	-	75.49	-	-	-	75.49
[Including the equity portion of OFCD Rs 1936.19 (March 31, 2020): Nil]							
Titagarh Bridges & International Private Limited	2020-21	4,823.16	-	-	-	-	4,823.16
In 4% Optionally Fully Convertible Debentures (OFCD)	2019-20	-	-	-	-	-	-
[Including Fair value changes of OFCD- Rs 135.48 Lacs (March 31, 2020): Nil]							
Titagarh Enterprises Limited	2020-21	-	-	2,777.13	-	-	2,777.13
	2019-20	-	-	2,746.28	-	-	2,746.28
Traco International Investment Private Limited	2020-21	-	-	18.37	-	-	18.37
	2019-20	-	-	18.32	-	-	18.32
Titagarh Industries Limited	2020-21	-	-	30.70	-	-	30.70
	2019-20	-	-	32.20	-	-	32.20
Titagarh Mermec Private Limited	2020-21	-	0.50	-	-	-	0.50
	2019-20	-	0.50	-	-	-	0.50

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. On the basis of assessment undertaken each financial year and through examining the financial position of the related party and the market in which the related party operates, and considering impairment indicators, if any, impairment provision is recorded. Impairment provision recorded during the year is Rs. Nil [March 31, 2020 Rs. 13,508.31 Lacs relating to investment pertaining to subsidiary company Titagarh Firema SPA and Titagarh Singapore Pte Limited].

Notes to Financial Statements as at and for the year ended March 31, 2021

b) Compensation of Key managerial Personnel		(Rs. in Lacs)
	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	585.98	607.79
Contribution to provident and other funds	40.07	43.34
Share-based payment transactions	19.16	29.20
	645.21	680.33

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.

41 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, 2021 and March 31, 2020.

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, 2021	301.47	-	7,649.41	7,950.88
March 31, 2020	60.83	-	2,796.85	2,857.68	
Derivative financial assets	March 31, 2021	-	580.23	-	580.23
March 31, 2020	-	-	-	-	
Total Financial Assets	March 31, 2021	301.47	580.23	7,649.41	8,531.11
	March 31, 2020	60.83	-	2,796.85	2,857.68
Quantitative disclosures Fair Value measurement hierarchy for Liabilities:					
Liabilities measured at Fair Value:					
Derivative financial liabilities	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-
Total Financial Liabilities	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2021

(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 and OFCD using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2021 and March 31, 2020 are as shown below:

	(Rs. in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Significant Unobservable Input - Weighted Average Cost of Capital / Discounting Rate *		
Impact of 1% Increase	(477.63)	(233.68)
Impact of 1% Decrease	565.34	315.07
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company #		
Impact of 5% Increase	55.56	58.89
Impact of 5% Decrease	(55.56)	(58.89)

* For FVTPL assets in unquoted equity shares/units and OFCD

For FVTPL assets in unquoted equity shares/units

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets: (Rs in Lacs)

Particulars	Investment in equity shares and OFCD
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
Addition during the period	4,687.68
Re-measurement recognised in Statement of Profit and Loss	405.52
Closing Balance as on March 31, 2021	7,950.88

(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, 2020.

The methods and assumptions were used to estimate the fair values:

- The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.
- 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.
- For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.
- 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.

Notes to Financial Statements as at and for the year ended March 31, 2021

42 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.

(ii) 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.

The Company's foreign currency exposure at the end of the reporting period are as follows:

(Rs. in Lacs)

PARTICULARS	March 31, 2021				March 31, 2020			
	JPY	NPR	USD	EURO	JPY	NPR	USD	EURO
Financial Assets								
Trade Receivables	-	560.85	551.26	2,925.26	-	408.07	565.40	-
Other Financial Assets #	-	-	-	1,291.50	-	-	25.00	2,661.25
Derivative Assets								
Foreign Exchange Forward Contracts	580.23	-	-	-	-	-	-	-
Net exposure to Foreign Currency Risk (Assets)	580.23	560.85	551.26	4,216.76	-	408.07	590.40	2,661.25
Financial Liabilities								
Trade Payables	-	-	-	451.29	-	-	-	886.68
Provision -	-	-	-	-	-	-	-	2,559.26
Other Liabilities	-	-	-	123.59	-	-	-	15.41
Derivative Liabilities								
Foreign Exchange Forward Contracts	-	-	-	-	-	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	-	-	-	574.88	-	-	-	3,461.35
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	580.23	560.85	551.26	3,641.88	-	408.07	590.40	(800.10)

The above balances for March 31, 2020 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, NPR and JPY 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.

Notes to Financial Statements as at and for the year ended March 31, 2021

	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, 2021	5%	3,641.88	182.09	5%	551.26	27.56
	-5%		(182.09)	-5%		(27.56)
March 31, 2020	5%	(800.10)	(40.00)	5%	590.40	29.52
	-5%		40.00	-5%		(29.52)
	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in JPY 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, 2021	5%	560.85	28.04	5%	580.23	29.01
	-5%		(28.04)	-5%		(29.01)
March 31, 2020	5%	408.07	20.40	5%	-	-
	-5%		(20.40)	-5%		-

(iii) 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 41(ii).

(iv) 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:

Particulars	(Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
Variable Rate Borrowings	10,300.84	21,179.88
Total Borrowings	10,300.84	21,179.88

Notes to Financial Statements as at and for the year ended March 31, 2021

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	
	As at March 31, 2021	As at March 31, 2020
Interest Rates - Increase by 100 basis points *	(103.01)	(211.80)
Interest Rates - Decrease by 100 basis points*	103.01	211.80

* 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, 2021 and March 31, 2020 is their carrying amounts except for the financial guarantees.

(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, 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
Provision made during the year ended March 31, 2021	13.99	-	7.32
Provision transferred from Litigation Claim and Contingencies	131.62	-	-
Provision adjusted with corresponding receivable balance during the year ended March 31, 2021	-	(40.88)	(1,892.35)
Closing Balance as at March 31, 2021	253.08	375.90	372.76

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.

Notes to Financial Statements as at and for the year ended March 31, 2021

Movement of Liquidated Damages:

Particulars	(Rs. in Lacs)
Opening 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
Provision made during the year ended March 31, 2021	821.95
Provision utilised / reversed during the year ended March 31, 2021	(1,866.14)
Closing Balance as at March 31, 2021	107.31

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
March 31, 2021				
Non-derivative Financial Liabilities				
Borrowings*	1,057.09	11,707.14	-	12,764.23
Trade Payables	13,384.32	-	-	13,384.32
Lease Liabilities	44.26	95.27	91.09	230.62
Other Financial Liabilities	410.63	-	-	410.63
Total Financial Liabilities	14,896.30	11,802.41	91.09	26,789.80
March 31, 2020				
Borrowings*	8,513.37	10,328.71	8,043.86	26,885.94
Trade Payables	21,201.46	-	-	21,201.46
Lease Liabilities	-	-	-	-
Other Financial Liabilities	2,743.17	-	-	2,743.17
Total Financial Liabilities	32,458.00	10,328.71	8,043.86	50,830.57

* 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 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.

Notes to Financial Statements as at and for the year ended March 31, 2021

The following table summarises the capital of the Company:

	(Rs. in Lacs)	
	As at March 31, 2021	As at March 31, 2020
Total Borrowings	10,300.84	21,179.88
Less: Cash and Cash Equivalents	5,012.89	1,030.11
Net Debt	5,287.95	20,149.77
Equity	87,165.31	81,635.91
Total Capital (Equity + Net Debt)	92,453.26	101,785.68
Net Debt to Equity Ratio	6.07%	24.68%

	(Rs. in Lacs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2020 of Rs. Nil (March 31, 2019 - Rs. 0.30) per fully paid share	-	346.83
Dividend Distribution Tax on above	-	71.29

44 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year.

	(Rs in Lacs)	
Particulars	March 31, 2021	March 31, 2020
Non- current Borrowings	10,205.91	14,748.98
Current Maturities of Long-term Debt	94.93	100.31
Current Borrowings	-	6,330.59
Interest Accrued and due on borrowings	6.20	220.22
Lease Liabilities	148.05	-
Total	10,455.09	21,400.10

	(Rs in Lacs)			
Particulars	Non- current Borrowings	Current Borrowings	Lease Liabilities	Total
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
New leases	-	-	155.22	155.22
Finance Costs	3,196.72	2,278.09	3.76	5,478.57
Less: Finance cost Capitalised in Inventory	(1,862.01)	-	-	(1,862.01)

Notes to Financial Statements as at and for the year ended March 31, 2021

				(Rs in Lacs)
Particulars	Non- current Borrowings	Current Borrowings	Lease Liabilities	Total
Cash Flows				
Principal repayment of leases	-	-	(10.76)	(10.76)
Proceeds from Long-term Borrowings from Banks	-	-	-	-
Repayment of Long-term Borrowings from Banks	(4,650.00)	-	-	(4,650.00)
Short-term Borrowings - Receipts/(Payments)	-	(6,330.59)	-	(6,330.59)
Finance Costs Paid	(1,233.16)	(2,492.11)	(0.17)	(3,725.44)
Debt as at March 31, 2021	10,300.84	6.20	148.05	10,455.09

45 Assets and liabilities related to contract with customers (Rs. in Lacs)

	As at March 31, 2021	As at March 31, 2020
Contract Assets		
Unbilled Revenue	900.33	4,610.61
Total Contract assets	900.33	4,610.61
Contract Liabilities		
Advance from customers	27,823.65	15,286.04
Total Contract liabilities	27,823.65	15,286.04

Revenue recognised in relation to contract liability	As at March 31, 2021	As at March 31, 2020
Revenue recognised that was included in the contract liability balance at the beginning of the period	849.16	6,148.63

Trade receivables in respect of contract with customers has been included in Note-5

46 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 its 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. Upon the Scheme becoming effective, 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. The amalgamation has resulted in recognition of Capital Reserve of Rs. 6,301.09 lacs as at April 1, 2018.

Effect of Amalgamation in FY 2019-20:	
Investment by TWL sold during the year	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	13.30
Net Amount Transferred to Capital Reserve as at 31st March, 2020	351.93

In terms of the Scheme, the Company made allotment of 37,20,469 equity shares of Rs. 2/- each of the Company to the eligible members of Cimmco as on 23rd October, 2020 (Record Date).

Notes to Financial Statements as at and for the year ended March 31, 2021

- 47** 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 the assessment of the management, an amount of Rs. 40.46 Lacs has been provided in these Financial Statements.
- 48** Pending approval of the Scheme from NCLT, the financial statements and/or financial results for the year ended March 31, 2020 and the quarter ended June 30, 2020 could not be approved within the stipulated date of July 31, 2020 and September 15, 2020 (extended timeline by SEBI) respectively. For the said delay, the Company had already represented to the SEBI and Stock Exchanges for extension of time and also for waiver of the penalty for the delayed period which is yet to be finally concluded. Considering same, Company has made necessary provision in the financial statements.
- 49** Research and Development expenditure of revenue nature recognised in Profit and Loss during the year amounts to Rs. 13.14 Lacs (March 31, 2020 : 7.10 Lacs).
- 50** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 51** The Company is in the business of manufacturing freight and passengers rolling stock and other allied activities, which support activities that are fundamental to the Indian economy. The Government imposed nation-wide lock down / restrictions due to the Covid-19 pandemic that had impacted the Company's production, sales and other operations and the Company's operations have gradually come back to pre-Covid-19 level. In view of the recent surge in Covid-19 cases, few states reintroduced some restrictions, and the Company continues to be vigilant and cautious, which currently is not expected to have any significant impact on the Company's operations / performance. Considering the current internal and external factors, the Company has made detailed assessment of its liquidity position / cash flows for the next one year including ability to pay its debt obligations, and carrying amounts / values of Property, Plant and Equipment, trade receivables, inventories, investments and other assets as at March 31, 2021, and has concluded that there are no material adjustments required in the standalone financial statement.
- 52** Previous year figures have been regrouped/ restated wherever necessary.

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

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

Avijit Mukerji
Partner
Membership No. 056155

Place : Gurugram
Dated : June 8, 2021

J P Chowdhary
Executive Chairman
DIN: 00313685

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

Place: Kolkata
Dated : June 8, 2021

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Sumit Jaiswal
Company Secretary

Independent Auditor's report

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

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 venture (refer Note 1(a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and 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, 2021, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Firema S.p.A, a subsidiary of the Holding Company, vide their report dated June 4, 2021:

"In the reporting package ended as at 31 March 2021, the Company incurred a net loss for some 6,9 million of Euro, has a shareholders' equity for some 11,5 million of Euro and has a significant bank debt for some 84,3 million of Euro, of which some 48,6 million of Euro expiring beyond twelve months. As of 31 March 2021, the Company reported significant negative differences on net result as compared to the budget / plan 2021 - 2025, approved by the Board of Directors on 30 June 2020 which provided for a substantial financial balance of the Company, assuming the achievement of significant volumes of turnover. Trade payables, equal to some 34,5 million of Euro as at 31 March 2021, increased by some 16,7 million of Euro during the year, and include an overdue payable to suppliers for some 18,1 million of Euro at same date. Therefore, the Company does not currently have the necessary financial resources for the full repayment of its overdue debt position.

In the explanatory note accompanying the reporting package, the directors of the Company indicate that the reporting package as at 31 March 2021 has been prepared according to the assumption of the going concern and illustrate the reasons. These reasons are based on the expectation that the Company implements an important growth plan, envisaged by the Budget 2021 / 2022 (the "Budget") approved by the Board of Directors on 24 March 2021, with the generation of significantly higher margins compared to the historical values resulting from the same, the failure of which would generate additional cash needs, also to meet the overdue debt to suppliers. In particular, the Budget provides for the partial payment of overdue trade payables for some 14,6 million of Euro, considering that renegotiation negotiations with overdue suppliers are in progress.

The directors indicate in the aforementioned explanatory notes that, despite the aforementioned uncertainty that may give rise to doubts about the Company's going concern, the reporting package has been drawn up according to operating criteria, having acquired the reasonable expectation of being able to reach a financial balance in a short time through the successful conclusion of the action previously indicated.

Our opinion is not modified in respect of this matter."

Paragraph "explanatory note accompanying the reporting package" as described above corresponds to Note 46 in the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Key Audit matter

5. 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
<p>Assessment of impairment of Property, Plant and Equipment of the Holding Company</p> <p>(Refer to Note 2.3 - "Property, Plant and Equipment", Refer Note 2.34 - "Critical Estimates and Judgements - Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets", Note 4.1 - "Property, Plant and Equipment")</p> <p>Property, plant and equipment of the Holding Company represents 39.5% 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 Group.</p> <p>Impairment assessment requires judgements and estimates towards future results of business including key assumptions like discount rate, growth rate etc.</p> <p>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.</p>	<p>Our audit procedures in respect of the Holding Company included the following:</p> <ul style="list-style-type: none"> Understanding, evaluating and validating 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. <p>Based on the above procedures performed, we noted that the Holding Company's assessment of impairment of property, plant and equipment is reasonable.</p>

Also refer to the Key Audit Matters included by us in our audit report of even date on the standalone financial statements of the Holding Company.

Other Information

6. 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.
7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. 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 17 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

9. 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.

10. 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.
11. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. 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.
13. 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.
14. 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.

15. 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.
16. 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

17. We did not audit the financial statements/financial information of three subsidiaries whose financial statements/ financial information reflect total assets of Rs 132,624.60 lacs and net assets of Rs 11,424.08 lacs as at March 31, 2021, total revenue of Rs. 57,146.07 lacs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (9,751.59) lacs and net cash flows amounting to Rs 980.40 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the 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 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors' of its subsidiary company and joint venture incorporated in India, none of the directors of the Holding Company, its subsidiary company and its joint venture incorporated in India are disqualified as on March 31, 2021 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 Group 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 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, 2021 - Refer Note 17.1 to the consolidated financial statements.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Holding Company. During the year ended March 31, 2021, there were no amounts which were

required to be transferred to the Investor Education and Protection Fund by its subsidiary and joint venture 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, 2021.

19. The Holding Company incorporated as public company in India, have 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

Avijit Mukerji
Partner
Membership Number 056155

UDIN: 21056155AAAAZ9683
Place: Gurugram
Date: June 8, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) 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, 2021

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. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, 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 one joint venture company incorporated in India namely 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 and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

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

Avijit Mukerji
Partner
Membership Number 056155

UDIN: 21056155AAAAAZ9683
Place: Gurugram
Date: June 8, 2021

CONSOLIDATED BALANCE SHEET as at March 31, 2021

Rs. in Lacs

	Notes	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	83,303.29	82,535.06
b) Right-of-Use Assets	4.6	152.15	-
c) Capital Work-in-progress	4.4	1,622.89	-
d) Investment Properties	4.3	821.24	821.24
e) Intangible Assets (Other than Goodwill)	4.2	2,851.12	3,805.52
f) Intangible Assets Under Development	4.5	2,509.41	-
g) Investments Accounted for Using the Equity Method	3 (d)	-	29.81
Financial Assets			
i) Investments	5	3,127.92	2,857.88
ii) Trade Receivables	6	-	142.99
iii) Loans and Deposits	8	359.64	358.24
iv) Other Financial Assets	7	4,921.87	4,278.61
j) Deferred Tax Assets (Net)	18	3,783.04	3,983.52
k) Non-current Tax Assets (Net)	9	2,640.77	2,914.51
Other Non-current Assets	10	818.98	989.37
Total Non-current Assets		106,912.32	102,716.75
Current Assets			
a) Inventories	11	38,518.95	37,629.30
Financial Assets			
i) Trade Receivables	6	21,417.42	25,232.23
ii) Cash and Cash Equivalents	12.1	7,969.38	2,897.18
iii) Other Bank Balances	12.2	4,434.30	2,709.01
iv) Loans and Deposits	8	4,022.70	4,957.56
v) Other Financial Assets	7	38,339.62	31,588.39
c) Current Tax Assets (Net)	9	10.96	-
d) Other Current Assets	10	25,744.17	19,440.54
Total Current Assets		140,457.50	124,454.21
TOTAL - ASSETS		247,369.82	227,170.96
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	2,387.75	2,312.12
b) Other Equity	14	81,667.65	74,349.18
Equity Attributable to Owners of Titagarh Wagons Limited		84,055.40	76,661.30
Non-controlling Interests	3 (b)	-	7,886.73
Total Equity		84,055.40	84,548.03
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
i) Borrowings	15	53,738.85	55,346.44
ii) Lease Liabilities	4.6	117.20	-
b) Provisions	17.1	350.55	349.29
c) Deferred Tax Liabilities (Net)	18	1,143.26	-
d) Other Non-current Liabilities	20	17,535.77	14,406.29
Total Non-current Liabilities		72,885.63	70,102.02
Current Liabilities			
Financial Liabilities			
i) Borrowings	15	30,714.44	17,526.89
ii) Trade Payables	19	-	-
a) Total Outstanding dues of Micro Enterprise and Small Enterprises		771.78	158.31
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		39,027.03	34,957.17
iii) Other Financial Liabilities	16	1,273.89	3,564.20
b) Other Current Liabilities	20	10,831.95	6,469.40
c) Provisions	17.1	7,786.80	9,822.04
d) Current Tax Liabilities (Net)	17.2	22.90	22.90
Total Current Liabilities		90,428.79	72,520.91
TOTAL - LIABILITIES		163,314.42	142,622.93
TOTAL - EQUITY AND LIABILITIES		247,369.82	227,170.96
Summary of significant accounting policies	2		
The accompanying Notes are an integral part of the Consolidated financial statements			

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

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji
Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place: Kolkata
Dated : June 8, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

Rs. in Lacs

	Notes	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Income			
Revenue from Operations	21	152,063.95	176,632.43
Other Income	22	2,485.92	3,402.20
Total Income		154,549.87	180,034.63
Expenses			
Cost of Raw Materials and Components Consumed	23	104,566.24	119,229.77
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	24	(5,224.37)	(4,080.53)
Employee Benefits Expense	25	21,056.99	15,177.44
Finance Costs	26	8,119.93	8,827.29
Depreciation and Amortisation Expense	27	2,986.76	2,912.68
Other Expenses	28	23,601.37	34,212.01
Total Expenses		155,106.92	176,278.66
Profit / (Loss) before Share of Net Loss of a Joint Venture Accounted for Using the Equity Method, Exceptional Items and Tax		(557.05)	3,755.97
Share of Net Loss of a Joint Venture Accounted for Using the Equity Method	3 (d)	(0.65)	(10.18)
Profit / (Loss) before Exceptional Items and Tax		(557.70)	3,745.79
Exceptional Items		-	-
Profit / (Loss) before Tax from continuing operations		(557.70)	3,745.79
Tax Expense	30 (A)		
Current Tax			
Pertaining to profit for the current year		176.96	-
Adjustment of Tax relating to earlier years		-	871.36
Deferred Tax		1,143.99	(2,921.91)
Total Tax Expense		1,320.95	(2,050.55)
Profit / (Loss) for the Year after Tax from continuing operations		(1,878.65)	5,796.34
Discontinued operations			
Loss from discontinued operations before tax		-	(9,410.55)
Tax expense of discontinued operations		-	-
Loss from discontinued operations		-	(9,410.55)
Loss for the Year after Tax		(1,878.65)	(3,614.21)
Attributable to:			
Owners of Titagarh Wagons Limited		(1,499.65)	(3,418.82)
Non-controlling Interests		(379.00)	(195.39)
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Gain / (Losses) on Defined Benefit Plans		41.90	(15.70)
Tax on above		(10.55)	3.95
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange Differences on Translation of Foreign Operations		348.92	540.03
Fair value change of cash flow hedges		580.23	-
Tax on above		(146.03)	-
Other Comprehensive Income for the Year (Net of Taxes)		814.47	528.28
Attributable to:			
Owners of Titagarh Wagons Limited		814.47	527.67
Non-controlling Interests		-	0.61
Total Comprehensive Income for the Year		(1,064.18)	(3,085.93)
Attributable to:			
Owners of Titagarh Wagons Limited		(685.18)	(2,891.15)
Non-controlling Interests		(379.00)	(194.78)
Attributable to owners of Titagarh Wagons Limited arises from:			
Continuing operations		(1,064.18)	6,324.62
Discontinued operations		-	(9,410.55)
Earnings per Equity Share [Nominal Value per Share Rs. 2/- (March 31, 2020: Rs. 2/-)]	31		
For continuing operations			
Basic (In Rs.)		(1.28)	5.18
Diluted (In Rs.)		(1.28)	5.18
For discontinued operations			
Basic (In Rs.)		-	(8.14)
Diluted (In Rs.)		-	(8.14)
For continuing and discontinued operations			
Basic (In Rs.)		(1.28)	(2.96)
Diluted (In Rs.)		(1.28)	(2.96)
Summary of Significant Accounting Policies	2		
The accompanying Notes are an integral part of the Consolidated financial statements			

This is the Consolidated Profit and Loss referred to in our Report of even date

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji
Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place: Kolkata
Dated : June 8, 2021

CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2021

	Rs. in Lacs	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax from:		
Continuing Operations	(557.70)	3,745.79
Discontinued Operations	-	(9,410.55)
Loss before Tax including discontinued operations	(557.70)	(5,664.76)
Adjustments for:		
Depreciation and Amortisation Expense	2,986.76	2,912.68
Finance Cost	8,119.93	8,827.29
Employee Stock Option Expenses	9.33	67.81
Unrealised Foreign Exchange Fluctuations (Gain)/Loss	26.49	(13.48)
Goodwill Written-off	-	24.85
Irrecoverable Debts/ Advances Written Off (Net)	331.22	249.36
Provision for Doubtful Debts and Advances	73.81	495.34
Loss on fair valuation of Financial Liabilities measured at FVTPL	12.32	-
Net Gain on Disposal of Property, Plant and Equipment	(61.57)	(18.00)
Fair Value (Gain)/Loss on Investment in Equity Securities at FVTPL	(254.47)	89.86
Share of Loss of a Joint Venture's	0.65	10.18
Net Gain on Disposal of Investments	-	(237.74)
Unspent Liabilities / Provisions No Longer Required Written Back	(162.43)	(552.02)
Interest Income Classified as Investing Cash Flows	(431.59)	(392.36)
Exceptional Item-Impairment of Discontinued Operation	-	9,410.55
Operating Profit before Changes in Operating Assets and Liabilities	10,092.75	15,209.56
Increase / (Decrease) in Non-current and Current Financial and Non-financial Liabilities and Provisions	7,467.18	(9,334.40)
Decrease in Trade Receivables	3,701.51	4,393.14
(Increase) / Decrease in Inventories	(2,730.58)	7,363.08
Increase in Non-current and Current Financial and Non-financial Assets	(11,892.63)	(1,238.57)
Cash Generated From Operations	6,638.23	16,392.81
Income Taxes (Paid) / Refund (net)	137.37	(1,019.37)
Net Cash From Operating Activities	6,775.60	15,373.44
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(5,999.31)	(3,550.91)
Proceeds from Disposal of Property, Plant and Equipment	105.00	1,100.12
Proceeds from Sale of Investments	-	5,948.05
Purchase of Business	(13.59)	-
Fixed Deposits Made	(6,800.72)	(6,845.74)
Fixed Deposits Matured	5,256.21	1,960.29
Investment in a Joint venture	-	(0.50)
Dividend Received	-	3.01
Interest Received	245.10	430.58
Net Cash (Used in) Investing Activities	(7,207.31)	(955.10)

CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2021

	Rs. in Lacs	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Employee Stock Option Scheme	26.96	19.11
Transactions with Non-controlling Interests	-	365.23
Proceeds from Long-term Borrowings	11,162.04	10,987.38
Repayment of Long-term Borrowings	(4,650.00)	(15,833.88)
Repayment of Lease Liabilities	(10.76)	-
Receipts/(Payments) of Short-term Borrowings (Net)	4,147.15	(9,346.95)
Finance Costs Paid	(6,358.01)	(8,481.72)
Dividend Paid (including Dividend Distribution Tax)	(2.08)	(417.44)
Net Cash From / (Used in) Financing Activities	4,315.30	(22,708.27)
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	790.28	1,321.86
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	4,673.87	(6,968.07)
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	2,897.18	9,865.25
Cash acquired on account of Purchase of Business	398.33	-
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	7,969.38	2,897.18

(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 financial statements

This is the Consolidated Cash Flow Statement referred to in our Report of even date For and on behalf of the Board of Directors of Titagarh Wagons Limited

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji
Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place: Kolkata
Dated : June 8, 2021

Consolidated Standalone Statement of Changes in Equity for the year ended March 31, 2021

A) Equity Share Capital (Refer Note 13)

Rs. in Lacs

Particulars	Number in Lacs	Amount
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
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	37.81	75.63
Balance as at March 31, 2021	1,193.87	2,387.75

B) Other Equity

Rs. in Lacs

Particulars	Reserves and Surplus (Refer Note 14)						Other Reserve (Refer Note 14)			Total Other Equity	Non-controlling Interests	Total
	Securities Premium Account	General Reserve	Capital Reserve	Reserve Fund	Legal Reserve	Employee Stock Options Outstanding Account	Equity Component of compound financial instruments	Retained Earnings	Foreign Currency Translation Reserve	Hedge Reserve Account	Share Pending Allotment	
Balance as at March 31, 2019	40,632.78	5,411.39	9.18	15.62	55.33	353.96	-	30,804.07	2,009.21	-	15.47	79,307.01
Loss for the Year	-	-	-	-	-	-	-	(3,418.82)	-	-	-	(3,418.82)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	(12.36)	(684.42)	-	-	(696.78)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(3,431.18)	(684.42)	-	-	(4,115.60)
Transfer to Discontinued Operations	-	-	-	-	(55.33)	-	-	-	-	-	-	(55.33)
Transactions with Owners in their Capacity as Owners:												
Premium on Issue of Equity Shares Pursuant to Employee Stock Option (ESOP) Scheme	33.02	-	-	-	-	-	-	-	-	-	-	33.02
Transfer from ESOP's Outstanding Account on Exercise and Lapse	74.70	-	-	-	-	(171.93)	-	97.23	-	-	-	-
Recognition of Share Based Payment	-	-	-	-	-	67.81	-	-	-	-	-	67.81
Transactions with Non-controlling Interests [Refer Note 3(c)]	-	-	-	-	-	-	-	(454.14)	-	-	-	(454.14)
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)

Consolidated Standalone Statement of Changes in Equity for the year ended March 31, 2021

B) Other Equity (Contd.)

	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
Other Comprehensive Income (Net of Tax)		-	-	-	-	-	-	-	(1,499.65)	-	-	(1,499.65)	(379.00)	(1,878.65)
Total Comprehensive Income for the year		-	-	-	-	-	-	-	31.35	348.92	434.20	814.47	-	814.47
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 45)		-	-	7,433.32	-	-	-	-	(1,468.30)	348.92	434.20	(685.18)	(379.00)	(1,064.18)
Arisen due to acquisition of equity shares resulting in a subsidiary (Refer Note 52)		-	-	19.57	-	-	-	-	-	-	-	19.57	-	19.57
Transactions with Owners in their Capacity as Owners:														
Premium on issue of Equity Shares Pursuant to ESOP Scheme	25.74	-	-	-	-	-	-	-	-	-	-	25.74	-	25.74
Transfer from ESOPs Outstanding Account on Exercise and Lapse	53.76	-	-	-	-	(92.55)	-	-	38.79	-	-	-	-	-
Recognition of Share Based Payment	-	-	-	-	-	9.33	-	-	-	-	-	9.33	-	9.33
Transfer Within Equity	-	-	-	-	(15.62)	-	-	-	15.62	-	-	-	-	-
Gain on Fair Valuation of Debentures (Net of Taxes)	-	-	-	-	-	-	-	515.69	-	-	-	515.69	-	515.69
Balance as at March 31, 2021	40,820.00	5,411.39	7,462.07	-	-	166.62	515.69	25,183.97	1,673.71	434.20	-	81,667.85	-	81,667.65

The accompanying Notes are an integral part of the Consolidated financial statements

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date

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

For Price Waterhouse and Co Chartered Accountants LLP

Firm Registration No.: 304026/E-300009
Chartered Accountants

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji

Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place : Gurugram
Dated : June 8, 2021

Place : Kolkata
Dated : June 8, 2021

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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 a joint venture are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, etc. 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 June 8, 2021.

- (a) The consolidated financial statements comprise the financial statements of the Parent Company, its-subsidary companies and a joint venture as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2021	March 31, 2020	
Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Pvt Ltd)#	India	100%	NA	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges
Titagarh Singapore Pte. Limited (TSPL)*	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA)**	France	100%	100%	Engaged in manufacture of freight wagons
Titagarh Firema S.p.A (TFA)***	Italy	100%	100%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

TBIPL has become a wholly owned subsidiary of the Parent Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

*The Parent Company holds 100% equity in TSPL through its wholly owned subsidiary company, TBIPL.

**The Parent Company holds 100% equity in TWA together with TSPL. 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 and the Company is no longer in control of the subsidiary under French law.

***The Company holds 100% equity in TFA through its wholly owned subsidiary company, TBIPL along with TSPL.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2021	March 31, 2020	
Titagarh Mermec Pvt Ltd	India	50%	50%	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety
Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Pvt Ltd)#	India	NA	50%	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges

TBIPL has become a wholly owned subsidiary of the Parent Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

- (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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

(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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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.

Computer Software

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

Brand and Design and Drawings

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

Prototype

The Group had developed prototype for tractors which was capitalised.

Patents

Patents acquired are capitalised as intangible assets when it is probable that associated future economic benefits would flow to the Group.

Research and Development

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

Amortisation Method and Period

Computer Software 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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 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 group of assets (cash-generating units).

2.7 Inventories

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

2.8 Leases

As a Lessee

Leases 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:-

- Fixed payments (including in substance fixed payments) less any lease incentive receivable.
- Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
- Amount expected to be paid by the Group as under residual value guarantees.
- Exercise price of a purchase option if the Group is reasonably certain to exercise that option.
- 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:

- 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
- 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 :-

- the amount of the initial measurement of lease liability
- any lease payment made at or before the commencement date less any lease incentive received
- any initial direct cost and
- 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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 Statement of Profit and Loss within 'Other Gain / (Losses)' in the period in which it arises. Interest income / expense on the financial instruments measured at FVTPL is included as part of fair value changes.

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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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 Derivatives

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges for highly probable forecast transactions. Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable. Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Sale of Products

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

Revenue from sale of specialized products

Revenue from specialized products mainly consists of defence related products (i.e Bailey bridge, Shelters etc), Ship building, 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

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

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

Revenue from services rendered is recognised as the services are rendered and is booked based on agreement / arrangements with the concerned parties.

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 a subsidiary 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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 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 crystallising 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 Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings 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 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 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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.

2.33 Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, within other gains/(losses). When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:- If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

2.34 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

- **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, Right of use Assets and Intangible Assets— Notes 2.3, 2.4, 2.8, 4.1, 4.2 and 4.6**

Management reviews its estimate of the useful lives of property, plant and equipment, Right of use assets 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, right of use assets 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 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 warranty / liquidated damage expenses.

- **Fair Value Measurements — Notes 2.9(vii), 2.22 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

3.1 Interest in Other Entities

Rs. in Lacs

(a) Information required by Schedule III to the Act

Name of the entity	As at/ for the year ended March 31, 2021							
	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	115.48%	97,060.71	-263.56%	4,951.49	57.16%	465.55	-509.03%	5,417.04
Subsidiaries								
Titagarh Bridges & International Private Limited #	-0.09%	(73.39)	3.91%	(73.39)	-	-	6.90%	(73.39)
Foreign								
Titagarh Firema S.p.A	-11.50%	(9,666.28)	334.19%	(6,278.31)	54.70%	445.52	548.10%	(5,832.79)
Titagarh Singapore Pte Limited	-3.89%	(3,265.64)	5.26%	(98.79)	-11.86%	(96.60)	18.36%	(195.39)
Non-controlling Interests in all Subsidiaries	-	-	20.17%	(379.00)	-	-	35.61%	(379.00)
Joint Venture (Investments as per the Equity Method)								
Indian								
Titagarh Bridges & International Private Limited #	-	-	0.03%	(0.65)	-	-	0.06%	(0.65)
Titagarh Mermec Pvt Ltd	-	-	-	-	-	-	-	-
TOTAL	100.00%	84,055.40	100.00%	(1,878.65)	100.00%	814.47	100.00%	(1,064.18)

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	98.84%	83,565.04	-235.22%	8,501.49	-81.76%	(431.93)	-261.50%	8,069.56
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								
Titagarh Bridges & International Private Limited #	-	-	0.27%	(9.68)	-	-	0.31%	(9.68)
Titagarh Mermec	-	-	0.01%	(0.50)	-	-	0.02%	(0.50)
Discontinued Operations	-	-	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)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

TBIPL has become a wholly owned subsidiary of the Parent Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

(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, 2021	March 31, 2020
Current Assets	-	19,796.67
Current Liabilities	-	19,079.73
Net Current Assets / (Liabilities)	-	716.94
Non-current Assets	-	27,282.28
Non-current Liabilities	-	9,760.04
Net Non-current Assets	-	17,522.24
Net Assets	-	18,239.18
Accumulated NCI	-	7,886.73

		Rs. in Lacs
Summarised Statement of Profit and Loss		Cimmco Limited
	March 31, 2021	March 31, 2020
Revenue	-	31,220.12
Profit / (Loss) for the Year	-	(781.55)
Other Comprehensive Income / (Loss)	-	2.45
Total Comprehensive Income / (Loss)	-	(779.10)
Profit / (Loss) allocated to NCI	(379.00)	(194.78)

		Rs. in Lacs
Summarised Cash Flows		Cimmco Limited
	March 31, 2021	March 31, 2020
Cash Flows From / (Used in) Operating Activities	-	4,528.79
Cash Flows From / (Used in) Investing Activities	-	192.77
Cash Flows From / (Used in) Financing Activities	-	(4,716.38)
Net Increase / (Decrease) in Cash and Cash Equivalents	-	5.18

		Rs. in Lacs
(c) Transactions with Non-controlling Interests		Cimmco Limited
	March 31, 2021	March 31, 2020
Carrying Amount of Non- controlling Interest transferred/(acquired)	-	819.37
Consideration received/(paid) from/(to) Non-controlling Interest	-	365.23
Excess of Consideration received Recognised in Retained Earnings within Equity	-	454.14

(d) Interests in Joint Venture

The Group had formed a Joint Venture Company 'Titagarh Bridges & International Pvt Ltd. (erstwhile 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. However, Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd) has become a wholly owned subsidiary of the Company w.e.f. 14th July, 2020 by acquiring balance 7,548,820 equity shares from Matiere SAS, France.

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

Summarised Financial Information for Joint Venture

The tables below provides summarised financial information for the joint venture Titagarh Bridges & International Pvt Ltd. (erstwhile 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 reflect adjustments made by the entity when using the equity method.

			Rs. in Lacs	
Summarised Balance Sheet	Titagarh Bridges & International Pvt. Ltd. (erstwhile Matiere Titagarh Bridges Pvt. Ltd.)		Titagarh Mermec Pvt. Ltd.	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Non-Current Assets				
Inventory	-	21.08	-	-
Other Financial Assets	-	2.29	-	-
Total (A)	-	23.37	-	-
Current Assets				
Cash and Cash Equivalents	-	231.10	0.77	1.00
Other Current Assets	-	97.82	-	-
Total (B)	-	328.92	0.77	1.00
Current Liabilities				
Financial Liabilities				
Trade Payables	-	3.94	6.24	4.24
Other Current Liabilities	-	300.30	-	-
Total (C)	-	304.24	6.24	4.24
Net Assets (A+B-C)	-	48.05	(5.47)	(3.24)
Summarised Statement of Profit and Loss	Titagarh Bridges & International Pvt. Ltd. (erstwhile Matiere Titagarh Bridges Pvt. Ltd.)		Titagarh Mermec Pvt. Ltd.	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Income				
Revenue from Operation	-	21.79	-	-
Other Income	-	0.32	-	-
	-	22.11	-	-
Expenses				
Project Development Expenses	-	17.84	-	-
Change in Inventory	-	(21.08)	-	-
Employee Benefits Expense	-	12.57	-	-
Finance Costs	0.39	0.10	0.23	-
Other Expenses	0.91	32.04	2.00	2.02
Total Expenses	1.30	41.47	2.23	2.02
Loss for the Period/Year	(1.30)	(19.36)	(2.23)	(2.02)
Other Comprehensive Income for the Period/ year	-	-	-	-
Total Comprehensive Income for the period/year	(1.30)	(19.36)	(2.23)	(2.02)
Group Share in %	50.00	50.00	50.00	50.00
Group Share of Loss for the Period/Year	(0.65)	(9.68)	(1.12)	(1.01)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

Reconciliation to Carrying Amounts	Titagarh Bridges & International Pvt. Ltd. (erstwhile Matiere Titagarh Bridges Pvt. Ltd.)		Titagarh Mermec Pvt. Ltd.	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening Net Assets	(23.61)	(4.25)	(2.02)	-
Profit for the Year	(1.30)	(19.36)	(2.23)	(2.02)
Issue of Equity Share Capital	-	-	-	-
Less: Conversion to Subsidiary	(24.91)	-	-	-
Closing Net Assets	-	(23.61)	(4.25)	(2.02)
Group Share in %	50.00	50.00	50.00	50.00
Cost of Investments (A)	29.81	39.49	-	0.50
Group Share of Loss for the Period/Year (B)	0.65	9.68	-	0.50
Acquire of balance share (C)	29.16	-	-	-
Carrying Amount (A-B-C)	-	29.81	-	-

The Group has no contingent liability and capital commitments relating to its interest in Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd) and Titagarh Mermec Pvt Ltd as at March 31, 2021 (March 31, 2020: Rs. Nil).

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

4.1 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, 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	105,639.13
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
Additions	-	-	-	-	1,206.91	-	-	4.75	4.95	40.17	6.30	1,263.08
Disposals	-	-	-	612.68	255.96	27.83	-	-	-	-	-	896.47
Reclassification	-	-	-	-	255.00	-	-	-	-	-	-	255.00
Exchange Differences on Consolidation	382.91	-	-	552.48	257.12	-	-	-	-	-	-	1,192.51
As at March 31, 2021	34,232.43	20,059.70	70.94	23,799.99	17,506.23	663.85	409.32	386.73	163.35	355.87	282.83	97,931.25
Accumulated Depreciation & Impairment												
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
Transfer to Discontinued Operation	-	-	-	534.31	3,154.64	-	-	-	-	-	-	3,688.95
Disposals	-	-	-	9.25	-	-	-	-	-	-	6.12	15.37
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
Charge for the year	-	166.68	2.89	556.38	799.81	-	12.51	37.02	9.16	24.07	32.63	1,641.15
Disposals	-	-	-	582.03	243.15	11.88	-	-	-	-	-	837.06
Exchange Differences on Consolidation	-	-	-	83.16	158.64	-	-	-	-	-	-	241.80
As at March 31, 2021	-	999.08	58.37	3,898.03	8,762.70	37.13	137.08	208.43	121.88	273.86	129.04	14,625.60
Impairment												
As at March 31, 2019	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	2,138.90	2.36	-	-	-	-	-	-	2,141.26
Transfer to Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	2.36	-	-	-	-	-	-	2.36
As at March 31, 2021	-	-	-	-	-	-	-	-	-	-	-	-
Net Carrying Amount												
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
As at March 31, 2021	34,232.43	19,060.62	12.57	19,901.96	8,741.17	626.72	272.24	178.30	41.47	82.01	153.79	83,303.29

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

- 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		Net Carrying Amount		Remarks
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
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. The Parent Company has photocopy of the same.
Freehold Land	2	1	3,550.15	3,391.29	3,550.15	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	-	-	-	-	-	-	Registration of title deeds is pending
Buildings	1	1	117.04	117.04	103.16	105.12	Title deeds not in the name of the Parent Company

- b) The Group 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.
- c) Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
- d) 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 disputes, matter was referred to the sole Arbitration of Hon'ble Mr. Justice (Retd.) S.S.Nijjar. The sole Arbitrator vide its award dated July 03, 2019 has restricted the Indian Railways for further using of the 887 Wagons and allowed the repossession of said Wagons to the Parent Company being the sole and beneficial owner of the wagons. During the year, the Parent Company has obtained possession of 215 wagons whose carrying value was Rs. 15.95 lacs and has discarded the same as scrap, being not usable. The said scrap has been sold for Rs. 1,363.80 Lacs. The Parent Company is in the process of obtaining possession of the balance 672 wagons, realisable value of which as per management estimate is more than the book value of Rs. 626.72 lacs.
- e) During the year, reclassification represents Rs. 255.00 lacs relating to certain assets pertaining to Titagarh Firema S.p.A regrouped from Plant & Machinery to Computer Softwares.

4.2 Intangible Assets

Rs. in Lacs

	Goodwill on Consolidation	Other Intangible Assets						Total
		Computer Software	Patents	Project Development	Brand	Design and Drawings	Prototype	
Gross Carrying Amount								
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	(377.40)	-	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	-	4,166.89	-	-	227.79	1,556.46	880.39	6,831.53
Additions	-	537.63	-	-	-	-	-	537.63
Reclassification	-	(255.00)	-	-	-	-	-	(255.00)
Others including Exchange Differences on Consolidation	-	125.73	-	-	-	-	-	125.73
As at March 31, 2021	-	4,575.25	-	-	227.79	1,556.46	880.39	7,239.89
Accumulated Amortisation								

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

Rs. in Lacs

	Goodwill on Consolidation	Other Intangible Assets						Total
		Computer Software	Patents	Project Development	Brand	Design and Drawings	Prototype	
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
Charge for the year	-	817.24	-	-	56.94	461.44	-	1,335.62
Others including Exchange Differences on Consolidation	-	27.14	-	-	-	-	-	27.14
As at March 31, 2021	-	2,005.88	-	-	170.83	1,309.13	396.17	3,882.01
Impairment								
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
Charge for the year	-	-	-	-	-	-	-	-
As at March 31, 2021	-	22.54	-	-	-	-	484.22	506.76
Net Carrying Amount								
As at March 31, 2020	-	2,982.85	-	-	113.90	708.77	-	3,805.52
As at March 31, 2021	-	2,546.83	-	-	56.96	247.33	-	2,851.12

- a) The Group based on technical evaluation, 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).
- b) During the year, reclassification represents Rs. 255.00 lacs relating to certain assets pertaining to Titagarh Firema S.p.A regrouped to Computer Softwares from Plant & Machinery.

4.3 Investment Properties

Rs. in Lacs

	Freehold Land
Carrying Amount as at March 31, 2019	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2020	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2021	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, 2021, fair Valuation of the two properties is estimated to be Rs. 977.55 Lacs (March 31, 2020: Rs. 977.55 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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, 2021 and March 31, 2020 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, 2020: Rs. 48.88 Lacs)

4.4 Capital Work-in-Progress Rs. In Lacs

	As at March 31, 2021	As at March 31, 2020
Total	1,622.89	-

- a) Capital work in progress as on March 31, 2021 are in respect of Plant and Equipment Rs. 371.69 Lacs and Building Rs. 1,250.90 Lacs. (March 31, 2020 Rs. Nil).

4.5 Intangible Assets under Development Rs. In Lacs

	As at March 31, 2021	As at March 31, 2020
Total	2,509.41	-

- a) Intangible assets under development as on March 31, 2021 Rs. 2,509.41 Lacs [March 31, 2020 Rs. Nil]

4.6 Right-of-use assets and leases Rs. in Lacs

The Parent Company's leasing arrangement includes office space having a lease term of 5 years with a lock-in period of 4 years. It has extension options as described in (iv) below.

(i) Amount recognised in balance sheet

Right-of-use assets	Buildings	Total
Gross Carrying Amount		
As at March 31, 2019	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2020	-	-
Additions	162.14	162.14
Disposals	-	-
As at March 31, 2021	162.14	162.14
Accumulated Depreciation & Impairment		
As at March 31, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Charge for the year	9.99	9.99
Disposals	-	-
As at March 31, 2021	9.99	9.99
Net Carrying Amount		
As at March 31, 2020	-	-
As at March 31, 2021	152.15	152.15

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

Lease liabilities	March 31, 2021	March 31, 2020
Current	30.85	-
Non-current	117.20	-
Total	148.05	-

(ii) Amount recognised in statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Lease liabilities	March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets (Refer Note 27)	9.99	-
Interest expense (included in finance costs) (Refer Note 26)	3.76	-
Total	13.75	-

(iii) The total cash outflow for leases for the year was Rs. 10.93 lacs (March 31, 2020: Rs. Nil).

(iv) Extension and termination options

Extension and termination options are included in the parent company's lease contract. These are used to maximise operational flexibility in terms of managing the assets used in the parent company's operations. The extension and termination options held are exercisable by mutual consent of both the lessor and the lessee.

5 Investments (Non-current)

	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
	2021	2020			
Investments in Equity Instruments					
In Others (Quoted) (at FVTPL) (a)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
Arshiya Limited	898,562	898,562	2	301.47	60.83
In Others (Unquoted) (at FVTPL) * (a)					
Titagarh Enterprises Limited	4,932,940	4,932,940	10	2,777.13	2,746.28
Traco International Investment Private Limited	685,000	685,000	10	18.37	18.32
Titagarh Industries Limited	50,000	50,000	10	30.70	32.20
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
Total				3,127.92	2,857.88
Aggregate book value of quoted investments				301.52	60.88
Aggregate book value of unquoted investments				2,826.40	2,797.00
Market value of quoted investments				301.52	60.88

Quotation not available since suspended due to penal reasons.

* Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Parent company {Also refer note 15(b)(i)(A)} :

Name of Quoted Investments	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
	2021	2020			
Titagarh Enterprises Limited	4,932,940	4,932,940	10	49,329,400	49,329,400
Traco International Investment Private Limited	685,000	685,000	10	6,850,000	6,850,000
Titagarh Industries Limited	50,000	50,000	10	500,000	500,000
				56,679,400	56,679,400

@ 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

6 Trade Receivables (At Amortised Cost) Rs. in Lacs (Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade Receivables				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	-	142.99	21,735.21	26,586.75
Unsecured, Considered Doubtful	-	117.67	628.35	463.53
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	1,676.59
	-	260.66	22,363.56	28,726.87
Less: Loss Allowances [Refer Note 42 (II) (c)]	-	117.67	628.35	2,140.12
Less: Liquidated Damages [Refer note 42 (II) (c)]	-	-	317.79	1,354.52
	-	142.99	21,417.42	25,232.23

- a) Liquidated damages provisions 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 information about credit risk and market risk on Trade Receivables.
c) Trade Receivables-Considered Good include dues from related parties of Rs. Nil (March 31, 2020 Rs. 1.40 Lacs). Refer Note 40 for details.

7 Other Financial Assets Rs. in Lacs (Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Measured at Fair Value through OCI				
Derivative Assets [Refer (a) below]	514.70	-	65.53	-
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months #	4,217.81	4,278.61	-	-
Receivable from Related Parties (Refer Note 40)				
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	189.36	-	133.13	135.70
Claims Receivable [Refer (b) below]	-	-	2,361.23	2,361.23
Unbilled Revenue	-	-	35,303.23	24,443.47
Subsidy Receivable	-	-	69.96	1,044.78
Other Receivable	-	-	217.82	3,191.76
Charges Recoverable				
Considered Good	-	-	188.72	385.94
Considered Doubtful	-	-	-	40.88
	-	-	188.72	426.82
Less: Provision for Doubtful Charges Recoverable	-	-	-	40.88
	-	-	188.72	385.94
Total	4,921.87	4,278.61	38,339.62	31,588.39

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

- # Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.
- (a) Derivative instruments used by the Parent Company is in nature of forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Parent Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. All the instruments are hedge effective as at year end.
- (b) Claim Receivables represents amount receivables from Indian Railway in relation to differential sub lease rentals for the last 3 years of primary sub lease period along with interest in terms of the Arbitration award dated February 3, 2016. The erstwhile Cimmco Ltd (since merged with the Parent 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 Parent Company) had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals and award was published on February 3, 2016.

8 Loans and Deposits (At Amortised Cost) Rs. in Lacs

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security Deposits				
Considered Good	359.64	358.24	4,022.70	4,957.56
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
Considered Doubtful	-	66.72	253.08	40.75
	359.64	424.96	4,275.78	4,998.31
Less: Loss Allowances	-	66.72	253.08	40.75
	359.64	358.24	4,022.70	4,957.56
	359.64	358.24	4,022.70	4,957.56

9 Tax Assets (Net) Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance Tax (Including Tax Deducted at Source and Net of Provision for Taxation) (Net of provision for tax Rs. 21,018.28 Lacs; March 31, 2020 Rs. 20,841.32 Lacs)	2,640.77	2,914.51	10.96	-
	2,640.77	2,914.51	10.96	-

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

10 Other Assets

Rs. in Lacs

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital Advances	262.85	199.96	-	-
Security Deposits	274.98	317.60	-	-
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	49.37	45.31
Considered Good - Others	-	2.55	9,057.92	5,640.18
Considered Doubtful - Others	-	88.40	195.73	100.74
	-	90.95	9,303.02	5,786.23
Less: Provision for Doubtful Advances - To Others	-	88.40	195.73	100.74
	-	2.55	9,107.29	5,685.49
Balances with Government Authorities				
Considered Good	-	-	15,644.34	12,702.72
Considered Doubtful	-	-	94.61	103.18
	-	-	15,738.95	12,805.90
Less: Provision for Doubtful Balances	-	-	94.61	103.18
	-	-	15,644.34	12,702.72
Prepaid Expenses	281.15	469.26	992.54	1,052.33
Total	818.98	989.37	25,744.17	19,440.54

(a) Represents recoverable from Officers of the Parent Company. Also Refer Note 40.

11 Inventories

Rs. in Lacs

(Valued at Lower of Cost and Net Realisable Value)

	As at March 31, 2021	As at March 31, 2020
Raw Materials and Components [Includes Goods in Transit Rs. 606.06 Lacs (March 31, 2020: Rs. Nil)]	29,583.89	27,570.18
Work-in-progress	5,980.09	7,041.71
Finished Goods	883.85	912.85
Saleable Scrap	695.30	981.17
Stores and Spares	1,375.82	1,123.39
Total	38,518.95	37,629.30

(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. 3,239.02 Lacs (March 31, 2020: Rs 956.16 Lacs)

(c) Write-downs of inventories to net realisable value amounted to Rs. 11.00 Lacs (March 31, 2020: Rs. 24.65 Lacs).

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

12 Cash and Bank Balances	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
12.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	7,936.82	2,836.19
Deposits with Original Maturity of Less Than Three Months @	22.20	48.45
Cash on Hand	10.36	12.54
	7,969.38	2,897.18
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	17.18	19.26
Deposits @	4,417.12	2,689.75
	4,434.30	2,709.01
Total	12,403.68	5,606.19

@ Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

13 Equity Share Capital	Rs. in Lacs			
	As at March 31, 2021		As at March 31, 2020	
	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, 2020: 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, 2020 Rs. 2/-) each, fully paid-up	1,193.87	2,387.75	1,156.06	2,312.12
	1,193.87	2,387.75	1,156.06	2,312.12
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
	2020-21		2019-20	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Equity Shares				
At the Beginning of the Year	1,156.06	2,312.12	1,155.28	2,310.56
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.61	1.22	0.78	1.56
Shares Issued pursuant to Scheme of Amalgamation (Refer Note 45)	37.20	74.41	-	-
Outstanding at the end of the Year	1,193.87	2,387.75	1,156.06	2,312.12

@ During the year, 60,950 equity shares (March 31, 2020: 78,250 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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, 2020: 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

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 2 (March 31, 2020: Rs. 2) each fully paid				
Titagarh Capital Management Services Private Limited	21,670,165	18.15%	21,670,165	18.74%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	15.25%	-	-
Savitri Devi Chowdhary	-	-	12,466,034	10.78%
Rashmi Chowdhary	12,816,105	10.73%	12,816,105	11.09%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	10,425,560	8.73%	6,151,556	5.32%

As per records of the Parent Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

14 Other Equity

	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
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 Companies Act, 2013 ('the Act').		
Balance as per the Last Financial Statements	40,740.50	40,632.78
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(a)]	25.74	33.02
Transfer from ESOPs Outstanding Account on Exercise and Lapse	53.76	74.70
	40,820.00	40,740.50
b. General Reserve (as per the Last Financial Statements) (Refer Note 14.1)		
Balance as per the last financial statements	5,411.39	5,411.39
Movement during the year	-	-
	5,411.39	5,411.39
c. Capital Reserve		
Balance as per the last Financial Statements	9.18	9.18
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 45)	7,433.32	-
Arisen due to acquisition of equity shares resulting in a subsidiary (Refer Note 52)	19.57	-
Balance as at the end of the year	7,462.07	9.18
Capital Reserve represents amount transferred from transferor company pursuant to Scheme of Amalgamation / other restructuring.		

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

14 Other Equity (Contd.)

	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
d. 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 per the last Financial Statements	15.62	15.62
Transfer Within Equity [Refer (g) below]	(15.62)	-
Balance as at the end of the year	-	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
Add: Transfer during the year	-	(55.33)
	-	-
F. Employee Stock Options (ESOPs) Outstanding Account (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	249.84	353.96
Recognition of Share Based Payment (Refer Note 34)	9.33	67.81
Transfer from ESOPs Outstanding Account on Exercise and Lapse	(92.55)	(171.93)
	166.62	249.84
G. Retained Earnings		
Balance as per the last Financial Statements	26,597.86	30,804.07
Loss for the Year	(1,499.65)	(3,418.82)
Transactions with Non-controlling Interests	-	(454.14)
Transfer from ESOPs Outstanding Account on Options Lapsed	(38.79)	(97.23)
Item of Other Comprehensive Income recognised directly in Retained Earnings		
- Remeasurements Losses on Defined Benefit Plan (Net of Tax)	31.35	(12.36)
Final Dividend for the Year ended March 31, 2019	-	(346.83)
Dividend Distribution Tax on above	-	(71.29)
Transfer within equity [Refer (d) above]	15.62	-
Net surplus in the statement of profit and loss	25,183.97	26,597.86
- Other Reserve		
H. Foreign Currency Translation Reserve (FCTR)		
Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2.20(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.		
Balance as per the last Financial Statements	1,324.79	2,009.21
Exchange Differences on Translation of Foreign Operations during the year	348.92	(684.42)
	1,673.71	1,324.79

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

14 Other Equity (Contd.)		Rs. in Lacs
	As at March 31, 2021	As at March 31, 2020
I. Share Application Money Pending Allotment	-	-
J. Equity Component of compound financial instruments (Refer Note 14.2)		
Balance as per the last Financial Statements	-	-
Equity Component of Compound Financial Instruments issued during the year	689.13	-
Tax impact on above	(173.44)	-
	515.69	-
K. Cash Flow hedge Reserve (Refer Note 14.3 and 14.4)		
Balance as per the Last Financial Statements	-	-
Changes in fair value recognised during the year	580.23	-
Tax impact on above	(146.03)	-
	434.20	-
Total Other Equity (A+B+C+D+E+F+G+H+I+J+K)	81,667.65	74,349.18

- 14.1 **General Reserve :-** Under the erstwhile Indian Companies Act, 1956, a general reserve was created in the books of the Parent Company through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Parent Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.
- 14.2 **Equity Component of compound financial instruments :-** TBIPL has issued Optionally Fully Convertible Debentures (OFCD) to the individual promoters of the Company carrying a coupon rate of 4% during the financial year ended March 31, 2021. Considering the accounting principles to be followed in line with Indian Accounting Standards, TBIPL has computed the liability portion of OFCD as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OFCD the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.
- 14.3 **Cash Flow Hedge Reserve:-** The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item. The Parent Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.
- 14.4 During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to Rs. Nil (March 31, 2020: Rs. Nil). The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the statement of profit and loss as below:
- within the next one year: gain Rs. 49.04 lacs (March 31, 2020: Rs. Nil)
 - later than one year: gain Rs. 385.16 lacs (March 31, 2020: Rs. Nil)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

15 Borrowings

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured				
Term Loan from Banks [Refer (a) below]	43,447.77	55,346.44	9,135.33	100.31
Cash Credits & Working Capital Demand Loan from Banks [Refer (b) below]	-	-	21,674.04	17,526.89
Unsecured				
Term Loan from Banks [Refer (c) below]	8,609.90	-	-	-
Optionally Fully Convertible Debenture measured at FVTPL [Refer (d) below]				
4% Debentures of Rs. 10 /- each fully paid up	1,681.18	-	-	-
	53,738.85	55,346.44	30,809.37	17,627.20
Amount disclosed under other current financial liabilities (Refer Note 16)	-	-	(94.93)	(100.31)
Total	53,738.85	55,346.44	30,714.44	17,526.89

Secured Borrowings

a) Term Loan from Banks

i) In case of Parent Company:

- A) Term Loan of Rs. 4,392.87 lacs (March 31, 2020: Rs. 9,023.35 lacs) carries interest @ 9.20% to 11.25% p.a. (March 31, 2020: 10.20% to 11.25% p.a.) linked to 1 year MCLR and is repayable in 2 halfyearly installments starting from April 2023 to October 2023. Above term loan is secured by Immovable property (including land) at Gwalior district (Steel Foundry Division), Madhya Pradesh. The loan is further subservient charge over movable fixed assets of the borrower. During the previous year, the above facilities were also been secured by way of pledge / to be pledged investment in equity shares of Titagarh Firema S.p.A and Titagarh Singapore Pte Limited.
- B) Term Loan of Rs. 5,907.97 lacs (March 31, 2020: Rs. 5,825.94 Lacs) carries interest @ 8.75% to 11.75% p.a. (March 31, 2020: 9.85% to 11.75%) linked to 1 year MCLR and is repayable in 7 quarterly installments starting from June 2022 to December 2023. Above term loan is secured by a first Pari Passu by way of mortgage upon all land and building, plant and machinery and other immovable assets of Bharatpur factory and by way of hypothecation on all moveable fixed assets at Bharatpur plant and further second Charge on the current assets (both present and future) belonging to Bharatpur factory of Titagarh Wagons Limited.

ii) In case of Titagarh Firema S.p.A (TFA)

Term Loan from Bank of Baroda (UK Branch) of Rs. 42,282.25 Lacs (March 31, 2020: Rs. 40,597.46 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.

b) 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. Nil (March 31, 2020 : Rs. 6,330.59 Lacs) are secured by first charge on the Company's current assets, movable fixed assets both present and future at Titagarh, and Mouza, Bhadrakali, Uttara, West Bengal and further creating charge on immovable properties by way of depositing title deeds of various lands of the company. The above facilities have also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited, Traco International Investment Private Limited and Titagarh Industries Limited.
- B) Cash Credits is repayable on demand and carry an interest rate ranging between 7.65 % to 12.45 % p.a. linked with MCLR.
- C) Working Capital Demand Loans carry interest at Bank's MCLR plus spread ranging from 6.30 % to 11.80 % p.a. (March 31, 2020: 8.2 % to 10.5 % p.a.) and are repayable within six months.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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.21,674.04 Lacs (March 31, 2020: Rs. 11,196.30 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.

Unsecured Borrowings

c) Term Loan from Banks

In case of Titagarh Firema S.P.A (TFA):

Term Loan of Rs. 8,609.90 Lacs (March 31, 2020: Rs. Nil) has been received from Intesa San Paolo under the Liquidity Decree issued by the Government of Italy in order to support the companies from the Covid crisis. The loan is backed by the guarantee from SACE SPA. The loan carries interest of 1.73%p.a.

d) Optionally Fully Convertible Debenture (OFCD)

In case of Titagarh Bridges & International Pvt Ltd (TBIPL):

OFCD of Rs. 1,681.18 Lacs (March 31, 2020: Rs. Nil) are unsecured, unlisted and non transferable debentures. The tenure of OFCD is 7 years from the date of allotment. The OFCDs shall be converted into Equity Shares at the option of the holder at the end of one year or three years or five years or seven years respectively from the date of allotment. The OFCD will be payable on annual basis on every March 31 with a rate of interest of 4% p.a. Pursuant to the conversion, OFCD shall Rank Pari Passu with existing Equity Shares of TBIPL. If OFCD holder does not choose the option of conversion then the OFCD will be compulsorily redeemed by TBIPL on the expiry of seven years from the date of allotment.

i) Refer Note 42 for information about market risk and liquidity risk on borrowings.

16 Other Financial Liabilities

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Debt (Refer Note 15) #	-	-	94.93	100.31
Current Maturities of Lease Liabilities (Refer Note 4.6)	-	-	30.85	-
Measured at Amortised Cost				
Interest accrued and due on Borrowings	-	-	14.82	220.22
Interest accrued and not due on Borrowings	-	-	6.20	-
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividends	-	-	17.18	19.26
Others				
Employee Related Liabilities	-	-	1,109.91	652.86
Payable for Purchase of Property, Plant and Equipment :-				
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	-	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	-	-	-	12.31
Other Liabilities	-	-	-	2,559.24
Total Other Financial Liabilities	-	-	1,273.89	3,564.20

This amount refers to the amortisation within next one year of upfront processing fees paid to bank in respect of long term loan.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

17.1 Provisions

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	350.55	349.29	107.23	119.87
Leave Benefits [Refer Note 32(iii)]	-	-	1,139.15	1,560.95
	350.55	349.29	1,246.38	1,680.82
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	2,110.49	3,964.35
Loss on Onerous Contract [Refer (a) below for movement]	-	-	1,853.71	2,093.00
Litigation, Claims and Contingencies [Refer (b) below for movement] & [37 (i)]	-	-	2,576.22	2,083.87
	-	-	6,540.42	8,141.22
Total	350.55	349.29	7,786.80	9,822.04

a) Movement of provisions for warranties and Loss on Onerous Contract are as follows : Warranties Loss on Onerous Contract

	2020-21	2019-20	2020-21	2019-20
At the Beginning of the Year	3,964.35	6,924.13	2,093.00	2,923.88
Made during the Year	33.98	124.28	1,661.83	786.39
Transfer to Discontinued Operations	-	(65.06)	-	-
Re-classified from Trade Payable	-	(1,079.63)	-	-
Utilised during the Year	(1,887.84)	(1,939.37)	(1,901.13)	(1,617.27)
At the End of the Year	2,110.49	3,964.35	1,853.71	2,093.00

b) Movement of Provisions for Litigation, Claims and Contingencies are as follows :

	Litigations, Claims and Contingencies	
	2020-21	2019-20
At the Beginning of the Year	2,083.87	462.76
Made during the Year	623.97	1,881.69
Utilised during the Year	-	(173.23)
Transferred to provision against security deposit	(131.62)	-
Unused Amounts Reversed during the Year	-	(87.35)
At the End of the Year	2,576.22	2,083.87

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

Onerous contract

Onerous contract represents provision made towards excess of contract costs over contract revenues pertaining to one of the subsidiary company "Titagarh Firema S.p.A".

17.2 Current Tax Liabilities

	Rs. in Lacs
	As at March 31, 2021
	As at March 31, 2020
Provision for Income Tax (Net of Advance tax and TDS Rs. Nil; March 31, 2020 Rs. Nil)	22.90
Total	22.90

18 Deferred Tax Assets / (Liabilities)

	Rs. in Lacs
	As at March 31, 2021
	As at March 31, 2020
Deferred tax liabilities	
Deferred Tax Liabilities	
Arising out of Temporary Differences in Depreciable Assets	6,582.45
Unrealised Gain on FVTPL Securities *	572.95
Fair valuation of Derivative Assets	146.03
Others	104.72
Gross Deferred Tax Liabilities (A)	7,406.15
Deferred Tax Assets	
Provision for fall in value of Investments	5,525.55
Provision for Doubtful Debts, Advances and Claims Receivable	302.95
Provision for Warranties and Liquidated Damages	3,914.77
Provision for Litigations, Claims and Contingencies	88.43
Provision for Employee Benefits	173.40
Lease Liabilities	37.26
Carried Forward Business Losses	3.57
Deferred Tax Assets (B)	10,045.93
Deferred Tax Liabilities (Net) (A-B)	(2,639.78)
Reflected in the Consolidated Balance Sheet as:	
Deferred Tax Assets	3,783.04
Deferred Tax Liabilities	1,143.26
Deferred Tax Liabilities (Net)	(2,639.78)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020:

	As at April 1, 2019 Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at April 1, 2020 Deferred tax asset / (Liability)	Adjustment in Other Equity *	Credit / (Charge) in Statement of Profit and Loss #	As at April 1, 2021 Deferred tax asset / (Liability)
Arising out of Temporary Differences in Depreciable Assets	(7,748.08)	(1,418.17)	(6,329.91)	-	252.54	(6,582.45)
Unrealised Gain on FVTPL Securities	(332.85)	(38.04)	(294.81)	173.44	104.70	(572.95)
Fair valuation of Derivative Assets	-	-	-	-	146.03	(146.03)
Others	-	68.54	(68.54)	-	36.18	(104.72)
Total Deferred Tax Liabilities	(8,080.93)	(1,387.67)	(6,693.26)	173.44	539.45	(7,406.15)
Provision for fall in value of Investments	-	4,998.95	4,998.95	-	526.60	5,525.55
Provision for Doubtful Debts and Advances	954.51	(210.23)	744.28	-	(441.33)	302.95
Provision for Warranties & Liquidated Damages	3,638.25	283.42	3,921.67	-	(6.90)	3,914.77
Provision for Litigation, Claims & Contingencies	161.71	588.83	750.54	-	(662.11)	88.43
Provision for Employee Benefits	290.45	(114.28)	176.17	-	(2.77)	173.40
MAT Credit Entitlement	839.84	(839.84)	-	-	-	-
Fair valuation of Derivative Assets	15.63	(15.63)	-	-	-	-
Lease Liabilities	-	-	-	-	37.26	37.26
Carried Forward Business Losses	5,148.10	(5,062.93)	85.17	-	(81.60)	3.57
Gross Deferred Tax Assets	11,048.49	(371.71)	10,676.78	-	(630.85)	10,045.93
Deferred Tax Assets Not Recognised	2,377.49	(2,377.49)	-	-	-	-
Deferred Tax Assets	8,671.00	2,005.78	10,676.78	-	(630.85)	10,045.93
Deferred Tax Asset / (Liabilities) (Net)	590.07	3,393.45	3,983.52	173.44	(1,170.30)	2,639.78

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 10.55 Lacs [March 31, 2020 Rs. (3.95) Lacs] and income tax impact on Fair value change of cash flow hedges amounting to Rs. 146.03 Lacs [March 31, 2020 Rs. Nil] included in Other Comprehensive Income and income tax impact on exchange difference on consolidation of Rs. (130.27) lacs [March 31, 2020 Rs. (467.59) Lacs] included in foreign currency translation reserve.

* Rs. 173.44 lacs (March 31, 2020 Rs. Nil) represents deferred tax assets on equity component of compound financial instruments. Also refer note 14.J and 14.2 above

19 Trade Payables (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	771.78	158.31
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	39,027.03	34,957.17
	39,798.81	35,115.48

a) Refer Note 42 for information about market risk and liquidity risk on trade payables.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

20 Other Liabilities

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advances from Customers	17,535.77	14,406.29	9,660.26	5,932.57
Statutory Dues	-	-	781.06	147.57
Other Liabilities	-	-	390.63	389.26
	17,535.77	14,406.29	10,831.95	6,469.40

Non-current and current advance received from customers include an advance of Rs. 22,916.27 Lacs (March 31, 2020: 14,406.29 Lacs) which will be adjusted over a period of 3 years against sale of passenger wagons. Out of such advance outstanding as at March 31, 2021 Rs. 5,380.50 lacs will be recognised by March 31, 2022, and remaining thereafter.

21 Revenue from Operations

Rs. in Lacs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products		
Finished Goods	140,262.56	168,614.41
Raw Materials and Components	9,506.04	7,277.59
Other Operating Revenues		
Scrap Sales	2,282.51	291.31
Subsidy Income	-	331.01
Export Entitlement (MEIS Benefit, etc.)	12.84	24.52
Others	-	93.59
Total	152,063.95	176,632.43

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 149,768.60 Lacs (March 31, 2020 Rs 175,892.00 Lacs). The details of which are given below:-

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue recognised at a point in time	95,474.64	138,074.96
Revenue recognised over time	54,293.96	37,817.04
	149,768.60	175,892.00
Reconciliation of revenue recognised with contract price:		
	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract price	148,861.96	173,499.36
Adjustment for:		
Liquidated Damages	(829.41)	(1,695.50)
Escalation	1,736.05	4,088.14
Revenue from operation	149,768.60	175,892.00

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

22 Other Income		Rs. in Lacs
	For the year ended March 31, 2021	For the year ended March 31, 2020
22.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	356.01	392.36
On Others	1.75	-
From Income Tax Authorities	73.83	1.70
	431.59	394.06
22.2 Others		
Unspent Liabilities / Provisions No Longer Required Written Back	162.43	552.02
Irrecoverable debts written off in earlier years, now recovered	12.75	-
Net Gain on Disposal of Property, Plant and Equipment	61.57	18.00
Other Non-operating Income	1,563.11	2,290.24
	1,799.86	2,860.26
22.3 Other Gains / (Losses)		
Fair Value Gain / (Loss) on Investment - FVTPL	254.47	(89.86)
Net Gain on Sale of Investments	-	237.74
	254.47	147.88
Total	2,485.92	3,402.20

23 Cost of Raw Materials and Components Consumed		Rs. in Lacs
	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the Beginning of the Year	27,570.18	34,775.26
Add: Purchases	106,579.95	112,024.69
	134,150.13	146,799.95
Less: Inventories at the End of the Year	29,583.89	27,570.18
Cost of Raw Materials and Components Consumed	104,566.24	119,229.77

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

24 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap Rs. In Lacs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year		
Finished Goods	883.85	912.85
Work-in-Progress	5,980.09	7,035.71
Saleable Scrap	695.30	981.17
(A)	7,559.24	8,929.73
Inventories at the beginning 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
Decrease in Inventories (A-B)	1,370.49	625.66
Inventories Transferred to Property, Plant & Equipment	2,525.98	906.39
	(1,155.49)	(280.73)
Less: Reversal of provision for onerous contract and warranty cost	4,089.96	3,799.80
Add: Pre Acquisition Inventories of TBIPL	21.08	-
	(5,224.37)	(4,080.53)

25 Employee Benefits Expense Rs. In Lacs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Bonus	20,626.44	14,579.81
Employee Stock Options Expense (Refer Note 34)	9.33	67.81
Contribution to Provident & Other Funds [Refer Note 32(ii) and 49]	187.62	230.57
Gratuity Expense [Refer Note 32(i)]	67.20	70.89
Staff Welfare Expenses	166.40	228.36
Total	21,056.99	15,177.44

26 Finance Costs Rs. In Lacs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.	6,328.22	7,252.07
Interest & Finance Charge on Lease Liabilities	3.76	-
Other Borrowing Costs (Bank Charges, etc.)	1,787.95	1,575.22
Total	8,119.93	8,827.29

Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs.1,862.01 Lacs (March 31, 2020: Rs. 820.41 Lacs) representing cost of financing component @ 9% against long term advance from customers.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

27 Depreciation and Amortisation Expense	Rs. In Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of Property, Plant and Equipments (Refer Note 4.1)	1,641.15	1,836.30
Depreciation of Right-of-use Assets (Refer Note 4.6)	9.99	-
Amortisation of Intangible Assets (Refer Note 4.2)	1,335.62	1,076.38
Total	2,986.76	2,912.68

28 Other Expenses	Rs. In Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of Stores and Spares	2,972.32	5,802.42
Job Processing and Other Machining Charges (including Contract Labour Charges)	6,941.90	13,576.18
Power and Fuel	3,422.12	4,557.78
Design and Development Expenses	208.38	332.58
Repairs		
Plant and Machinery	327.76	447.67
Buildings	108.60	77.18
Others	582.32	538.24
Rent and Hire Charges	913.12	720.27
Rates and Taxes	1,104.63	1,208.68
Insurance	610.32	463.29
Security Services	529.22	468.01
Advertising and Sales Promotion	34.08	107.29
Brokerage and Commission	144.99	208.85
Travelling and Conveyance	452.49	721.57
Legal and Professional Fees	1,600.66	1,508.80
Commission to non-whole time directors	10.00	
Directors Sitting Fees	38.20	33.88
Payment to Auditors:		
As Auditors		
Audit Fee	48.00	37.92
Limited Review	12.00	12.00
Other Certification Services	18.25	22.75
Reimbursement of Expenses	2.19	6.81
Warranty Claims	1,925.82	1,939.37
Less: Adjusted with Provision	1,891.83	1,939.37
Provision for Warranties	-	124.29
Irrecoverable Debts/ Advances Written Off	405.03	249.36
Provision for Doubtful Debts and Advances	-	495.34
Goodwill Written-off	-	24.85
Loss on fair valuation of Financial Liabilities measured at FVTPL	12.32	-
Foreign Exchange Fluctuations	178.13	168.74
Corporate Social Responsibility Expenses (Refer Note 29)	5.15	34.57
Miscellaneous Expenses	2,885.20	2,262.69
Total	23,601.37	34,212.01

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

29 Corporate Social Responsibility Expenses

	Rs. In Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Amount required to be spent by the Parent Company during the year	-	-
(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)	5.15	34.57
Total	5.15	34.57

30 Income Tax Expense / (Benefit)

	Rs. In Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Amount Recognised in the Statement of Profit and Loss		
Current Tax	176.96	-
Adjustment of Tax relating to Earlier Years	-	871.36
Deferred Tax	1,143.99	(2,921.91)
Total Income Tax Expense Recognised in Profit and Loss	1,320.95	(2,050.55)
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit /(Loss) before Tax	(557.70)	(5,664.76)
At India's Statutory Income Tax Rate of 25.168% (March 31, 2020: 25.168%)	(140.36)	(1,425.71)
Adjustments:		
Non-deductible Income / (Expenses) for Tax Purposes		
Expenses not allowed as deductions	(51.99)	1,464.26
Income not taxable	14.83	(177.54)
Deferred tax not recognised	1,768.95	-
Adjustment relating to earlier years	-	504.93
Impact of lower tax rate (capital gains tax rate) on the fair valuation of land and Investment in equity shares through FVTPL	(70.25)	(24.04)
Adjustment for change in tax rate	20.63	(842.80)
Effect of Different Tax Rate for Foreign Subsidiaries.	(85.70)	561.79
MAT Credit written-off	-	(839.84)
Impact on Intercompany Elimination	(19.72)	(1,150.70)
Others	(115.44)	(120.90)
	1,320.95	(2,050.55)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

31 Earnings/(Loss) Per Equity Share

	Rs. In Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	115,606,170	115,527,920
(ii) Number of Equity Shares at the End of the Year*	119,387,589	115,606,170
(iii) Weighted Average Number of Equity Shares Outstanding during the year	116,995,927	115,596,762
(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 (Rs. in Lacs):		
From Continuing Operation (Rs. in Lacs)	(1,499.65)	5,991.73
From Discontinuing Operation (Rs. in Lacs)	-	(9,410.55)
From Continuing and Discontinuing Operation (Rs. in Lacs)	(1,499.65)	(3,418.82)
(vi) Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)] #		
From Continuing Operation	(1.28)	5.18
From Discontinuing Operation	-	(8.14)
From Continuing and Discontinuing Operation	(1.28)	(2.96)
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	-	36,336
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	116,995,927	115,633,098
(iii) Diluted Earnings/(Loss) per Equity Share (Rs.) [A(v)/B(ii)] #		
From Continuing Operation	(1.28)	5.18
From Discontinuing Operation	-	(8.14)
From Continuing and Discontinuing Operation	(1.28)	(2.96)

Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.

* Includes Nil (Previous year - 3,720,470) equity shares issued pursuant to the scheme of amalgamation.

32 Employee Benefits:

(i) Post-employment Defined Benefit Plans:

Gratuity

The Parent Company 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.

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, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.10	5.30	35.92	35.19
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.05	4.12	22.13	26.28
Total	9.15	9.42	58.05	61.47

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

32 Employee Benefits: (Contd.)

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(15.48)	2.04	(26.42)	13.66
Total	(15.48)	2.04	(26.42)	13.66
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	96.30	120.40	408.15	395.43
Fair value of Plan Assets	46.67	46.67	-	-
Net Liability	49.63	73.73	408.15	395.43
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	8.05	23.24	99.18	96.63
Non-Current Liability (Long term)	41.58	50.49	308.97	298.80
	49.63	73.73	408.15	395.43
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	120.40	118.95	395.43	368.58
Current Service Cost	5.10	5.30	35.92	35.19
Interest Cost	6.62	7.87	22.13	26.28
Benefits Paid	(17.76)	(17.87)	(18.91)	(48.28)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	-	0.96	(1.73)	2.03
Demographic Assumptions	-	4.53	-	22.60
Experience Variance	(18.06)	0.66	(24.69)	(10.97)
Closing Defined Benefit Obligation	96.30	120.40	408.15	395.43
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	46.67	56.68		
Return on Plan Assets	(2.57)	4.11		
Benefits Paid	-	(17.87)		
Investment Income	2.57	3.75		
Fair Value of Plan Assets at the end of the year	46.67	46.67		
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	2 years	4 years	3/4 years

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

32 Employee Benefits: (Contd.)

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Expected Benefit Payments for the year ending				
Not later than 1 year	54.72	69.90	99.18	96.64
Later than 1 year and not later than 5 years	43.27	53.86	241.65	231.85
Later than 5 year and not later than 10 years	5.37	5.98	122.95	119.31
More than 10 years	3.73	31.51	64.40	62.94
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	5.50%	5.50%	5.70%	5.50-5.60%
Rate of increase in Salary	6.44%	6.44%	3.00-4.80%	3.00-4.80%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2012-2014) 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.53.07 Lacs (March 31, 2020 Rs.77.53 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:

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2021		As at March 31, 2020		As at March 31, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	98.28	94.41	122.76	118.13	425.37	392.25	412.35	379.83
Salary Growth Rate (- / + 1%)	94.41	98.24	118.13	122.76	392.35	424.72	379.83	411.81

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 have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident Fund	162.17	190.47
ESI	18.94	29.29
Total	181.11	219.76
Also, refer note 49		

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

(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 records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Parent Company and a subsidiary towards these benefits at year end was Rs.1,139.15 Lacs (March 31, 2020: Rs.1,560.95 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, 2021	March 31, 2020
Leave provision not expected to be settled within the next 12 months	351.92	253.47

(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. 13.14 Lacs (March 31, 2020 : Rs. 7.10 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%

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	2,500	44.20	127,500	44.20
Lapsed during the year	-	-	77,500	44.20
Forfeited during the year	2,500	44.20	-	-
Exercised during the year	-	-	47,500	44.20
Outstanding at the end of the year	-	-	2,500	44.20
Exercisable at the end of the year	-	-	2,500	44.20

The weighted average fair value of the option as on the grant date is Rs.Nil (March 31, 2020: Rs.97.36) and weighted average contractual life of the option as at March 31, 2021 is Nil years (March 31, 2020: 1.60 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2020: Nil years). The weighted average fair value of stock options granted was Rs.Nil (March 31, 2020: Rs. 2.44 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.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
March 4, 2019	65.74
June 3, 2019	67.90

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 Consolidated Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	86,250	44.20	103,500	44.20
Granted during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	15,000	44.20	-	-
Exercised during the year	28,750	44.20	17,250	44.20
Outstanding at the end of the year	42,500	44.20	86,250	44.20
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.90.97 (March 31, 2020: Rs 90.05) and weighted average contractual life of the option as at March 31, 2021 is 4 years (March 31, 2020: 3.67 years). The weighted average remaining contractual life of options outstanding at end of period is 0.13 years (March 31, 2020: 0.80 years). The weighted average fair value of stock options granted was Rs.37.36 Lacs (March 31, 2020: Rs. 61.73 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.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
June 4, 2019	68.39
June 6, 2019	66.40
June 7, 2019	65.94

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 Consolidated Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	255,200	44.20	306,250	44.20
Granted during the year	-	-	-	-
Lapsed during the year	43,400	44.20	17,000	44.20
Forfeited during the year	32,600	44.20	20,550	44.20
Exercised during the year	32,200	44.20	13,500	44.20
Outstanding at the end of the year	147,000	44.20	255,200	44.20
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.90.97 (March 31, 2020: Rs. 90.09) and weighted average contractual life of the option as at March 31, 2021 is 4 years (March 31, 2020: 3.68 years). The weighted average remaining contractual life of options outstanding at end of period is 0.13 years (March 31, 2020: 0.82 years). The weighted average fair value of stock options granted was Rs.129.25 Lacs (March 31, 2020: 181.90 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.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
June 1, 2019	69.66
June 4, 2019	68.39
June 5, 2019	68.39
June 6, 2019	66.40

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 Consolidated Financial Statements as at and for the year ended March 31, 2021

The movement of the option is summarised below:

	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
	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	4,900	44.20	29,400	44.20
Granted during the year	-	-	-	-
Lapsed during the year	500	44.20	-	-
Forfeited during the year	4,400	44.20	24,500	44.20
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	4,900	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. Nil (March 31, 2020: Rs. 112.20) and weighted average contractual life of the option as at March 31, 2021 is Nil years (March 31, 2020: 3.51 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2020: 1.16 years). The weighted average fair value of stock options granted was Rs. Nil (March 31, 2020: Rs. 3.81 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.)
November 16, 2020	44.09

Grant Date-May 19, 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.9.33 Lacs (March 31, 2020: Rs.67.81 Lacs) in the Statement of Profit and loss.

35 Assets and liabilities related to contract with customers Rs. in Lacs

	March 31, 2021	March 31, 2020
Contract Assets		
Unbilled Revenue	35,303.23	24,443.47
Total Contract assets	35,303.23	24,443.47
Contract Liabilities		
Advance from customers	27,196.03	20,338.86
Total Contract Liabilities	27,196.03	20,338.86
Revenue recognised in relation to contract liability		
	March 31, 2021	March 31, 2020
Revenue recognised that was included in the contract liability balance at the beginning of the period	25,275.72	18,017.48

Trade receivables in respect of contract with customers has been included in Note-6

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

36 Commitments	Rs. In Lacs	
	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	3,288.11	684.20

37 Contingent Liabilities	Rs. In Lacs	
	As at March 31, 2021	As at March 31, 2020
(i) Claims against the Group not acknowledged as debt		
Disputed claims contested by the Group and pending at various courts/arbitration*	3,277.12	3,199.86
Matters under appeal with:		
Sales tax authorities	2,203.32	2,608.49
Income tax authorities	5,368.90	3,063.80
Customs and Excise Authorities	14,390.92	15,258.62
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,190.54
	26,430.80	25,321.31

* Includes Rs.1,360.45 Lacs (March 31, 2020: 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, 2020: 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:

- 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.
- 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

38 Information relating to Micro and Small Enterprises (MSEs):		Rs. In Lacs	
		As at March 31, 2021	As at March 31, 2020
(i)	The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
	Principal	771.78	158.31
	Interest	3.52	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	1,192.41	208.27
	Interest	8.52	3.76
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	20.83	6.15

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

During the year, the Group revisited its operating segment and segregated the "Wagons and Coaches" segment into "Freight Rolling Stock" and "Passenger Rolling Stock". The reason for such segregation is to provide additional information to Chief Operating Decision Maker ('CODM') in order to enable them to benchmark and set the performance targets for both the businesses in line with the industry norms and the CODM believes that the margin drivers for both the business would be different going forward considering the demand, growing competition, changes in the tendering conditions, scope of supplies etc. Accordingly, in accordance with Ind AS 108 - Segment Reporting, Operating segments based on the Group's products have been identified by the CODM as "Freight Rolling Stock", "Passenger Rolling Stock", "Shipbuilding" and "Others". Segment "Others" consists of miscellaneous items like specialised equipment's for Defence, Bridge Girders, Tractors etc which comprises of less than 10% revenue on individual basis. In view of the aforesaid change, "Wagons & Coaches" and "Specialised equipments & Bridges" are no longer reportable segment. Accordingly, all comparative figures have been restated for comparability purpose in keeping with said standard.

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:

- Freight Rolling Stock** - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers and its components.
- Passenger Rolling Stock** - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.
- Shipbuilding** - Consists of Designing and Construction of Warships, Passenger Vessels, Tug and other specialised self - propelled vessels and its components.
- Others** - Consists of miscellaneous items like specialised equipment's for Defence, Bridge Girders, Tractors 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 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

Information about Operating Segments

For the year ended March 31, 2021

Rs. in Lacs

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	96,374.16	54,107.07	329.62	1,253.10	152,063.95
Segment Profit/(Loss)	12,377.74	(4,282.63)	(229.81)	(177.35)	7,687.95
Unallocated (Income) / Expenses					
Finance Costs					6,334.97
Interest Income					(431.59)
Depreciation and Amortisation Expense					129.76
Other Corporate Income					(2,054.33)
Other Corporate Expenses					4,266.84
Loss before Taxes					(557.70)
Tax Expenses (Credit)					1,320.95
Profit for the year from Continuing Operations					(1,878.65)
Loss from Discontinued Operations before Taxes					-
Tax Expenses on Discontinued Operation					-
Loss from Discontinued Operations after Taxes					-
Loss for the year					(1,878.65)
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,278.87	1,557.35	10.79	139.75	2,986.76
Unspent Liabilities / Provisions No Longer Required Written Back	159.55	-	-	2.88	162.43
Segment Assets	74,610.15	128,947.67	917.57	3,554.33	208,029.72
Unallocated Assets					
Investments					3,127.92
Cash and Cash Equivalents					7,969.38
Other Bank Balances					4,434.30
Non-current / Current Tax Assets (Net)					2,651.73
Deferred Tax Assets (Net)					3,783.04
Other Unallocated Assets					17,373.73
Total Assets					247,369.82
Segment Liabilities	14,579.90	58,319.17	151.70	1,165.33	74,216.10
Unallocated Liabilities					
Borrowings					84,548.22
Lease Liabilities					148.05
Current Tax Liabilities (Net)					22.90
Deferred Tax Liabilities (Net)					1,143.26
Other Unallocated Liabilities					3,235.89
Total Liabilities					163,314.42

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

For the year ended March 31, 2020

Rs. in Lacs

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	143,037.10	28,962.93	2,520.07	2,112.33	176,632.43
Segment Profit/(Loss)	13,968.48	64.50	318.21	345.82	14,697.01
Unallocated (Income) / Expenses					
Finance Costs					8,114.19
Interest Income					(394.06)
Depreciation and Amortisation Expense					20.00
Other Corporate Income					(3,008.14)
Other Corporate Expenses					6,219.23
Profit before Taxes					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)
Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,713.89	1,098.79	50.00	50.00	2,912.68
Provision for Doubtful Debts and Advances	222.33	-	-	273.01	495.34
Unspent Liabilities / Provisions No Longer Required Written Back	549.88	-	2.14	-	552.02
Segment Assets	91,477.82	94,727.50	3,112.32	4,169.24	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	22,269.62	40,733.67	268.17	1,116.61	64,388.07
Unallocated Liabilities					
Borrowings					72,973.64
Current Tax Liabilities (Net)					22.90
Other Unallocated Liabilities					5,238.32
Total Liabilities					142,622.93

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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, 2021	For the year ended March 31, 2020
India	99,469.51	146,404.42
Italy	52,103.74	28,210.94
Rest of the World	490.70	2,017.07
Total	152,063.95	176,632.43

- (b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

	For the year ended March 31, 2021	For the year ended March 31, 2020
India	62,625.82	58,960.98
Italy	35,877.07	32,134.53
Total	98,502.89	91,095.51

- (c) Total revenue from external customers includes sales to Indian Railways of Rs. 75,221.86 Lacs (March 31, 2020: Rs. 92,529.68 Lacs) and EAV of Rs. 15,508.68 Lacs (March 31, 2020: Rs. 10,728.07 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:	Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Pvt Ltd)(Upto July 13, 2020)
	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 (From July 08, 2019 to December 31, 2020), Non Executive Director (w.e.f. January 01, 2021)
	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 (upto May 04, 2020)
	Mr. Atul Ravishanker Joshi - Independent Director
	Mr. Sunirmal Talukdar - Independent Director (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 (Upto February 27, 2021)
	Mr. Sumit Jaiswal - Company Secretary (w.e.f. February 28, 2021)
	Mr. Vinod Kumar Sharma - Independent Director (from August 29, 2019 to February 28, 2020)
	Ms. Nayantara Palchoudhuri - Independent Director (w.e.f. June 22, 2020)
	Mr. K.K. Jalan - Independent Director (w.e.f. August 13, 2020)
	Mr. Sushil Kumar Roongta - Independent Director (w.e.f. January 01, 2021)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

	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. Matlubul Jamil Zillay Mowla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)]
	Mr. Nikhil Kumar Barat- Independent Director [Erstwhile Titagarh Capital Private Limited (since merged with the Parent Company)] (from August 3, 2019)
Close Family Members of the KMPs:	Mrs. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary
	Mrs. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary
	Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary
	Mrs. 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	Enterprises over which KMPs/Shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
In relation to the Consolidated Statement of Profit and Loss						
Reimbursement of Expenses Received						
Titagarh Enterprises Limited	2020-21 2019-20	- -	- 19.57	- -	- -	- 19.57
Titagarh Bridges & International Private Limited	2020-21 2019-20	- 9.24	- -	- -	- -	- 9.24
Rent Paid						
Titagarh Enterprises Limited	2020-21 2019-20	- -	675.86 513.30	- -	- -	675.86 513.30
Other Income						
Titagarh Bridges & International Private Limited	2020-21 2019-20	- 2.75	- -	- -	- -	- 2.75
Dividend paid						
Ms. Savitri Devi Chowdhary	2020-21 2019-20	- -	- -	- -	- 54.35	- 54.35
Ms. Rashmi Chowdhary	2020-21 2019-20	- -	- -	- 38.45	- -	- 38.45
Mr. J P Chowdhary	2020-21 2019-20	- -	- -	- 0.47	- -	- 0.47

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

						Rs. in Lacs
Nature of transactions	Year	Joint ventures	Enterprises over which KMPs/Shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
Mr. Umesh Chowdhary	2020-21	-	-	-	-	-
	2019-20	-	-	0.23	-	0.23
Ms. Vinita Bajoria	2020-21	-	-	-	-	-
	2019-20	-	-	-	*	*
Ms. Sumita Kandoi	2020-21	-	-	-	-	-
	2019-20	-	-	-	*	*
Mr. Anil Agarwal	2020-21	-	-	-	-	-
	2019-20	-	-	0.17	-	0.17
Mr. Dinesh Arya	2020-21	-	-	-	-	-
	2019-20	-	-	0.09	-	0.09
Mr. Sudipta Mukherjee	2020-21	-	-	-	-	-
	2019-20	-	-	0.04	-	0.04
Titagarh Capital Management Services Private Limited	2020-21	-	-	-	-	-
	2019-20	-	65.01	-	-	65.01
Bimla Devi Kajaria	2020-21	-	-	-	-	-
	2019-20	-	-	-	*	-

*Amounts are below the rounding off norm adopted by the Group.

						Rs. in Lacs
Nature of transactions	Year	Joint ventures	Enterprises over which KMPs/Shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
In relation to the Consolidated Statement of Profit and Loss						
Interest Expense on 4% Optionally Fully Convertible Debentures						
Mr. J P Chowdhary	2020-21	-	-	0.82	-	0.82
	2019-20	-	-	-	-	-
Mr. Umesh Chowdhary	2020-21	-	-	0.27	-	0.27
	2019-20	-	-	-	-	-
Ms. Savitri Devi Chowdhary	2020-21	-	-	-	0.48	0.48
	2019-20	-	-	-	-	-
Ms. Rashmi Chowdhary	2020-21	-	-	0.20	-	0.20
	2019-20	-	-	-	-	-
Titagarh Enterprises Ltd	2020-21	-	6.85	-	-	6.85
	2019-20	-	-	-	-	-
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]						
Mr. J P Chowdhary	2020-21	-	-	257.28	-	257.28
	2019-20	-	-	257.28	-	257.28

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

						Rs. in Lacs
Nature of transactions	Year	Joint ventures	Enterprises over which KMPs/Shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
Mr. Umesh Chowdhary	2020-21	-	-	212.80	-	212.80
	2019-20	-	-	257.28	-	257.28
Mr. Pritish Chowdhary	2020-21	-	-	15.80	-	15.80
	2019-20	-	-	16.33	-	16.33
Ms. Vinita Bajoria	2020-21	-	-	-	17.52	17.52
	2019-20	-	-	-	27.64	27.64
Mr. Anil Agarwal	2020-21	-	-	61.59	-	61.59
	2019-20	-	-	58.51	-	58.51
Mr. Dinesh Arya	2020-21	-	-	26.78	-	26.78
	2019-20	-	-	25.59	-	25.59
Mr. Sudipta Mukherjee	2020-21	-	-	49.91	-	49.91
	2019-20	-	-	36.14	-	36.14
Mr. Sumit Jaiswal	2020-21	-	-	1.89	-	1.89
	2019-20	-	-	-	-	-
Employee Stock Option Expense						
Mr. Anil Agarwal	2020-21	-	-	7.37	-	7.37
	2019-20	-	-	11.23	-	11.23
Mr. Sudipta Mukherjee	2020-21	-	-	7.37	-	7.37
	2019-20	-	-	11.23	-	11.23
Mr. Dinesh Arya	2020-21	-	-	4.42	-	4.42
	2019-20	-	-	6.74	-	6.74
Sitting Fees to Directors						
Mr. Dharmendar Nath Davar	2020-21	-	-	-	-	-
	2019-20	-	-	1.40	-	1.40
Mr. Manoj Mohanka	2020-21	-	-	8.40	-	8.40
	2019-20	-	-	7.20	-	7.20
Mr. Atul Ravishanker Joshi	2020-21	-	-	9.20	-	9.20
	2019-20	-	-	4.60	-	4.60
Mr. Ramsebak Bandyopadhyay	2020-21	-	-	-	-	-
	2019-20	-	-	6.80	-	6.80
Mrs. Rashmi Chowdhary	2020-21	-	-	1.20	-	1.20
	2019-20	-	-	2.40	-	2.40
Mr. Sunirmal Talukdar	2020-21	-	-	10.40	-	10.40
	2019-20	-	-	1.20	-	1.20
Mr. Vinod Kumar Sharma	2020-21	-	-	-	-	-
	2019-20	-	-	1.20	-	1.20
Mrs. Vinita Bajoria	2020-21	-	-	-	0.20	0.20
	2019-20	-	-	-	1.00	1.00
Mr. Anil Agarwal	2020-21	-	-	-	-	-
	2019-20	-	-	0.30	-	0.30
Mr. Dinesh Arya	2020-21	-	-	-	-	-
	2019-20	-	-	0.25	-	0.25

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

						Rs. in Lacs
Nature of transactions	Year	Joint ventures	Enterprises over which KMPs/Shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
Dr. G.B. Rao	2020-21	-	-	0.20	-	0.20
	2019-20	-	-	1.20	-	1.20
Mr. J.K. Shukla	2020-21	-	-	0.40	-	0.40
	2019-20	-	-	2.60	-	2.60
Mr. Kanwar Satya Brata Sanyal	2020-21	-	-	0.40	-	0.40
	2019-20	-	-	1.00	-	1.00
Mr. Matlubul Jamil Zillay Mowla	2020-21	-	-	-	-	-
	2019-20	-	-	2.40	-	2.40
Mr. Nikhil Kumar Barat	2020-21	-	-	-	-	-
	2019-20	-	-	0.33	-	0.33
Ms. Nayantara Palchoudhuri	2020-21	-	-	3.00	-	3.00
	2019-20	-	-	-	-	-
Mr. Krishan Kumar Jalan	2020-21	-	-	2.40	-	2.40
	2019-20	-	-	-	-	-
Mr. Sushil Kumar Roongta	2020-21	-	-	1.60	-	1.60
	2019-20	-	-	-	-	-
Mr. Prithish Chowdhary	2020-21	-	-	0.80	-	0.80
	2019-20	-	-	-	-	-
Legal and Professional Fees						
Mr. Dharmendar Nath Davar	2020-21	-	-	-	-	-
	2019-20	-	-	1.70	-	1.70
In relation to the Consolidated Balance Sheet						
Investment Made						
Titagarh Mermec Pvt Ltd	2020-21	-	-	-	-	-
	2019-20	0.50	-	-	-	0.50
Security Deposit Given						
Titagarh Enterprises Ltd	2020-21	-	-	-	-	-
	2019-20	-	207.64	-	-	207.64
Advances to Employee						
Mr. Anil Agarwal	2020-21	-	-	0.49	-	0.49
	2019-20	-	-	-	-	-
Mr. Sudipta Mukherjee	2020-21	-	-	1.34	-	1.34
	2019-20	-	-	-	-	-
Balances Outstanding as at the Year end						
Trade Receivable						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
	2019-20	1.40	-	-	-	1.40
Receivable from Related Party						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
	2019-20	25.51	-	-	-	25.51

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

						Rs. in Lacs
Nature of transactions	Year	Joint ventures	Enterprises over which KMPs/Shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
Advances Recoverable in Cash or Kind						
Mr. Anil Agarwal	2020-21	-	-	30.49	-	30.49
	2019-20	-	-	30.00	-	30.00
Mr. Sudipta Mukherjee	2020-21	-	-	16.65	-	16.65
	2019-20	-	-	15.31	-	15.31
Mr. Dinesh Arya	2020-21	-	-	2.23	-	2.23
	2019-20	-	-	-	-	-
Advances from Customers						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
	2019-20	41.05	-	-	-	41.05
Investments						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
Net of share of Loss Rs. 0.65 Lacs (March 31, 2020: Rs. 36 Lacs)	2019-20	29.81	-	-	-	29.81
Titagarh Mermec Pvt Ltd	2020-21	-	-	-	-	-
Net of share of Loss Rs. Nil (March 31, 2020: Rs. 0.50 Lacs)	2019-20	-	-	-	-	-
Titagarh Enterprises Limited	2020-21	-	2,777.13	-	-	2,777.13
	2019-20	-	2,746.28	-	-	2,746.28
Traco International Investment Private Limited	2020-21	-	18.37	-	-	18.37
	2019-20	-	18.32	-	-	18.32
Titagarh Industries Limited	2020-21	-	30.70	-	-	30.70
	2019-20	-	32.20	-	-	32.20
Private placement of 4% Optionally Fully Convertible Debentures						
Mr. J P Chowdhary	2020-21	-	-	120.00	-	120.00
	2019-20	-	-	-	-	-
Mr. Umesh Chowdhary	2020-21	-	-	40.00	-	40.00
	2019-20	-	-	-	-	-
Mrs. Savitri Devi Chowdhary	2020-21	-	-	-	70.00	70.00
	2019-20	-	-	-	-	-
Mrs. Rashmi Chowdhary	2020-21	-	-	30.00	-	30.00
	2019-20	-	-	-	-	-
Titagarh Enterprises Ltd	2020-21	-	1,008.00	-	-	1,008.00
	2019-20	-	-	-	-	-
Security Deposit						
Titagarh Enterprises Limited	2020-21	-	321.84	-	-	321.84
	2019-20	-	321.84	-	-	321.84
Trade Payables						
Titagarh Enterprises Limited	2020-21	-	-	-	-	-
	2019-20	-	60.83	-	-	60.83

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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, 2021	For the year ended March 31, 2020
Short-term employee benefits	585.98	607.79
Contribution to provident and other funds	40.07	43.34
Share-based payment transactions	19.16	29.20
	645.21	680.33

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.

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, 2021 and March 31, 2020.

The following table provides the fair value measurement hierarchy of the Group'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, 2021	301.47	-	2,826.25	3,127.72
	March 31, 2020	60.83	-	2,796.85	2,857.68
Derivative financial assets	March 31, 2021	-	580.23	-	580.23
	March 31, 2020	-	-	-	-
Total Financial Assets	March 31, 2021	301.47	580.23	2,826.25	3,707.95
	March 31, 2020	60.83	-	2,796.85	2,857.68

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

		Rs. in Lacs			
		Level 1	Level 2	Level 3	Total
Quantitative disclosures Fair Value Measurement hierarchy for Liabilities:					
Liabilities Measured at Fair Value:					
Derivative financial liabilities	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-
Total Financial Liabilities	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-

(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, 2021 and March 31, 2020 are as shown below:

		Rs. in Lacs	
		For the year ended March 31, 2021	For the year ended March 31, 2020
Significant Unobservable Input - Weighted Average Cost of Capital		March 31, 2021	March 31, 2020
Impact of 1% Increase		(228.63)	(233.68)
Impact of 1% Decrease		307.34	315.07
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company			
Impact of 5% Increase		55.56	58.59
Impact of 5% Decrease		(55.56)	(58.59)

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

		Rs. in Lacs
Particulars		Investment in equity shares and OFCD
Investment in equity shares		
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
Re-measurement recognised in Consolidated Statement of Profit and Loss		270.04
Closing Balance as on March 31, 2021		3,127.72

(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, 2020.

The methods and assumptions were used to estimate the fair values:

- The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.
- 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.
- For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.
- 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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 and also reviews these risks and related risk management policy, which are summarised below:

l) 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, 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 a continuous basis and advises the management of any material adverse effect on the Group, and any additional remedial measures to be taken.

The Group's foreign currency exposure at the end of the reporting period are as follows:

PARTICULARS	Rs. in Lacs				
	March 31, 2021				
	NPR	USD	EURO	NOK	JPY
Financial Assets					
Trade Receivables	560.85	551.26	-	52.98	-
Other Financial Assets	-	-	-	-	-
Cash & Cash Equivalents	-	-	-	289.64	-
Derivative Assets					
Foreign exchange forward contracts	-	-	-	-	580.23
Net exposure to Foreign Currency Risk (Assets)	560.85	551.26	-	342.62	580.23
Financial Liabilities					
Trade Payables	-	-	197.27	141.86	-
Provisions	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Derivative Liabilities					
Foreign Exchange Forward Contracts and Currency and Interest Rate Swap	-	-	-	-	-
Net exposure to Foreign Currency Risk (Liabilities)	-	-	197.27	141.86	-
Net exposure to Foreign Currency Risk (Assets less Liabilities)	560.85	551.26	(197.27)	200.76	580.23

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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	24.26
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

The above balances for March 31, 2020 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, NPR, JPY & 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, 2021	5%	(197.27)	(9.86)	5%	551.26	27.56
	-5%		9.86	-5%		(27.56)
March 31, 2020	5%	(800.10)	(40.01)	5%	885.27	44.26
	-5%		40.01	-5%		(44.26)
	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, 2021	5%	560.85	28.04	5%	200.76	10.04
	-5%		(28.04)	-5%		(10.04)
March 31, 2020	5%	408.07	20.40	5%	10.68	0.53
	-5%		(20.40)	-5%		(0.53)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

	Changes in JPY rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	
	%	Rs. in Lacs	Rs. in Lacs	
March 31, 2021	5%	580.23	29.01	
	-5%		(29.01)	
March 31, 2020	5%	-	-	
	-5%		-	

(ii) Equity price risks

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

Particulars	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
Variable Rate Borrowings	84,548.22	72,973.64
Total Borrowings	84,548.22	72,973.64

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Rs. in Lacs	
	Impact on Profit before Tax	
	As at March 31, 2021	As at March 31, 2020
Interest Rates - Increase by 100 basis points *	845.48	729.74
Interest Rates - Decrease by 100 basis points *	(845.48)	(729.74)

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2021 and March 31, 2020 is their carrying amounts except for the financial guarantees.

(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

Particulars	Rs. in Lacs		
	Loan and Deposits	Trade Receivable	Other Financial Assets
Opening 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
Provision made during the year ended March 31, 2021	13.99	262.91	-
Provision transferred from Litigation Claim and Contingencies	131.62	-	-
Provision adjusted with corresponding receivable balance during the year ended March 31, 2021	-	(1,892.35)	(40.88)
Provision written back during the year ended March 31, 2021	-	-	-
Closing Balance as at March 31, 2021	253.08	628.35	-

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, 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	Rs. in Lacs
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)
Opening Balance as at March 31, 2020	1,354.52
Provision made during the year ended March 31, 2021	829.41
Provision utilized / reversed during the year ended March 31, 2021	(1,866.14)
Closing Balance as at March 31, 2021	317.79

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

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:

Particulars	Rs. in Lacs		
	Upto 1 Year	2-3 years	More than 3 years
As at March 31, 2021			
Non-derivative Financial Liabilities			
Borrowings *			
- Revolving Credit Facility	21,674.04	-	-
- Term Loan	11,327.68	38,741.58	17,488.69
- OFCD	-	-	2,358.00
Lease Liabilities	44.26	95.27	91.09
Trade Payables	39,798.81	-	-
Other Financial Liabilities	1,133.29	-	-
	73,978.07	38,836.85	19,937.78
As at March 31, 2020			
Non-derivative Financial Liabilities			
Borrowings *			
- Revolving Credit Facility	17,526.89	-	-
- Term Loan	2,182.78	33,189.49	28,925.08
- OFCD	-	-	-
Lease Liabilities	-	-	-
Trade Payables	35,115.48	-	-
Other Financial Liabilities	3,243.67	-	-
	58,068.82	33,189.49	28,925.08

* Includes interest and 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.

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

The following table summarises the capital of the Company:

	Rs. in Lacs	
	As at March 31, 2021	As at March 31, 2020
Total Borrowings	84,548.22	72,973.64
Less: Cash and Cash Equivalents	7,969.38	2,897.18
Net Debt	76,578.84	70,076.46
Equity	84,055.40	76,661.30
Total Capital (Equity + Net Debt)	160,634.24	146,737.76
Net Debt to Equity Ratio	91.11%	91.41%
(b) Dividends on Equity Shares	Rs. in Lacs	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2020 of Rs. Nil (March 31, 2019 of Rs. 0.30) per fully paid share	-	346.83
Dividend Distribution Tax on above	-	71.29

44 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year.

(Rs. in Lacs)

Particulars	March 31, 2021	March 31, 2020
Non- current Borrowings	62,779.25	55,346.44
Current Maturities of Long-term Debt	94.93	100.31
Current Borrowings	21,674.04	17,526.89
Interest accrued and due on Borrowings	14.82	220.22
Lease Liabilities	148.05	-
Total	84,711.09	73,193.86

(Rs. in Lacs)

Particulars	Non- current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2019	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	55,446.75	17,747.11	-	73,193.86
New Leases	-	-	155.22	155.22
Finance Costs	4,544.76	3,571.41	3.76	8,119.93
Less: Finance cost Capitalised in Inventory	(1,862.01)	-	-	(1,862.01)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

(Rs. in Lacs)				
Particulars	Non- current Borrowings	Current Borrowings	Lease Liabilities	Total
Cash Flows				
Principal repayment of Leases	-	-	(10.76)	(10.76)
Proceeds from Long-term Borrowings from Banks	11,162.04	-	-	11,162.04
Repayment of Long-term Borrowings from Banks	(4,650.00)	-	-	(4,650.00)
Short-term Borrowings - Receipts/(Payments)	-	4,147.15	-	4,147.15
Finance Costs Paid	(2,581.20)	(3,776.81)	(0.17)	(6,358.18)
Non-cash Transactions				
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	1,490.65	-	-	1,490.65
Loss on fair valuation of Financial Liabilities measured at FVTPL	12.32	-	-	12.32
Equity Portion of OFCD	(689.13)	-	-	(689.13)
Debt as at March 31, 2021	62,874.18	21,688.86	148.05	84,711.09

- 45 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 its 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 the 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 made allotment of 37,20,469 equity shares of Rs. 2/- each of the Company to the eligible members of Cimmco as on 23rd October, 2020 (Record Date) in the share exchange ratio of 13 equity share of Rs. 2/- each of the Company for every 24 equity shares of Rs. 10/- each held in Cimmco by its non-controlling shareholders as on the record date stated therein. With this allotment on November 07, 2020, the paid-up Equity Share Capital of the Company has been increased to Rs. 23,86,53,278/- divided into 11,93,26,639 equity shares of Rs. 2/- each.
- 46 In case of Titagarh Firema SpA, during the year ended 31 March 2021, the Company incurred a net loss of some 6.9 million of Euro (Euro 2.3 million as on 31st March 2020), has a shareholders' equity for some 11.5 million of Euro and has a significant bank debt for some 84.3 million of Euro, of which some 48.6 million of Euro expiring beyond twelve months. As of 31 March 2021, the Company reported significant negative differences on net result as compared to the budget / plan 2021 - 2025, approved by the Board of Directors on 30 June 2020 which provided for a substantial financial balance of the Company, assuming the achievement of significant volumes of turnover. Trade payables, equal to some 34.5 million of Euro as at 31 March 2021, increased by some 16.7 million of Euro during the year, and include an overdue payable to suppliers for some 18.1 million of Euro at same date. Therefore, the Company does not currently have the necessary financial resources for the full repayment of its overdue debt to suppliers. The reporting package, as at 31 March 2021 has been prepared according to the assumption of the going concern based on the expectation that the Company implements an important growth plan, envisaged by the Budget 2021 / 2022 (the "Budget") approved by the Board of Directors on 24 March 2021, with the generation of higher margins compared to the historical values resulting from the same, the failure of which would generate additional cash needs, also to meet the overdue debt to suppliers. In particular, the Budget provides for the partial payment of overdue trade payables for some 14.6 million of Euro, considering that renegotiations negotiations with overdue suppliers are in progress. Despite the aforementioned uncertainty that may give rise to doubts about the Company's going concern, the reporting package has been drawn up according to operating criteria, because the Directors having acquired the reasonable expectation of the Company being able to reach a financial balance in a short time through the successful conclusion of several actions put in place.
- 47 The Group did not consolidate the financial statements / information of Titagarh Wagons AFR (TWA), a subsidiary of the Group for the period from April 1, 2019 to June 4, 2019 in absence of financial information of the said subsidiary, which resulted in non-compliance with Ind AS 110 'Consolidated Financial Statements' during the year ended March 31, 2020 and had been reported by the statutory auditors' of the Parent Company as modification in their audit report dated October 8, 2020. Since the Group had lost control over TWA effective June 4, 2019, the Group derecognised the net assets pertaining

Note to Consolidated Financial Statements as at and for the year ended March 31, 2021

to TWA as at March 31, 2019 as against June 4, 2019, during the year ended March 31, 2020 and had provided for all losses / obligations, which had been disclosed under Discontinued Operations. Since the group has lost control from June 4, 2019, no further consolidation is required and hence there is no further consequential impact on the financial statements.

- 48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Parent Company and its Indian Subsidiary will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 49 The Parent Company and its Indian Subsidiary 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-1/1(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, an amount of Rs. 40.46 Lacs has been provided in these Financial Statements.
- 50 The Group is in the business of manufacturing freight and passengers rolling stock and other allied activities, which support activities that are fundamental to the Global economy. Worldwide the Government had imposed lock down / restrictions due to the Covid-19 pandemic that had impacted the Group's production, sales, and other operations, however, the Group's operations in India have gradually come back to pre-Covid-19 level while the European operations may still take sometime, through there is improvement in performance. In view of the recent surge in Covid-19 cases, in some of the geographies, intermittent lockdowns have been imposed, however, the Group continues to be vigilant and cautious, which currently is not expected to have any significant impact on the Group's overall operations / performance. Considering the current internal and external factors, the Group has made detailed assessment of its liquidity position / cash flows for the next one year including ability to pay its debt obligations, and carrying amounts / values of Property, Plant and Equipment, trade receivables, inventories, investments and other assets as at March 31, 2021, and has concluded that there are no material adjustments required in the consolidated financial statement.
- 51 Pending approval of the Scheme from NCLT, the financial statements and/or financial results for the year ended March 31, 2020 and the quarter ended June 30, 2020 could not be approved within the stipulated date of July 31, 2020 and September 15, 2020 (extended timeline by SEBI) respectively. For the said delay, the Parent Company had already represented to the SEBI and Stock Exchanges for extension of time and also for waiver of the penalty for the delayed period which is yet to be finally concluded. Considering same, the Parent Company has made necessary provision in the financial statements.
- 52 The Parent Company has purchased the balance 50% equity shares held by Matiere SAS France in Matiere Titagarh Bridges Private Limited (MTBPL), the jointly controlled entity (JCE) at a consideration of Rs. 13.58 lacs on 14th July 2020 thereby making MTBPL a wholly owned subsidiary. Since the above acquisition falls under the definition of acquisition of business under IND AS 103 - Business Combination, the Group has carried out a fair valuation of all the assets and liabilities of the MTBPL business taken over and the difference between such fair value and the consideration paid amounting to Rs. 19.57 lacs has been shown as capital reserve. Subsequently on October 21, 2020, MTBPL has been renamed as Titagarh Bridges & International Private Limited.
- 53 Previous year figures have been regrouped/restated wherever necessary.

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Avijit Mukerji
Partner
Membership No. 056155

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

Sumit Jaiswal
Company Secretary

Place: Gurugram
Dated: June 8, 2021

Place: Kolkata
Dated: June 8, 2021

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