



PASSENGER ROLLING STOCK FACILITY, KOLKATA, INDIA



METRO COACH FOR PUNE METRO



HOPPER WAGON FOR INDIAN RAILWAYS



FLAT WAGON FOR INDIAN RAILWAYS



MAIDEN WARSHIP ICGS KAMLA DEVI FOR INDIAN COAST GUARD



TITAGARH RAIL SYSTEMS LIMITED

(formerly TITAGARH WAGONS LIMITED)

CIN: L27320WB1997PLC084819

CORPORATE INFORMATION*

BOARD OF DIRECTORS

Shri J P Chowdhary	Executive Chairman	Smt. Rashmi Chowdhary	Non- Executive Director
Shri Umesh Chowdhary	Vice Chairman and Managing Director	Shri Atul Joshi	Independent Director
Shri Anil Kumar Agarwal	Director (Finance) and CFO	Shri Krishan Kumar Jalan	Independent Director
Shri Prithish Chowdhary	Director (Marketing & Business Development)	Shri Manoj Mohanka	Independent Director
Shri Saket Kandoi	Director (Freight Rolling Stock)	Shri Sunirmal Talukdar	Independent Director
		Shri Sushil Kumar Roongta	Independent Director
		Ms. Nayantara Palchoudhuri	Independent Director

Shri Saurav Singhania Group Finance Controller and Jt. CFO
Shri Dinesh Arya Company Secretary & Chief Compliance Officer

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

^(merged with Audit Committee w.e.f. 24th May, 2023)

Auditors

Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants, Kolkata

Bankers

ICICI Bank Limited	IDBI Bank Limited
State Bank of India	Bandhan Bank Limited
Union Bank of India	Central Bank of India
Bank of India	IDFC First Bank Limited
IndusInd Bank Limited	Kotak Mahindra Bank Limited
Axis Bank Limited	HDFC Bank Limited
Canara Bank	Punjab National Bank
Yes Bank Limited	HSBC limited

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

(ESG Committee formed on 17th March, 2022 merged with CSR Committee w.e.f. 24th May, 2023)

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

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* As on 4th September, 2023



TITAGARH RAIL SYSTEMS LIMITED

(formerly TITAGARH WAGONS LIMITED)

CIN: L27320WB1997PLC084819

Titagarh Towers, 756, Anandapur,

E.M. Bypass, Kolkata – 700107

Phone: 91 33 4019 0800, Fax: 91 33 4019 0826

E-mail: investors@titagarh.in, Website: www.titagarh.in

NOTICE

NOTICE is hereby given that the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the members of **TITAGARH RAIL SYSTEMS LIMITED**, (formerly 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 Friday, the 29th September, 2023 at 11.00 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, the Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Rashmi Chowdhary (DIN: 06949401), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.
3. To declare final dividend of Re. 0.50 (25%) per equity share of Rs. 2/- (Rupees two only) each for the financial year ended March 31, 2023.
4. To appoint M/s. Salarpuria & Partners, Chartered Accountants (Firm Registration Number 302113E) as Joint Statutory Auditors of the Company and fix their remuneration and pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 & 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. Salarpuria & Partners, Chartered Accountants, 7, C. R. Avenue, Laha Paint House, 3rd Floor, Kolkata-700072 (Firm Registration No.: 302113E) be and are hereby appointed as the Joint Statutory Auditors of the Company to hold the office from the conclusion of the 26th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit, or such other amount as may be mutually agreed between the Board of Directors of the Company and the said Auditors, and they shall hold office jointly with Price Waterhouse & Co, Chartered Accountants LLP, (Firm Registration No. FRN 304026E/E-300009)."

SPECIAL BUSINESSES:

5. To appoint Shri B. Prasada Rao (DIN: 01705080) 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013 ('Act'), applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') and based on the recommendation of the Nomination and Remuneration Committee ('NRC'), and approval of the Board of Directors of the Company, Shri B. Prasada Rao (DIN: 01705080) who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 4th September, 2023 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 an Independent Director of the Company to hold office for a term of 5 (five) years ending on 3rd September, 2028, not liable to retire by rotation, upon such remuneration as detailed in the explanatory statement hereto.

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

6. **To appoint Shri Debanjan Mandal (DIN: 00469622) 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 a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013 ('Act'), applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') and based on the recommendation of the Nomination and Remuneration Committee ('NRC'), and approval of the Board of Directors of the Company, Shri Debanjan Mandal (DIN: 00469622) who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 4th September, 2023 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 an Independent Director of the Company to hold office for a term of 5 (five) years ending on 3rd September, 2028, not liable to retire by rotation, upon such remuneration as detailed in the explanatory statement hereto.

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions 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/s. 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 2023-24 be and is hereby ratified.

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

8. **To modify the existing resolution passed by the shareholders u/s 180(1)(c) of the Companies Act, 2013 by granting authority to borrow any sum or sums of money from time to time and in this regard to consider and pass with or without modifications the following resolution as a Special Resolution:**

"RESOLVED THAT in modification of the approval granted by the shareholders of the Company in the 25th Annual General Meeting held on 15th September, 2022, the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) of the Companies Act, 2013 ('the Act'), and other enabling provisions of law, if any to the Board of Directors of the Company to borrow any sum or sums of money from time to time, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of paid-up share capital of the Company, securities premium and its free reserves, provided, however, that the total amount upto which moneys may be borrowed shall not exceed the aggregate of paid-up share capital, securities premium and free reserves of the Company by more than the sum of Rs. 5,500 Crore (Rupees Five Thousand Five Hundred crore only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors or the

Managing Director or any other Officer(s) of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

9. To approve change in name of ‘Titagarh Wagons Limited - Employees Stock Option Scheme 2023’ to ‘Titagarh Rail Systems Limited - Employees Stock Option Scheme 2023’ (“TRSL ESOP – 2023”), 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 further to the resolutions passed by the shareholders of the Company by way of Postal Ballot/ e-voting for approval of ‘Titagarh Wagons Limited - Employees Stock Option Scheme 2023’ (“TWL ESOP – 2023”) (**‘Resolution for Approval of ESOP Scheme’**) and for change in name of the Company and pursuant to the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof), and pursuant to the recommendation of the Nomination and Remuneration Committee (‘NRC’), the consent of the Members of the Company be and is hereby accorded to change the name from ‘Titagarh Wagons Limited - Employees Stock Option Scheme 2023’ (“TWL ESOP – 2023”) to ‘Titagarh Rail Systems Limited’ - Employees Stock Option Scheme 2023’ (“TRSL ESOP – 2023”).

RESOLVED FURTHER THAT the Resolution for Approval of ESOP Scheme and the provisions of the said Scheme, save and except as modified for change in name by the above resolution, shall remain unchanged.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board including any Committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Shareholders of the Company.”

10. To approve grant for stock options to the employees of group company(ies) including subsidiary company(ies) or its associate company(ies), in India or outside India, 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 further to the resolution passed by the shareholders of the Company by way of Postal Ballot/ e-voting for approval of ‘Titagarh Wagons Limited - Employees Stock Option Scheme 2023’ (“TWL ESOP – 2023”) and subject to approval of the shareholders for change in name of the Scheme to ‘Titagarh Rail Systems Limited - Employees Stock Option Scheme 2023’ (“TRSL ESOP – 2023”), and pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), Regulation 6(3) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s), and/or sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s) and pursuant to the recommendations of the Nomination and Remuneration Committee (‘NRC’), the consent of the Members of the Company be and is hereby accorded to extend the benefits of **TRSL ESOP – 2023** including the grant of Employee Stock Options (“Options”) and issuance of Equity Shares thereunder, to eligible Employees and Directors of the Group Company(ies) including Subsidiary Company(ies) or its Associate Company(ies) (present or future), in India or outside India, (as permitted under the applicable laws) and to such other persons as may, from time to time, be allowed to be eligible for the benefits of the Scheme (as permitted under the applicable laws from time to time) on such terms and in such manner as the Board of Directors (herein referred to as the “Board” which term shall be deemed to include any committee including the NRC) may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the new Equity Shares, if any, to be issued and allotted by the Company under the TRSL ESOP 2023 shall rank pari-passu in all respects with the then existing Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board including any Committee thereof, be authorized to determine terms and conditions of issue of the equity shares and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or

approval of the Shareholders of the Company.”

11. **To approve shifting of the registered office of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 12 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to shift the Registered Office of the Company from Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata-700107 to Poddar Point, 10th Floor, 113 Park Street, Kolkata-700016 within the State of West Bengal w.e.f. 1st October, 2023.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 88, 92, 94 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded for keeping the registers of members and other statutory registers at the corporate office of the Company w.e.f. 1st October, 2023.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director or Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to file Form INC-22 with the Registrar of Companies and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

12. **To approve alteration of Articles of Association by deletion of certain clauses and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for the deletion/ modification, in the Articles of Association (“AOA”) of the Company as follows:

A. Deletion of Article 29 – Investor Rights (inclusive of Part A, Part B, Part C & Part D) of the AOA in entirety.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, to sign all required documents, papers and writings and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

13. **To take note of and ratify a certificate relating to the Notice of Postal Ballot dated 21st March, 2023 in relation to change of name of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate in relation to change of the Company’s name as per the Notice of Postal Ballot dated 21st March, 2023 and Explanatory Statement annexed thereto be and is hereby noted, ratified and confirmed by the members of the Company.”

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
4th September, 2023

By Order of the Board

Dinesh Arya
Company Secretary & Chief Compliance Officer

NOTES:

1. Ministry of Corporate Affairs ("MCA") has vide its General Circulars dated 28th December, 2022, 5th May 2022, 14th December, 2021, 8th December, 2021, 13th January, 2021, 5th May, 2020, 13th April 2020, 8th April 2020, and (collectively referred to as 'MCA Circulars') and SEBI vide its Circulars dated 5th January, 2023, 13th May, 2022, January 15, 2021 and 12th May 2020 (collectively referred to as 'SEBI Circulars') have 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 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The Company will conduct the AGM through VC/ OAVM from its Registered Office i.e., Titagarh Towers, 756 Anandapur, E.M. Bypass, Kolkata-700107, which shall be deemed to be venue of the meeting.
3. An Explanatory Statement pursuant to Section 102 of the Act, relating to Business under items no 4 to 13 to be transacted at the AGM, is annexed hereto.
4. In compliance with the MCA Circulars and SEBI Circular dated January 5, 2023, Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories.
5. Members may please note that the Notice of the 26th Annual General Meeting and the Annual Report for 2022-23 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.
6. The Shareholders of the Company may request physical copy of the Annual Report (inclusive of AGM Notice) from the Company by sending a request at investors@titagarh.in, in case they wish to obtain the same
7. 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.
8. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since, the AGM is being held through VC/ OAVM in terms of the MCA 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 the Listing Regulations, 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 26th AGM of the Company.
9. In pursuance of Sections 112 and 113 of the Act read with the said Circulars, Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including casting of votes by electronic means are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. whereby their authorized representative has been appointed to attend the AGM on their behalf, to the Company, together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail at csskgoyal@gmail.com with a copy marked to secretarial@titagarh.in and evoting@nsdl.com.
10. 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.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote electronically at the AGM.
12. Cut-off for e-voting or record date for payment of dividend - Friday, 22nd September, 2023.
13. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on cut-off date i.e., Friday, 22nd September, 2023. Only those Members whose names are recorded in the Register of Members of the Company

or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only.

14. Book Closure dates – Pursuant to the provisions of Section 91 of the Act read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive).
15. Dividend - The Board of Directors in their meeting held on 24th May, 2023 have approved payment of dividend and recommended the same to the members of the Company. Payment of dividend, if approved at the AGM, will be made to those members whose names will be on the Company's Register of Members on - Friday, 22nd September, 2023 and to those whose names will appear as Beneficial Owners as at the close of the business hours on Friday, 22nd September, 2023 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose. Dividend will be paid within 30 days from the date of AGM.
16. Pursuant to the Income Tax Act, 1961, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication providing detailed information & instructions with respect to tax on the Final Dividend, for the financial year ended 31st March, 2023 is being sent separately to the Members. The said communication will also be made available on the Company's website www.titagarh.in
17. Remote e-voting will commence at 9 A.M. on Monday, 25th September, 2023 and will end at 5 P.M. on Thursday, 28th September, 2023. The remote e-voting module shall be disabled by NSDL for voting thereafter.
18. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
19. Only those Shareholders, who will be present at the AGM through VC/ OAVM facility and who have not cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
20. 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 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. The Company had, accordingly, transferred Rs. 3,82,623/- being the unpaid and unclaimed dividend amount pertaining to final dividend for the Financial Year 2015-2016 to the IEPF Authority. The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF Authority. Details of the unpaid/ unclaimed dividend are available on the Company's website at www.titagarh.in.
21. In terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 & Circular No. SEBI/HO/MIRSD/MIRSD-P Od-1/P/CIR/2023/37 dated 16th March, 2023, SEBI has mandated holders of physical securities in every listed Company to furnish PAN, full KYC details (Postal address with PIN, mobile number, email address, bank details, signature) and Nomination details. Further, it may be noted that folios wherein any one of the above mentioned document/ details are not available, such folios shall on or after 1st October, 2023 be frozen by the Registrar & Share Transfer Agent (RTA). Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. Accordingly, in order to avoid freezing of your folios, the members holding physical securities are requested to furnish the required details along with supporting documents to the RTA.
22. 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.
23. Details under the Listing Regulations, in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
24. In compliance with the MCA Circulars and SEBI Circulars, only the electronic copy of the Notice of the 26th AGM 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.

25. The Board of Directors has, at its meeting held on 4th September, 2023, appointed Sushil Goyal & Co; Company Secretaries, having Certificate of Practice No. 8289, as the scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
26. Voting through electronic means:

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 Listing Regulations, the Company is pleased to provide members the facility to exercise their vote through remote e-voting as well as e-voting during the AGM, in respect of the resolutions proposed to be passed at the AGM by using the electronic voting facility provided by the National Securities Depository Limited (NSDL).

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING, JOINING THE ANNUAL GENERAL MEETING AND E-VOTING AT THE ANNUAL GENERAL MEETING ARE AS UNDER:

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 held 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.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center;">  App Store  Google Play </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;">   </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	<p>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.</p>

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 csskgoyal@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. Friday, 22nd September, 2023, 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. Friday, 22nd September, 2023, 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 shareholder 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/member 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.

1. 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.

2. 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 01.00 p.m. (IST) on Monday, 25th day of September, 2023.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

7. 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.
 8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
 9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
 10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, NSDL at the designated email ID: evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.
27. The Members can join the AGM in the VC/OAVM mode 30 minutes before 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.
28. 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 business hours on all working days. Members seeking to inspect such documents online can send an email to the Company at investors@titagarh.in
29. 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 Listing Regulations 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. 4:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), however, the same is strictly not required as per Section 102 of the Companies Act, 2013 (the "Act").

The Company's operations have recently expanded substantially and also diversified in terms of the products in the two operating segments with the prestigious orders for Railway Wagons, Vande Bharat trainsets, Forged Wheels and multiple Metro Coaches. With the increase in demand for Freight and Rolling stock owing to the Indian Railway's initiative of increasing its market share in the overall share of logistics coupled with the Make in India and Atmanirbar Policy, the Company is augmenting its production capacity for both the operating segments to meet the growing demand. Considering the growth opportunities, it is important to streamline the supply chain and improve the operating margins for which appropriate backward integration of components is being done in both the segments. Further, the robust order book as on date and expected additions to it in future warrant hybrid manufacturing and comprehensive maintenance which would entail managing multiple production sites and depots of the customers.

Considering the foregoing, the Company believes that it will be important to have joint auditors so that the work can be allocated between the two audit firms aimed at availing of the best of the reservoir of talent pool the auditors will bring to their respective scope and afford flexibility to the Company with a view to satisfying its stakeholders more efficiently.

The Company Law Committee has recommended joint audit for certain categories of companies and the Institute of Chartered Accountant has made representation in support of the proposal. Given the emerging direction of law in favour of the joint audit approach, the Audit Committee has after consideration of all the parameters including inter alia the profile of the proposed Joint Auditor recommended the appointment of M/s. Salarpuria & Partners, Chartered Accountants (Firm Registration No. 302113E) as the Joint Statutory Auditors and the Board has endorsed the same at its Meeting held on 4th September, 2023 subject to approval of the shareholders at this AGM.

M/s Salarpuria & Partners, as Joint Statutory Auditors, shall hold office from the conclusion of 26th AGM until the conclusion of the 31st Annual General Meeting of the Company. They shall hold office jointly with Price Waterhouse & Co, Chartered Accountants LLP, (Firm Registration No. FRN 304026E/E-300009). The Audit Committee and Board have considered inter alia the profile of the proposed Joint Auditor and note that Salarpuria & Partners was founded in 1975 and has 12 partners and 60 plus qualified and semi qualified personnel having rich experience ranging from 10 to 25 years with global exposure to meet client specific requirements across several sectors. The firm has the expertise and experience in providing various professional services apart from audit of books of accounts and offers range of services in the field of financial, auditing, accounting, consultancy, and other auxiliary services.

The Company has received a consent letter from M/s Salarpuria & Partners, Chartered Accountants that as per Section 139 read with Section 141 of the Act, they are eligible for appointment and are not disqualified for appointment under Chartered Accountants Act, 1949 and the rules or regulations made thereunder. The proposed appointment shall be as per the provisions of the Act, and within the limits laid down by it.

The proposed remuneration of M/s Salarpuria & Partners as fees is Rs.15 lacs p.a. for audit plus out of pocket expenses. The fees and the reimbursement will be exclusive of all applicable taxes.

The subsequent revision of the fees and expenses can be done with the mutual consent of the Auditors and the Board.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out in the Notice under Item No. 4 in relation to the appointment M/s Salarpuria & Partners, as the Joint Statutory Auditors of the Company, for approval by the Members of the Company.

Item No. 5 & 6:

Pursuant to the selection and review of their candidature and recommendation by the Nomination & Remuneration Committee, the Board has at its meeting held on 4th September, 2023 appointed Shri B. Prasada Rao (DIN: 01705080) and Shri Debanjan Mandal (DIN: 00469622) as Additional Directors (Category - Independent) to strengthen the composition of the Board. The said directors hold office upto the date of this Annual General Meeting.

Shri. B. Prasada Rao, at 69 years is ex-Chairman & Managing Director of Bharat Heavy Electricals Limited (BHEL). He is a Mechanical Engineering Graduate from Jawaharlal Nehru Technological University, Kakinada and a Post Graduate in Industrial Engineering from NITIE, Mumbai. During a career spanning more than 37 years in BHEL, Mr. Rao handled a variety of assignments and has diversified, versatile and varied experience both in Strategic as well as operational areas in all business segments of BHEL. He was elevated to the Board of BHEL in 2007 and as its Chairman & Managing Director in 2009. Mr. Rao served as member of the Studies Group of World Energy Council for two terms. He was the Chairman of CII Public Sector Enterprises Council, is a Fellow of the Institution of Engineers (India) and Indian National Academy of Engineering. He has to his credit a number of awards and accolades, both institutional and individual. Mr. Rao was conferred with the Engineering Excellence Award by the title of "Prof. S N Mitra Memorial Award 2018" – by the Indian National Academy of Engineers, during the year 2018. Further, Mr. Rao was conferred "Honorary Doctorate" by Jawaharlal Nehru Technological University, Kakinada. Honorable Governor of Andhra Pradesh presented the same during Aug'19 at the University convocation function. Post retirement from BHEL, he was Managing Director of Steag Energy Services India, a 100% owned subsidiary of Steag Energy Services Germany.

Presently, he serves as an Independent Director on the boards of Tata Boeing Limited, Havells India Limited and Poonawalla Fincorp Limited and is also on the GOI Committees:

- i) To monitor the development of Advanced Supercritical Technology for Thermal Power Generation, constituted by Principal scientific Advisor to GOI.
- ii) To evaluate and recommend R&D projects under Clean Coal technology mission of GOI and monitor the Development projects.

Shri Debanjan Mandal, aged 50 years is the Managing Partner of Fox & Mandal, a premier multi-disciplinary law firm in Kolkata established in 1896. He enrolled as an advocate in 1999 and became the youngest partner of Fox & Mandal at the age of 30 in 2004. The St. Xavier's alumnus has over 20 years of post-qualification experience in the fields of corporate and commercial laws, real estate, infrastructure and dispute resolution and mergers and acquisitions.

He is a member of Incorporated Law Society, High Court at Calcutta, Supreme Court Bar Association and International Bar Association, U.K. Presently he serves on the Boards of several companies in an array of sectors including in tea, retail, plywood and hospitality like CESC Limited, Century Plyboards (India) Limited, Spencer's Retail Limited and is also a member of Indian Chamber of Commerce, Kolkata and Chairman of ICC National Expert Committee on Corporate and Legal Affairs.

He was conferred the Forbes Legal Powerlist 2022 by Forbes India as Top Managing Partner (2022) and 'A-List-Top 100 Lawyers' by India Business Law Journal (2022).

In the opinion of the Board, Shri. B. Prasada Rao (DIN: 01705080) and Shri Debanjan Mandal (DIN: 00469622) fulfil the conditions specified in the Companies Act, 2013 (the Act) and rules and the Listing Regulations for appointment as Independent Director and recommend passing of the aforesaid Special Resolutions as set out under Items No. 5. & 6.

The Company has received declaration to this effect that Shri. B. Prasada Rao (DIN: 01705080) and Shri Debanjan Mandal (DIN: 00469622) meet the criteria of Independent Director as provided under Section 149(6) of the Act and the Listing Regulations. 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. B. Prasada Rao (DIN: 01705080) and Shri Debanjan Mandal (DIN: 00469622) for the office of Director. The Company has also received from the said Directors: (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. B. Prasada Rao and Shri. Debanjan Mandal are independent of the Management of the Company and are not related to any other Director/managerial personnel of the Company.

The aforesaid Directors will be entitled to receive remuneration by way of sitting fees for attending Board/Committee meetings and profit related commission as may be as recommended by Nomination and Remuneration Committee and approved by the Board from time to time in accordance with the applicable provisions of the Act.

A copy of the letter of appointment of Shri. B. Prasada Rao and Shri. Debanjan Mandal will be available for inspection by the members electronically till the date of the AGM.

The other disclosures required under Regulation 36(3) of Listing Regulations 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. B. Prasada Rao and Shri. Debanjan Mandal is concerned or interested respectively in the said Resolutions.

Item No. 7:

Pursuant to the recommendation of Audit Committee and approval of the Board at their respective meetings held on 21st July, 2023 and 22nd July, 2023 respectively, M/s. M. R. Vyas and Associates, Cost Accountants have been appointed as Cost Auditor of the Company for the financial year 2023-24 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.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

The Board recommends the Resolution as set forth in Item No. 7 for the approval of the Members.

Item No. 8:

Section 180(1)(c) of the Act provides that the Board of a company shall not, without the consent of the Company by Special Resolution, borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

The members of the Company in the their 25th AGM held on 15th September, 2022 had approved the Resolution u/s 180(1)(c) of the Act, to authorize the Board to borrow including moneys already borrowed not exceeding sum of paid up capital and free reserves by more than the sum of Rs. 3000 Crore (Rupees Three Thousand Crore only) at any time.

The Company has won the largest ever order for supply of 24,177 wagons in May, 2022 and also the orders for supply and maintenance of 80 Vande Bharat trainsets and manufacturing and supply of 80,000 forged wheels p.a. for a period of 20 years in April, 2023. Further, the Company has also secured orders for different types of Wagons valued at more than INR 1000 Crores

(appx) from private sector customers. Moreover, the Company has also received LOA from Gujarat Metro Rail Corporation Ltd (GMRCL) for Design, Manufacture, Supply, Testing, Commissioning Training of 72 nos of standard gauge metro coaches for Surat Metro Rail Phase I followed by order for 30 nos of standard gauge metro coaches for Phase II.

The order book of the Company stood at a healthy amount aggregating INR 27,890 Crore as on 30th June, 2023 which is the highest ever in the history of the Company. Going ahead, keeping in view the overall growth plan of the Company and its existing and future financial requirements to support its business operations, the Company needs additional working capital and deployment of resources on capital expenditure on strengthening/expanding capacity and/or maintenance etc.

As the borrowings of the Company shall exceed the present overall limit in near future, as an enabling power, the same is proposed to be revised/modified to exceed the aggregate of paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, not more than the sum of Rs. 5,500 Crore (Rupees Five thousand five hundred crore only) at any time.

The borrowings of the Company, where necessary, would be secured by way of charge/ mortgage/ extension of mortgage on the Company's assets/ undertaking(s) in favour of the eligible lenders/ security holders. As the documents to be executed between the lenders/ security holders and the Company may contain the power to take over the management of the undertaking(s) of the Company in certain events, which may be regarded as disposal of undertaking(s) under Section 180(1)(a) of the Act, a resolution to enable the Board of Directors of the Company to create charges/mortgages for amounts not exceeding in aggregate the overall borrowing limit as approved by the shareholders pursuant to the provisions of Section 180(1)(c) of the Act, together with interest and costs/charges/expenses has already been passed by the shareholders at the 25th AGM held on 15th September, 2022.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the aforesaid Resolution set out under Item No. 8, save and except to the extent of their respective shareholding, if any in the Company.

The above proposal is in the interest of the Company and the Board recommends the Special Resolutions as set out at Item No. 8 for approval by the members of the Company.

Item No. 9 & 10:

The Company sought the approval of the shareholders by way of Postal Ballot/ E-voting for the Titagarh Wagons Limited Employee Stock Options Scheme, 2023 (TWL ESOP - 2023) for 5,00,000 Options entitling the eligible employees to equivalent number of shares of Rs. 2/- each fully paid up, which was duly approved by the shareholders on 26th April, 2023. Thereafter, applications were submitted to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for in principle approval.

Subsequently, NSE had issued a requirement letter asking the Company to issue email to individual shareholders giving in the explanatory statement the disclosures already made in the TWL ESOP -2023, latest by 31st July, 2023 whereas BSE had allowed the Company to do the needful in this respect at the ensuing AGM. As approved by the Board in its meeting held on 22nd July, 2023, the Company issued emails to individual shareholders on 31st July, 2023 and submitted necessary supporting documents to both NSE & BSE.

The Company received In-principle approval from both NSE & BSE vide letters dated 17th August, 2023 and 22nd August, 2023 respectively, subject to the undertaking/ confirmation that the Company has not granted any options to any employee of its subsidiary/ associate/group company (ies) and shall not do so until and unless a separate resolution in this regard is passed by the shareholders as required by the Regulations applicable (the resolution passed by the members through postal ballot on 26th April, 2023 contained the said resolution as part of the main resolution on ESOP Scheme). Accordingly, the Board recommends the Special Resolution as set out at Item No. 9 for approval by the members of the Company.

Consent of the members is sought pursuant to the provisions of section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, as amended and as per the requirement of Regulation 6 I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Further, the Company sought the approval of the shareholders by way of Postal Ballot/ E-voting for change in name of the Company from Titagarh Wagons Limited to Titagarh Rail Systems Limited, which was duly approved by the shareholders on 26th April, 2023. In view of the change in name of the Company, it is proposed to change the name of the Scheme to "Titagarh Rail Systems Limited Employee Stock Options Scheme, 2023" (TRSL ESOP – 2023) and accordingly, approval of members is sought by way of Special Resolution.

In view thereof, the name of the scheme wherever appearing will be replaced by "Titagarh Rail Systems Limited Employee Stock Options Scheme, 2023" (TRSL ESOP – 2023)

For other disclosures and information w.r.t. the ESOP Scheme, the members are requested to refer the Postal Ballot Notice along with Explanatory Statement dated 21st March, 2023 and the Scheme, which are available on the website of the Company at www.titagarh.in

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the aforesaid Resolutions set out under Items No. 9 & 10, except to the extent of their entitlements, that may arise upon grant of options, if any, under the Scheme.

Item No. 11:

Pursuant to provisions of Section 12(5) of the Act, for shifting of registered office of a Company outside the local limits of any city or town, approval of shareholders by way of special resolution is required.

The Board of Directors in its meeting held on 4th September, 2023 considered and approved that subject to approval of shareholders, the registered office of the Company be shifted from Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700107 to Poddar Point, 10th Floor, 113 Park Street, Kolkata-700016 for administrative convenience. Since, the proposed location is understood to be outside the local limits of Kolkata city, it requires approval of shareholders by way of special resolution.

The Corporate Office of the Company shall continue to be at Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700107.

Further, pursuant to the provisions of Section 94 of the Act, registers or copies of returns may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company.

Accordingly, approval of the members is sought for keeping the registers of members and other statutory registers at the corporate office of the Company.

If approved, the change in registered office will be effective from 1st October, 2023.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the aforesaid Resolution set out under Item No. 11, save and except to the extent of their respective shareholding, if any in the Company.

The above proposal is in the interest of the Company and the Board recommends the Special Resolution as set out at Item No. 11 for approval by the members of the Company.

Item No. 12:

The Company had issued Equity shares through preferential allotment to the following overseas private equity investors in terms of Shareholders Agreement entered with them:

- i. GE Capital International (Mauritius) Limited (GE) on July 06, 2007;
- ii. 2i Capital PCC (2i Capital) on February 15, 2006;
- iii. ChrysCapital (Goya Limited) (ChrysCapital) on June 30, 2006 and;
- iv. JP Mogan (Mauritius) Holding (JP Morgan) on December 31, 2007.

In terms of the said Shareholders Agreement, the rights of said Investors were included in the Articles of Association of the Company under Article 29.

The Shareholders agreements with the said shareholders have expired upon listing of the Company post IPO in the year 2008 on BSE Limited and National Stock Exchange of India Limited and the said investors are no longer shareholders of the Company. In view of the above, the provisions of Article 29 relating to Investor Rights (including Part-A – GE's Obligation, Part-B – 2i Capital's Rights, Part-C – Chryscapital's Rights and Part D – JP Mogan's Rights) of the AOA are no longer in force and have become redundant. Therefore, it is now proposed to remove Article 29 in the AoA in entirety.

Accordingly, the Resolution as set out at Item no. 12 of the Notice proposes to delete Article 29 of the AOA in entirety in the AOA.

In terms of provisions of Section 14 of the Companies Act, 2013, the approval of shareholders of the Company is required by way of Special Resolution for alteration of the Articles of Association.

Copies of the existing and amended AOA will be available for inspection by shareholders during business hours at the registered office of the Company till the Annual General Meeting and is also available on the Company's website at www.titagarh.in

The Board of Directors at its meeting held on 4th September, 2023, considered and recommended passing of the resolution at Item No. 12 of this Notice by way of a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the aforesaid Resolution set out under Item No. 12, save and except to the extent of their respective shareholding, if any in the Company.

Item No. 13:

Details being placed for approval, confirmation & ratification by the Members of the Company:

The Company sought the approval of the shareholders by way of Postal Ballot/ E-voting for change in name of the Company from Titagarh Wagons Limited to Titagarh Rail Systems Limited, which was duly approved by the shareholders on 26th April, 2023. Thereafter, applications were submitted to BSE and NSE for in principle approval for name change.

In terms of Regulation 45(3) of Listing Regulations - Upon compliance with the conditions for change of name laid down in Companies Act, 2013 and rules made thereunder, the Company, in the explanatory statement to the notice seeking shareholders' approval for change in name, shall include a certificate from a practicing Chartered Accountant stating compliance with conditions as provided in Regulation 46(1).

The said certificate dated 20th May, 2023 from L A B H & Associates, practicing Chartered Accountants (Firm Registration No. 324828E) was to be mentioned in the Explanatory Statement to the Postal Ballot Notice dated 21st March, 2023 and is now as required by BSE, being placed for approval, confirmation and ratification by the members of the Company. The said certificate is available on the website of the Company at https://titagarh.in/storage/report/actual/1693482284_q9sFm_certificate-from-ca-20-05-2023pdf.pdf.

The Board recommends resolution at Item no. 13 of this Notice for noting, approval, confirmation and ratification by the members of the Company by way of Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the aforesaid Resolution.

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
4th September, 2023

By Order of the Board

Dinesh Arya
Company Secretary & Chief Compliance Officer

DETAIL OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT/FIXATION OF REMUNERATION AT THE ANNUAL GENERAL MEETING:

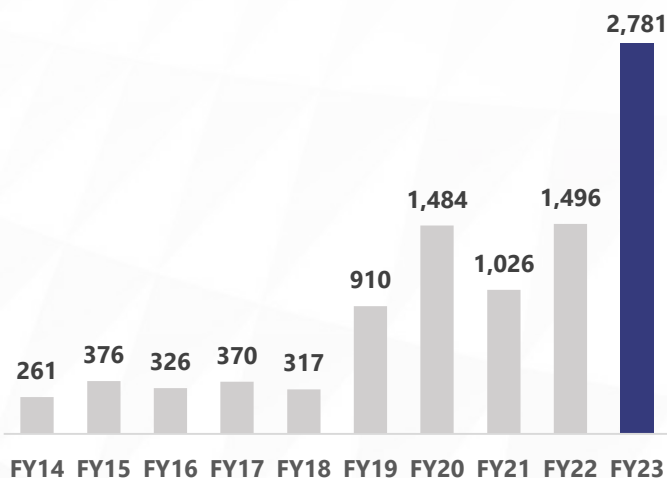
Particulars		Smt. Rashmi Chowdhary	Shri B. Prasada Rao	Shri Debanjan Mandal
Date of Birth		11/01/1973	01/01/1954	26/08/1973
Date of Appointment as director		14/08/2014	04/09/2023	04/09/2023
Qualifications		BA Hons. (History)	Mechanical Engineering Graduate from Jawaharlal Nehru Technological University, Kakinada, and Post Graduate in Industrial Engineering from NITIE, Mumbai	BA English (Hons) and LLB
Expertise in Specific Functional Areas		General Management	More than 37 years of varied experience in Strategic as well as operational areas in all business segments.	Over 20 years of post-qualification experience in the fields of corporate and commercial laws, real estate, infrastructure and dispute resolution and mergers and acquisitions.
Remuneration last drawn (Rs.) [During FY 2022-23]		Sitting fees only: Rs. 3.20 lakhs	NA	NA
Number of Meetings of the Board attended	During 2022-23	8 out of 11	NA	NA
	During 2023 - 24 (till date)	5 out of 5	NA	NA
Directorship held in other companies (excluding foreign companies)		Nil	1. Tata-Boeing Aerospace Ltd. 2. Poonawalla Fincorp Ltd. 3. Havells India Ltd.	1. Bengal Aerotropolis Projects Limited 2. Haldia Energy Limited 3. CESC Limited 4. Indian Chamber of Commerce Calcutta 5. West Bengal Infrastructure Development Finance Corporation Limited 6. Industrial And Prudential Investment Company Limited 7. Spencer's Retail Limited 8. Century Plyboards (India) Limited 9. Apeejay Surrendra Park Hotels Limited 10. Fox & Mandal Consultancy Solutions Private Limited

Particulars	Smt. Rashmi Chowdhary	Shri B. Prasada Rao	Shri Debanjan Mandal
Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Membership of Audit Committee – 1. Tata-Boeing Aerospace Ltd 2. Havells India Ltd.	Chairman of Stakeholders Relationship Committee - 1. Apeejay Surrendra Park Hotels Limited Membership of Stakeholders Relationship Committee - 1. Industrial And Prudential Investment Company Limited Membership of Audit Committee – 1. Apeejay Surrendra Park Hotels Limited 2. Industrial And Prudential Investment Company Limited 3. Spencer's Retail Limited 4. Bengal Aerotropolis Projects Limited
Name of listed entities from which the person has resigned in the past three years (excluding foreign companies)	Nil	Nil	Nil
No. of shares held in the Company (as on 4th September, 2023)	1,28,16,105 equity shares	Nil	Nil

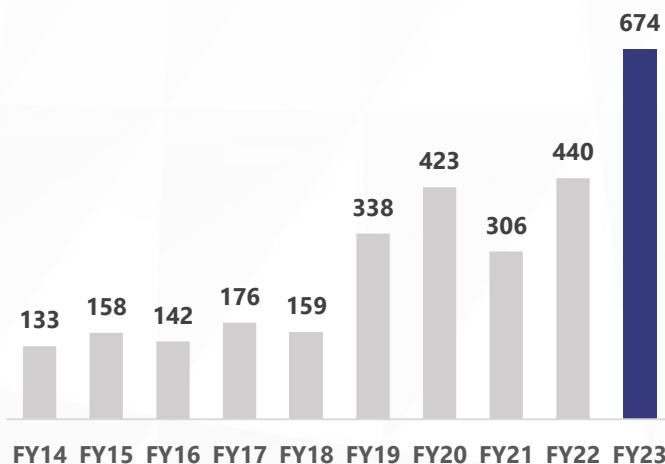
Financial Performance Trend

Rs. In Crores

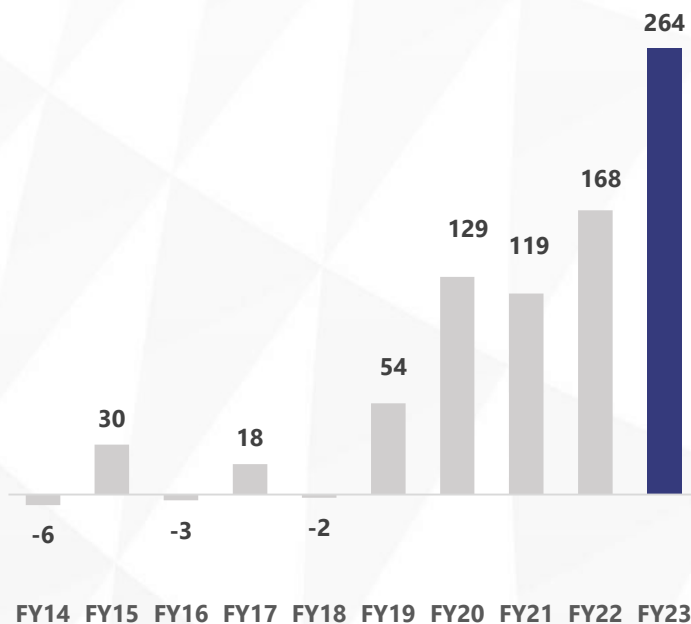
Revenue from Operations



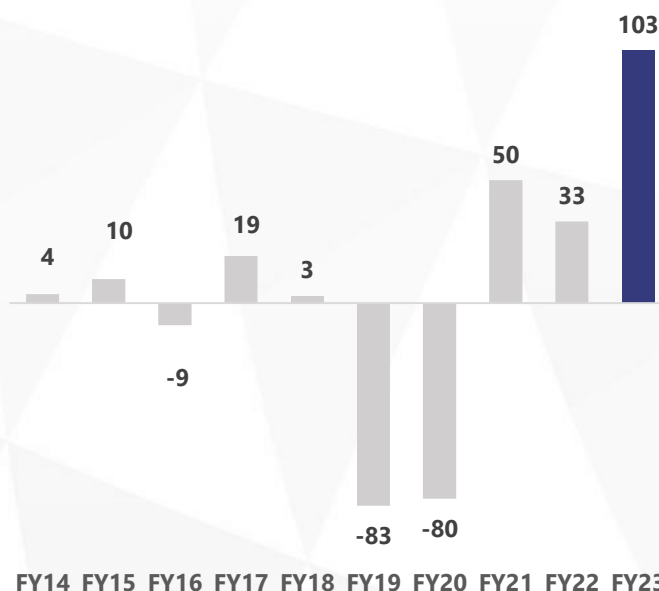
Gross Profit



EBITDA



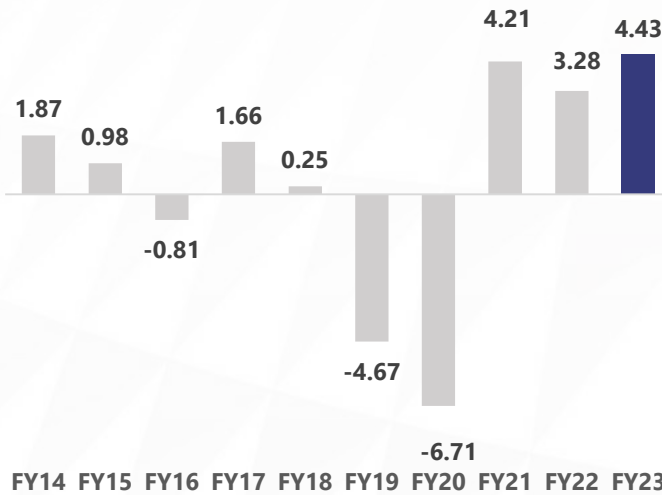
PAT



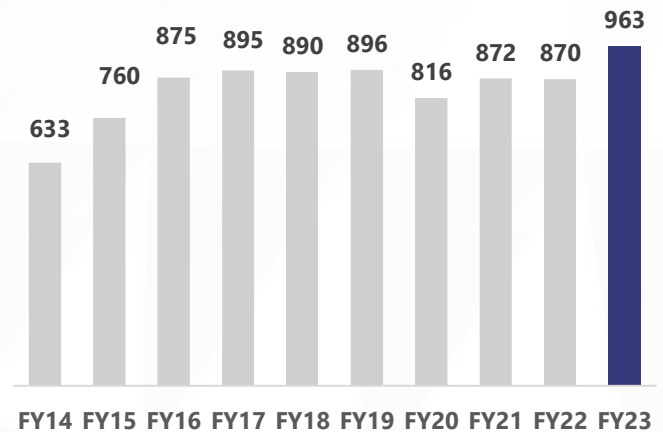
Financial Performance Trend

Rs. In Crores

EPS

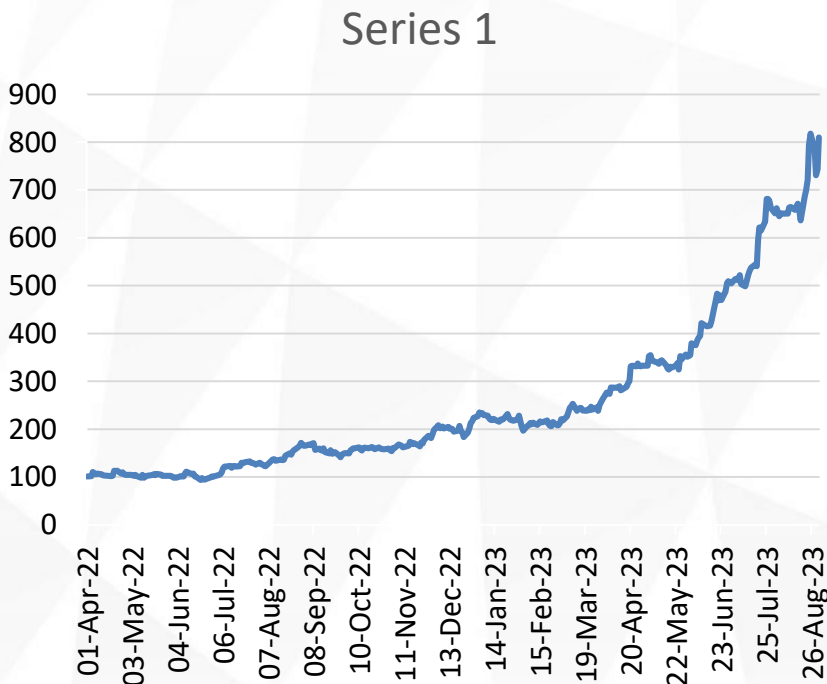


Net Worth



Share Price Performance

Share Price Movement (RS.)



Month*

Share Price (Rs.)

April'22	104.75
May'22	100.40
June'22	101.95
July'22	126.20
August'22	171.50
September'22	149.95
October'22	159.30
November'22	181.25
December'22	223.45
January'23	228.55
February'23	208.05
March'23	262.25
April'23	332.45
May'23	352.60
June'23	504.55
July'23	662.55
August'23	809.40

*Share Price data as on closing of Month

DIRECTORS' REPORT

Dear Shareholders,

The Directors present their Twenty-Sixth Annual Report on the business and operations of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited) ('the Company' or 'TRSL') along with the Audited Financial Statements, for the financial year ended March 31, 2023. The consolidated performance of Titagarh Group (the Company and its subsidiary) has appropriately been referred to in this Report.

At the outset we are pleased to report that to better reflect your Company's presence in the entire gamut of operations across the rail systems, the Board decided to change the Company's name to Titagarh Rail Systems Limited which upon approval of the authorities concerned became effective from May 19, 2023.

1. Profit, Retention & Dividend

Titagarh Group's financial performance during the financial year ended March 31, 2023 was as follows:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	2,78,052.90	1,49,551.20	2,77,959.04	1,46,750.42
Other income	4,398.39	1,806.20	4,258.30	1,772.84
Total Income (TI)	2,82,451.29	1,51,357.40	2,82,217.34	1,48,523.26
Earnings before interest, tax, depreciation and amortisation (EBIDTA)	30,829.78	18,641.47	30,607.35	18,264.13
Less: Finance Cost	8,074.67	5,726.79	8,074.67	5,726.80
Less: Depreciation and amortization expenses	2,250.35	1,838.34	2,250.35	1,838.34
Profit/(Loss) before exceptional items & tax	20,504.76	11,076.34	20,282.33	10,698.99
Share of Profit/(Loss) of Joint Ventures	-	-	(1,272.63)	-
Exceptional items	4,627.55	4,802.46	-	-
Profit/(Loss) before tax	15,877.21	6,273.88	19,009.70	10,698.99
Tax Expenses/(Benefits)	5,540.57	2,925.11	5,546.37	2,919.33
Profit/(Loss) for the year after tax from continuing operations	10,336.64	3,348.77	13,463.33	7,779.66
Loss from discontinued operations (net of tax)	-	-	-891.70	(7,848.21)
Profit/(Loss) for the year after tax	10,336.64	3,348.77	12,571.63	(68.55)
Other Comprehensive Income/(Loss) (net of tax)	(1,020.12)	570.59	(999.70)	572.48
Total Comprehensive Income for the year	9,316.52	3,919.36	11,571.93	503.93

2. Performance and outlook

The Company's performance during the Financial Year ended March 31, 2023 (FY 22-23) on a standalone basis was outstanding, with all key performance matrix recording remarkable improvement as compared to the previous financial year (FY 21-22). During the last quarter of the year under review, considering the changes in the overall business activities and internal re-organisation, the operating segments were re-assessed, and the "Shipbuilding, Bridges and Defence" (SBD) segment was merged with freight rolling stock. Accordingly, the operating segments of the Company have been identified as "Freight Rail Systems" (FRS) (which includes SBD) and "Passenger Rail Systems" (PRS).

On a stand-alone level, the revenue from operations went up by Rs. 1,28,501.70 Lakhs registering an increase of 85.92% and EBIDTA of Rs. 30,829.78 lakhs in FY 22-23 was higher by 65.38% as compared to Rs. 18,641.47 lakhs in FY 21-22, Profit after tax, climbed from Rs. 3,348.77 lakhs in FY 21-22 to Rs. 10,336.64 lakhs in FY 22-23, an impressive increase of 208.67%.

On a consolidated basis, the Group's total income increased from Rs. 1,48,523.26 lakhs in FY 21-22 to Rs. 2,82,217.34 lakhs

in FY 22-23 i.e. an increase of 90.02%; the EBIDTA from Rs. 18,264.13 lakhs in FY 21-22 to Rs. 30,607.35 lakhs in FY 22-23 recorded an increase of 67.58% and Profit after tax from continuing operations for FY 22-23 increased to Rs. 13,463.33 Lakhs as compared to Rs. 7,779.66 Lakhs in FY 21-22, being an improvement of 73.06%.

FY 22-23 has been a remarkable year for the Company with the unprecedented increase in the order book pursuant to the prestigious orders secured by the Company. Some of the major developments/events are mentioned below.

- The consortium of your Company with Bharat Heavy Electricals Limited (BHEL) emerged as the 2nd Lowest Bidder (L2) for “Manufacturing cum Maintenance of Vande Bharat Trainsets including Up-gradation of the Government Manufacturing Units & Trainset Depots” and was awarded an order for 80 nos. Vande Bharat trainsets and comprehensive maintenance of the same for 35 years in the mega tender of Indian Railways. The BHEL-TRSL consortium was the only “AatmaNirbhar” consortium that participated in the tender process. A special purpose vehicle (SPV) will be formed between the consortium partners to carry out the maintenance of the trains.

It is a matter of great pride for the Company to be a part of the Government's Make in India policy.

- In the other mega tender of Indian Railways, the consortium of your Company with Ramkrishna Forgings Limited was the Lowest Bidder (L1) for “Manufacturing and Supply of Forged Wheels” under the “AatmaNirbhar Bharat” initiative of the Ministry of Railways, Government of India. The Consortium shall establish a state-of-the-art manufacturing facility in India for forged wheel production for supply of approximately 1.6 million wheel discs for different rolling stocks of Indian Railways over a period of 20 years at about 80,000 wheels per annum.
- Launching of the maiden warship (Fast Patrol Vessel), designed & manufactured in collaboration with GRSE, for the Indian Coast Guard took place in May, 2022.
- Ocean-Going Passenger & Cargo Ferry Vessel for the Cooperative Republic of Guyana was launched, marking a significant milestone as it represents the Company's maiden shipbuilding venture into the export market. The vessel has been meticulously constructed through collaborative efforts with GRSE, showcasing your Company's commitment to excellence and international trade prospects.
- The 3rd of July, 2022 marked your Company's 25 years of operational existence, and the Silver Jubilee was celebrated at Uttarpara facility, in the gracious presence of Hon'ble Chief Minister, Smt. Mamata Banerjee along with several other dignitaries of Govt. of West Bengal. The grand ceremony saw the inauguration of laying the foundation stone for the new Stainless Steel Coach manufacturing unit and the Shipyard at Falta SEZ.
- The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide its Order dated 4th November, 2022 sanctioned the amalgamation of Titagarh Bridges and International Private Limited (TBIPL), a wholly owned subsidiary with the Company, with 1st April, 2021 as the Appointed Date.

Your Company is enhancing capacities at Titagarh and Bharatpur facilities to 1000 Wagons per month which is expected to be achieved in the next 3-4 months by creating additional capacity as well as streamlining of processes including their automation. Further, capacity creation for backward integration of key components for wagon manufacturing including CRF, Bogie components, air brake pipes availability of which is impacted due to increased demand in the industry, at Titagarh plant is also being undertaken to attain substantial improvements in supply chain and enhance productivity.

The continued resolve of the Government of India to expand and improve the railway infrastructure under the initiatives such as “AtmaNirbhar Bharat” and “Make in India” is of immense support to your Company's growth. Your Company has committed to capex of about Rs. 650 crore over the next two years on capacity/infrastructure building and with consistent focus on resource optimization as well as thrust on augmentation of execution of the orders practiced by the management, the outlook for the current year is encouraging as is also indicated by the following important developments:

- Your Company received a Letter of Acceptance (LOA) dated 27th June, 2023 from the Gujarat Metro Rail Corporation (GMRC) Limited for “Design, Manufacture, Supply, Testing, Commissioning and Training of 72 nos. of Standard Gauge Cars for Surat Metro Rail Phase-I Project”. The order value is about INR 857 crore and execution would start 76 weeks after signing the contract and is scheduled to be completed in 132 weeks thereafter. This was followed by another LOA dated 29.08.23 for 30 Standard Gauge Cars for Surat Metro Rail Phase- II Project valued at about INR 350 crore.
- It is a matter of great satisfaction that your Company's order book at Rs. 27,890 crore on a standalone basis as at June 30, 2023 is the highest ever since its incorporation. The performance of the Company on a consolidated basis also improved reasonably well with the major highlight being the award of a Framework contract valued at Euro 732.54 million for 33 trainsets, to the consortium of Titagarh Firema S.p.A. ('TFA'), the associate in Italy with Skoda Transportation SA.

- Your Company undertook fund raising by way of Preferential Issue of 76,00,000 equity shares to Smallcap World Fund Inc., a part of Capital Group, one of the largest financial investors in the world, at a price of Rs. 380/- per share aggregating Rs. 288.80 crore for its working capital requirements and general corporate purpose. The allotment of shares to the said investor was made on July 7, 2023 and all necessary formalities including listing and trading approvals of BSE and NSE have been completed.

3. Management Discussion and Analysis

(a) Overall Review

The overall performance of the Company during the financial year 2022-23 was outstanding and the order book of Rs. 27,546 Crores as at March 31, 2023, which is approximately 17 times its FY 2021-22 order book, provides growth visibility and represents the largest order book value in the Company's history and marks its transformational journey in terms of the Company's size of business.

(b) Segment Review

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

- Freight Rail Systems** - Consists of manufacturing of Wagons, Loco Shells, Bogies, Couplers and its components. The "Shipbuilding, Bridges and Defence" (SBD) segment was merged with Freight Rail Systems, during the year.
- Passenger Rail Systems** - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

The segment wise performance is given below:

(Rs. in Lakhs)						
	Standalone			Consolidated		
Particulars	2022-23	2021-22	Change %	2022-23	2021-22	Change %
Segment Revenue (Gross)						
Freight Rail Systems	2,25,093.47	1,27,653.79	76.33%	2,25,093.47	1,27,307.51	76.81%
Passenger Rail Systems	52,959.43	21,897.41	141.85%	52,865.57	19,442.91	171.90%
Total	2,78,052.90	1,49,551.20	85.92%	2,77,959.04	1,46,750.42	89.41%
Segment Results						
Freight Rail Systems	23,570.92	17,302.47	36.23%	23,570.94	17,302.47	36.23%
Passenger Rail Systems	2,198.14	440.81	398.66%	2,198.13	614.03	257.98%
Total	25,769.06	17,743.28	45.23%	25,769.07	17,916.50	43.83%
Total Profit / (Loss) before Tax from continuing operations	15,877.21	6,273.88	153.07%	13,463.33	7,779.66	73.06%
Total Profit / (Loss) after Tax from discontinued operations	-	-	-	-891.70	-7848.21	-88.64%
Total Profit / (Loss) after Tax	10,336.64	3,348.77	208.67%	12,571.63	-68.55	18439.36%

During the year under review, the revenue from Freight Rail Systems segment (FRS) is higher by 76% and PBDT by 36% as compared to the previous financial year. About 82% of the Company's standalone revenue has come from this segment. The Company has the largest installed capacity of 8400 wagons per annum with state of the art facility at its Plant in Titagarh, W.B. The Company continues to be the market leader in this business segment and for the last few years has been awarded more than 50% of total orders placed by Indian Railways ('IR') making it the largest supplier of wagons.

The FRS received the largest ever order in the history of the Company as well as of Indian Railway (IR) for manufacture and supply of 24,177 Wagons valued at over Rs. 7,800 Crore in May, 2022 which is required to be executed over a period of 39 months. The execution of this order has been undertaken with the augmented infrastructure and capacity,

keeping the focus on optimisation of production costs and efficiencies. IR is modernising and upgrading the infrastructure at a remarkable speed and therefore, the demand for wagons is expected to remain buoyant on a sustainable basis in the coming years.

Under the Passenger Rail Systems segment (PRS), the Pune Metro Project is a very important milestone for the Company. The Company along with its associate: TFA, had signed the first contract for design, development, manufacture and supply of 34 trains of 3 coaches each for Pune Metro (Maharashtra Metro Rail Corporation Limited). The delivery of the Coaches to Pune Metro has already commenced and the trains supplied have been put into passenger service.

The following is pertinent in regard to the other significant developments during the FY 22-23 reported hereinbefore:

- The Company's entry into highspeed trains segment i.e. the Vande Bharat trains is considered to be a pathbreaking development. The Company's consortium with BHEL for "Manufacturing cum Maintenance of Vande Bharat Trainsets including Up-gradation of the Government Manufacturing Units & Trainset Depots" for 80 Vande Bharat trainsets and comprehensive maintenance of the same for 35 years is valued approximately at Rs. 23,100 crores. The BHEL-TRSL consortium was the only AatmaNirbhar one that participated in the tender announced by the IR.
- The consortium of Ramkrishna Forgings Limited (RKFL) and Titagarh has been awarded contract for "Manufacturing and Supply of Forged Wheels" pursuant to long term agreement under AatmaNirbhar Bharat" by Indian Railways and is setting up forged wheel manufacturing unit- a greenfield project with a capacity to manufacture 2 lakh forged wheels per annum. IR will ensure guaranteed off-take of 80,000 wheels per annum over a period of 20 years. The approximate value of this order is Rs.12,600 crores.
- A contract has been executed with CRRC, the Chinese Railway Rolling Stock Corporation and Bangalore Metro Rail Corporation Limited (BMRC). BMRC had placed an order on CRRC to supply 216 metro coaches, however due to inability of CRRC to meet the conditions of "Make in India" the contract was not moving forward. The Company was able to step in and sign a tripartite contract to produce these coaches entirely at its plant in Uttarpara, West Bengal. With this, the Company has forayed into the stainless-steel coach manufacturing. The technical expertise/know-how is being provided by CRRC and the ability to manufacture stainless steel coaches would make Titagarh the first and only company in the passenger rolling stock to have facilities and capabilities to produce every type of passenger coaches viz. EMU and MEMU of carbon steel, aluminum body coaches for Pune Metro project and stainless steel coaches for Bangalore Metro.

Metro coaches is one segment in which the Company foresees a huge opportunity as the tier-I and tier-II cities are all going for metro as the most suitable urban rapid transport system.

The Company's performance during FY 2022-23 has been record breaking as it reported its highest ever quarterly revenue of Rs. 766 Crores during 3rd quarter of FY 23, which represents a growth of 101% as compared to last quarter of FY 2021-22. During the year under review, the Company has attained major successes through the supply of its first traction motor from the Company's state-of-the-art facility in Uttarpara, paving the way for the potentially a large market which can be used for the manufacture of metro cars..

"Make in India" initiative coupled with launch of Dedicated Freight Corridor (DFC), metro projects across all major Indian cities is expected to boost wagon and electrical train manufacturing industry in the country. The DFC wagons are expected to add to Company's revenues in near future.

The Company had earlier collaborated with ABB India Limited (ABB) to design, develop and manufacture state of the art 3 phase IGBT based propulsion systems for EMU/MEMU being manufactured at the Company's plant in Uttarpara, West Bengal, with certain components being supplied by ABB. Apart from significant market potential for the propulsion business, it is also strategically important for train production business. In the propulsion tenders, your Company is well placed and is expecting additional orders. The trial production of the traction motors and the traction converters has already commenced at the Company's facilities and the regular production expected to start during current year would be another important milestone as it would mark the Company's move into a high technology area of propulsion electronics.

The efforts are also on to develop an export market for both the freight wagons and transit train business. International certification and application for accreditation of services have already been completed for wider acceptance of its products globally. Efforts are being made to take the presence of the Company beyond Europe through the Italian associate engaged in transit train manufacturing. The Indian and Italian operations would also be further synergised to

cover the global market for both the freight wagons and transit business.

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

The financial year ended March 31, 2023 witnessed a series of positive events as follows:

1. Investment agreement with Invitalia – An agreement with Agenzia nazionale per l'attrazione degli Investimenti e lo sviluppo di impresa S.p.A a company/ agency owned by the Government of Italy was executed with the shareholders of TFA on 8th September, 2022 pursuant where to the Government of Italy through its investment arm, Invitalia and Hawk Eye, a private equity firm based in UAE, have invested a total of €14.5 million as primary infusion into TFA resulting in their stake of 44% in the equity capital of TFA and €5.5 million brought in by the promoter shareholders, which in aggregate increased the equity of TFA from €13 million to €33 million which has resulted in not only improving the liquidity position, but also the ratios of the company. The investment by Invitalia is to support inter alia in the process of industrial growth of the company. With this capital infusion, TFA ceased to be a subsidiary of TRSL and post investment, the board of TFA has also been restructured.
2. Order Book: TFA was awarded a framework contract valued at €732.54 million for 33 trainsets, in consortium (RTI) with the international company SKODA Transportation. Subsequently, the first contract for 70 carriages for a value of €138 million has been signed in June, 2023. The contract also includes the assignment of the service and maintenance business for an amount of €221.99 million (51% share). The order book thus amounts to €1,393.09 million with the award of this contract.
3. Completion of end-of-life contracts (including legacy contracts) - During the financial year 2022-23 majority of the legacy contracts, which were inherited at the time of the acquisition of Firema Trasporti S.p.A in TFA, and some other onerous contracts causing substantial losses and adversely affecting liquidity over the years, were completed.
4. Integration of the sites and rationalization of the workforce – In order to optimise costs and increase production efficiency, TFA has implemented consolidation of all operational activities in a single site in Caserta coupled with the simultaneous optimisation of the areas dedicated to the different production lines: passenger carriages and freight wagons. Such integration and rationalising of the manpower will improve the hourly rate and make TFA more competitive going forward.

The acquisition of TFA has enabled the Company to enter into the passenger rolling stock business in India and win the contract of Pune Metro for 102 coaches of which, 9 coaches were manufactured and supplied from Italy and the balance 93 coaches are being produced in India. TRSL is able to qualify in most of the Indian tenders for passenger rolling stock on its own, however in very large tenders in domestic market, TRSL has and will continue to participate in consortium with TFA. In terms of the technology & designs available, the design centres of Italy and India work under close coordination with each other. This makes TRSL the only company in India to have the technology and the capability to produce both stainless steel as well as aluminum metro coaches and TRSL intends to have capacity of about 250 cars in the first phase in India, to be enhanced gradually to 840 cars going ahead.

Overall, FY 2023-24 is expected to benefit from the positive impact on overall fixed cost containment, efficiency and gross contract margins owing to the steps taken in FY 2022-23 toward improvement, as mentioned hereinabove.

(d) Industry overview of Business Segments

Freight Rolling Stock

The railway network in India spans an extensive track length of 126,366 km and includes 7,335 stations. The Union Budget 2023 has allocated a record capital outlay of \$29 billion to the Indian Railways, aiming to construct new trains, railway tracks, enhance passenger facilities, and upgrade the infrastructure to a world-class standard. In the fiscal year 2022-23, a remarkable achievement of laying 5,243 km of tracks was accomplished, surpassing the previous year's achievement of 2,909 km. This milestone also marked the highest-ever daily track laying rate of 14.4 km.

During the financial year 2022-23, a record-breaking loading of 1,512 million tonnes (MT) of freight was achieved, surpassing the previous year's loading of 1,418 MT. The freight transport unit NTKM (Net Tonne Kilometre) witnessed an impressive growth rate of 10%, surpassing 900 billion NTKMs for the first time, reaching 903 billion NTKMs in FY23, up from 820 billion NTKMs the previous year. The Indian Railways reported a record revenue of Rs 2.40 lakh crore in the fiscal year 2022-23, reflecting a growth of over 25% over the previous year. Freight revenue also experienced significant growth, reaching Rs 1.62 lakh crore, marking an increase of almost 15%.

The implementation of the National Rail Plan (NRP) is set to bring about a major transformation in the freight operation of the Indian Railways. The NRP aims to enhance capacity and efficiency throughout the rail system, projecting a four to six-fold increase in freight traffic in the coming years. This will involve expanding the fleet and capacity to meet the NRP goals through infrastructure augmentation and improved operations. With the objective of contributing approximately 1.5% to the country's GDP, the railway sector in India aims to support 45% of the modal freight share of the economy through robust infrastructure. In order to bolster freight transportation, the government has accelerated the development of Dedicated Freight Corridors (DFC) along crucial high-density routes. Additionally, the Indian Railway has implemented a comprehensive set of strategies to augment its market share in the freight segment. These measures encompass a variety of tariff rationalization and freight incentive schemes.

Outlook

The Indian Rail Freight Industry is experiencing significant growth and improvements, with ambitious plans and increased investment aimed at enhancing capacity, efficiency, and sustainability. Annual freight target is expected to increase from 1400m tonnes to 3000m tonnes by 2027 implying an increase in the wagon fleet from current ~336,900 to ~500,000 by 2027. Additionally, plans are underway to develop 100 PM Gati Shakti Cargo terminals for multimodal logistics within the next three years. The wagon industry, which previously faced challenges due to under-utilization of capacities, is expected to witness improvement with substantial orders from Indian Railways and the private sector. With the commissioning of dedicated freight corridors and a goal to increase the share of freight transport through railways, the Indian Railways plans to procure 90,000 wagons by 2025 which is the largest in history and it is nearly 5 times the number of wagons procured by railways in a year.

Passenger Rolling Stock

Indian Railways' passenger revenue has achieved an unprecedented growth of 61% in FY23 reaching Rs 63,300 crore. The fiscal year 2022-23 witnessed the highest-ever commissioning of new lines and doubling/multi-tracking covering 5243 km. Additionally, 6565 km of track were electrified with an investment of Rs 6657 crore, driving the Railways closer to the goal of achieving 100% electrification in the current fiscal year. Substantial investment amounting to Rs 44,291 crore was made to procure modern rolling stock, enhancing passenger comfort, and augmenting the Railways' loading capacity.

In the current time, the significance of urban mass transit systems has become paramount, primarily due to the exponential population growth and rapid urbanization, which have stretched the existing transportation networks to their limits. Recognizing the need for an effective solution, the government has turned to Mass Rapid Transport Systems (MRTS) like Metro, known for their cleanliness, reliability, speed, and efficiency. Acknowledging the numerous benefits offered by Metro railways, there has been a notable upsurge in the development of Metro services in many cities. As of April 2023, almost 860 kilometers of metro lines are operational, spanning 20 cities. Furthermore, the pace of progress has accelerated significantly, with a remarkable shift from an average monthly commissioning of 0.68 kilometers of metro lines before May 2014 to an impressive 5.6 km per month as of April 2023.

In 2019, the Indian Railways introduced India's first indigenous Semi High-Speed train, known as Vande Bharat Express. As of July 2023, a total of 50 Vande Bharat trains have been incorporated into the railway network. The government has set forth an ambitious vision to transform the train transport ecosystem by launching Vande Bharat sleeper coaches, metro, suburban, and freight services throughout the country. Over the next few years, there is a plan to manufacture 8,000 Vande Bharat coaches, signifying a significant overhaul of the Indian Railways' fleet and an increased inclusion of these semi-high-speed trainsets.

Outlook

The concerted efforts towards developing urban mass transit systems and modernizing the Indian Railways have paved the way for improved passenger experiences and increased transportation efficiency across the country. The significant progress in metro services, introduction of Vande Bharat Express and strategic investments in rail infrastructure bodes well for the future development and sustainability of India's transportation networks.

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

The Company has taken 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 and incurring capital expenditure of around Rs. 100 crore in last two years for plant upgradation and making the

production facilities state of the art, helping Company to increase productivity and achieve cost efficiency. All plants of the Company are ISO 9001: 2015 and ISO 14001:2015 certified. 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 satisfactory and in line with the circumstances prevailing.

(f) 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 the technology for Metro Coaches 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.

(g) Key Financial Ratios

As stipulated in the Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), 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:

Sr. No.	Key Financial Ratios	2022-23	2021-22	Difference (%)
1	Debtors Turnover Ratio (days)	31.37	40.16	-21.90%
2	Inventory Turnover Ratio (days)	65.67	86.87	-24.41%
3	Interest Coverage Ratio (times)	3.82	3.26	17.29%
4	Current Ratio (times)	1.22	1.22	0.00%
5	Debt Equity Ratio	0.22	0.15	44.37%
6	Operating Profit Margin (%)	11.09%	12.46%	-11.05%
7	Net Profit Margin (%)	3.72%	2.24%	66.13%

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

- Debt Equity Ratio: Variation is attributable to increase in borrowings during the year
- Net Profit Margin: Variation is attributable to increase in turnover and profitability during the year

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

Key Financial Ratios	2022-23	2021-22	Difference (%)
Return on Net Worth (%)			
- Before considering exceptional item	21.29%	12.73%	67.21%
- After considering exceptional item	16.49%	7.21%	128.58%

Notes on significant changes in financial ratios where change is > 25%: The increase is primarily due to increase in earnings as compared to the increase in volume of operations.

4. Dividend

The Board has recommended a dividend of 25% i.e. INR 0.50 per equity share of face value of Rs. 2/- each (previous year nil) for the financial year ended March 31, 2023, for the approval of the shareholders at the 26th Annual General Meeting of the Company. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. As a result, the Company will pay the dividend after deducting applicable tax, if any at the source. The total dividend on equity shares for FY 2022-23, if approved by the shareholders, would in aggregate be about Rs. 6.36 Crores.

A Dividend Distribution Policy pursuant to Regulation 43A of the (Listing Regulations) which requires the top 1,000 listed companies (by market capitalisation) to formulate the same, has been adopted by the Board. The said Dividend Distribution Policy can be accessed on the website of the Company at <https://titagarh.in/policies-and-codes>.

5. Transfer to reserves

Your Directors do not propose to transfer any amount to the general reserve for the year under review.

6. Change in Nature of Business

The product portfolio of the Company has over the years undergone change and from being a Wagons manufacturer, other products viz. Freight Rolling Stock comprising railway wagons, components, shipbuilding, bridges & defence, and Passenger Rolling Stock consisting of Coaches (EMUs/MEMUs) including Metro Coaches, Transit & Propulsion systems and others are the two segments of the Company respectively named "Freight Rail Systems" and "Passenger Rail Systems." Thus your Company is now present in the entire gamut of rail ecosystem.

7. Share Capital

As on March 31, 2023, the issued, subscribed and paid-up equity share capital of the Company stands at Rs. 23,91,42,178/- comprising of 11,95,71,089 equity shares of Rs. 2/- each. During the year under review, the Company has not issued any shares or convertible securities or shares with differential voting rights nor granted stock options or sweat equity. During the current year, the paid-up capital of the Company has increased to Rs. 25,43,42,178/- upon allotment of 76,00,000 equity shares of Rs. 2/- each on preferential basis.

The Board in its meeting held on 21st March, 2023 approved the **Titagarh Wagons Limited Employee Stock Options Scheme 2023**, which was approved by the shareholders by way of Postal Ballot on 26th April, 2023. The Company has also received In-principle approval from Stock Exchanges.

8. Change in name of the Company

The name of the Company was changed to Titagarh Rail Systems Limited in line with the expanded business portfolio in rail systems space and to better reflect the Company's increasing presence across the entire gamut of operations in the rail ecosystem. Fresh Certificate of incorporation pursuant to change of name was issued by the Registrar of Companies on 19th May, 2023.

9. Awards & Achievements

The Company received several notable recognitions during the year:

- Shri Umesh Chowdhary, VC&MD, Titagarh Group has been recognized as one of the Most Promising Business Leaders of Asia 22-23.
- The Company was featured among the NextGen Leaders of India in the esteemed platform "Ubharta Bharat," celebrating a remarkable 25-year journey of India's transformative progress.
- The Company was invited to participate in the 4th Edition Rail Analysis Innovation & Excellence Summit 2023 as a VIP Panellist. The event was graced by the presence of Shri Prithish Chowdhary.
- The "Next Generation Mobile Nodes" built by Titagarh, were showcased during the 74th Republic Day Parade 2023, held at Kartavya Path, New Delhi, India.

10. Credit Rating

In August 2022, CRISIL Ratings has revised its outlook on long-term bank facilities of the Company to 'Positive' from 'Stable' while reaffirming the rating at 'CRISIL A-'.

11. 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.

12. 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 9,486 equity shares of Rs. 2/- each, to the IEPF account, on 18th November, 2022, 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. 22nd October, 2022. The details of all shares transferred to the IEPF Account are

uploaded on the Company's website.

The Company identified 200 shareholders holding 9,953 equity shares in aggregate, who have not claimed their dividend consecutively since FY 2015-16 and therefore shares held by them were liable to be transferred to the IEPF Account on due date i.e. 15th April, 2023. The Company 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 14th January, 2023, which was also uploaded at the website of the Company and the Stock Exchanges. Subsequently, the Company has executed and submitted necessary documents for transfer of 9,953 equity shares of Rs. 2/- each, to the IEPF account, on 15th May, 2023, 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. 15th April, 2023.

13. Risk Management, Risks and Concerns

A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance which is in line with the provisions of the Act and Listing Regulations has been adopted by the Company. Based on a review, major elements of risks have been identified and are being monitored for effective and timely mitigation.

The Company has laid down governance procedures around information, communication and risk reporting to inform the Risk Management Committee, the Audit Committee and the Board of Directors about risk assessment, mitigation effectiveness evaluation and related outcome and status.

The Company has a Risk Management Committee of the Board of Directors of the Company under the Chairmanship of Shri Atul Joshi, Independent Director of the Company, to assist the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls.

The strategic risks forming part of the Enterprise Risk Management process are also aligned with the audit universe, to the extent seen appropriate/ relevant.

14. Subsidiary Companies, Associates and Joint Ventures

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, 2023, of subsidiary: Titagarh Singapore Pte. Ltd., Singapore; associate: Titagarh Firema SpA, Italy (TFA) 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.

During the year under review, Titagarh Firema SpA, Italy, ceased to be the subsidiary of the Company w.e.f. 8th September, 2022. Further, Titagarh Bridges and International Private Limited, a wholly owned subsidiary has been amalgamated with the Company as per Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide its Order dated 26th October, 2022, with 1st April, 2021 as the Appointed Date.

Your Company in consortium with Ramkrishna Forgings Limited (RKFL) has incorporated a Joint Venture Company (JVC) in the name and style of "Ramkrishna Titagarh Rail Wheels Limited" (RTRWL) on 9th June, 2023, for execution of the Project – "Manufacturing and Supply of Forged Wheels" under long term Agreement under AatmaNirbhar Bharat. Further, a Shareholders' Agreement has been executed on 2nd August, 2023 for operation and management of RTRWL.

The Board of Directors at its meeting held on 17th March, 2023 has approved incorporation of a private limited company in India in joint venture with Titagarh Firema SpA, Italy, associate of the Company, in the name and style of "Titagarh Firema Engineering Services Private Limited" or any other name as approved by the Registrar of Companies, for the purpose of engineering and design related services to support the Transit & Propulsion business. The Board also approved investment by the Company of maximum amount of Rs. 5 Crore in the equity of the proposed joint venture company.

15. 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.

16. 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.

17. Copy of the Annual Return

Pursuant to the provisions of Section 92(3) of the Act read with Section 134(3)(a), the copy of the annual return for the financial year ended March 31, 2023, is available 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.

18. 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 Listing Regulations 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**.

19. Number of Board Meetings

The Board of Directors met Eleven (11) times during the financial year ended March 31, 2023 as per the details provided in the Corporate Governance Report forming part of Annual Report.

20. Composition of Audit Committee

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

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

21. Directors and Key Managerial Personnel

The shareholders at their 25th Annual General Meeting held on 15th September, 2022 approved the following appointment/re-appointment:

- the re-appointment of Shri Atul Joshi (DIN: 03557435) as Independent Director to hold office for a second term of five years w.e.f. 24th January, 2023.
- the appointment of Shri Prithish Chowdhary as Whole-time Director designated as Director (Marketing & Business Development) for a period of five years w.e.f. 13th August, 2022

Based on the recommendation of Nomination and Remuneration Committee ("NRC"), Shri Saket Kandoi was appointed as Director (Freight Rolling Stock) w.e.f. 17th March, 2023

During the year under review, Shri Sudipta Mukherjee, Director (Freight Operations) resigned w.e.f. 17th March, 2023. The Board places on record its sincere appreciation for the services rendered by Shri Sudipta Mukherjee as Director (Operations) of the Company.

In terms of Section 149 of the Act and Listing Regulations, Shri Atul Joshi, Shri Manoj Mohanka, Shri Sunirmal Talukdar, Shri Sushil Kumar Roongta, Shri Krishan Kumar Jalan and Ms Nayantara Palchoudhuri are the Independent Directors of the Company as on the date of this report

Based on the recommendation of the NRC and the Audit Committee, the Board of Directors of the Company had approved:

- Assignment of additional role of Chief Business and Risk Officer to Mr. Anil Kumar Agarwal w.e.f. 18th November, 2022 and;
- Appointed Shri Saurav Singhania as Jt. CFO and designated him Group Finance Controller & Jt. CFO w.e.f. 18th November, 2022.

The Board has pursuant to the recommendation of NRC at its meeting held on 17th March, 2023 appointed Shri Dinesh Arya as the Company Secretary and Chief Compliance Officer (Key Managerial Personnel) w.e.f. 17th March, 2023.

Shri Ravi Prakash Mundhra who was appointed Company Secretary on 13th August, 2022 resigned w.e.f. 17th March, 2023.

Smt. Rashmi Chowdhary, Non-Executive Director, retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

To strengthen the composition of the Board and based on recommendations of the NRC, the Board of Directors of the Company at its meeting held on 4th September, 2023 has approved appointment of Shri B P Rao (DIN: 01705080) and Shri Debanjan Mandal (DIN: 00469622), as Additional Directors (Category-Independent) of the Company w.e.f. 4th September, 2023. Proposal for their appointment is being placed before the shareholders for their approval at the ensuing Annual General Meeting.

The information prescribed by Listing Regulations in respect of the above-named Directors is given in the Notice of 26th Annual General Meeting.

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

In compliance with the Act and Listing Regulations, the performance evaluation of the Board, Committees and Individual Directors was carried out during the FY 2022-23 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 Listing Regulations 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. Corporate Governance Report

The Company has complied with the corporate governance requirements under the Act and Listing Regulations. 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.

26. Business Responsibility and Sustainability Report (BRSR)

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

27. Internal Control System

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

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

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

28. Vigil Mechanism / Whistle Blower Policy.

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.

29. 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 2022-23.

30. 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, 2023 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.

31. Statutory Auditor & Auditor's Report

The shareholders of the Company at the Twenty Fifth Annual General Meeting held on 15th September, 2022, approved the re-appointment of Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (FRN 304026E/E-300009) as the Statutory Auditors of the Company for a second term of five consecutive years to hold the office till the conclusion of Thirtieth Annual General Meeting to be held in the year 2027. The Auditor's report on standalone financial statements for FY 2022-23 does not contain any qualifications, reservations, or adverse remarks.

32. Consolidated Financial Statements

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

The Auditors' Report on the consolidated financial statement for the year ended 31st March, 2023 (CFS) does not contain any qualification, reservation or adverse remark.

33. Cost Auditors

M R Vyas & Associates, Cost Accountants, have been re-appointed 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 2023-24 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 March 31, 2023 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.

34. Secretarial Auditor

Secretarial Audit has been conducted by Shri 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.

35. Deposits

The Company did not accept any deposits covered under Chapter V of the Companies Act, 2013 during the financial year ended March 31, 2023.

36. 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 (investors@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, 2023 was 744.

37. 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**.

38. Corporate Social Responsibility

A report on Corporate Social Responsibility (CSR) activities undertaken during the financial year ended March 31, 2023 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.

39. 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, 2024 have been duly paid.

40. 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.

41. Other Disclosures

- The Auditors of the Company have not reported any instances of fraud committed in the Company by its officers or employees as specified under section 143(12) of the Act, details of which needs to be mentioned in this Report.
- There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.
- Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof - There are no instances of one-time settlement during the financial year under review.

42. 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.

43. Acknowledgement

The Directors place on record their sincere 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.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

Kolkata

September 04, 2023

For and on behalf of the Board

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
Name of the subsidiary	Titagarh Singapore Pte. Ltd. ('TSPL')
Date since when subsidiary was acquired	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	EURO Rs. 89.6076
	(Rs. in Lakhs)
Share capital	637.10
Reserves & surplus	816.67
Total Assets	1,461.32
Total Liabilities	7.55
Investments	-
Turnover	-
Profit before taxation	2,277.83
Provision for taxation	-
Profit after taxation	2,277.83
Proposed Dividend	-
% of shareholding	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).
- During the year under review, the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench vide its Order dated 26th October, 2022 sanctioned the amalgamation of Titagarh Bridges and International Private Limited (TBIPL), a wholly owned subsidiary, with the Company, with 1st April, 2021 as the Appointed Date.

Part – B: Associates and Joint Ventures

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

Sl. No.	1	2
Name of Associates/ Joint ventures	Titagarh Mermec Private Limited	Titagarh Firema S.p.A., Italy ('TFA')
1. Latest audited* Balance Sheet Date	31/03/2023	31/03/2023
2. Date on which the Associate or Joint Venture was associated or acquired	18/07/2018	09/09/2020
3. Shares of Associates or Joint Ventures held by the Company on the year end:		
No.	5,000	1,64,00,000
Amount of investment in Associates or Joint Ventures (INR)	50,000	12,72,63,000
Extent of Holding (in percentage)	50%	49.70%
4. Description of how there is significant influence	50% of the paid up equity capital is held by the Company	49.70% of the paid up equity capital is held by the Company
5. Reason why the associate/ joint venture is not consolidated	N.A.	N.A.
6. Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. (11.29) Lakhs	Rs. 7,330.72 Lakhs
7. Profit (Loss) for the year	Rs. (2.42) Lakhs	Rs. (7,743.34) Lakhs
i. Considered in Consolidation	Rs. (1.21) Lakhs	Rs. (2,848.44) Lakhs
ii. Not Considered in Consolidation	Rs. (1.21) Lakhs	Rs. (3,894.90) 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 Rail Systems Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and
Managing Director

Atul Joshi
Director

Anil Kumar Agarwal
Director (Finance) & CFO

Saurav Singhania
Group Finance Controller
& Jt. CFO

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: September 04, 2023

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 arm's length transactions under third proviso thereto

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

Not Applicable.

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

Sl No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
NIL						

For and on behalf of the Board

Kolkata
September 04, 2023

J P Chowdhary
Executive Chairman

Annexure DR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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 Rail Systems Limited
(formerly Titagarh Wagons Limited)
756, Anandapur, E M Bypass
Kolkata 700107

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Titagarh Rail Systems Limited** CIN: L27320WB1997PLC084819 (formerly Titagarh Wagons Limited) having its Registered office at 756 Anandapur, E.M. Bypass, Kolkata 700107 (hereinafter called 'the Company'). 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended **31.03.2023**, 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 **31.03.2023** 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 The Industrial Disputes Act, 1947 read with respective applicable rules;
- (ii) Relevant statutes prevalent in the State of West Bengal and Rajasthan, where the Registered office/factory(ies) of the Company are situated, amongst others;
- (iii) Water (Prevention & Control of Pollution) Act, 1974 and Water (Prevention & Control of Pollution) Rules, 1975;
- (iv) Air (Prevention & Control of Pollution) Act, 1981 and Rules made thereunder,
- (v) 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) 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. Purchase of entire equity shares of Titagarh Firema S.p.A, Italy held by Titagarh Singapore Pte. Limited, Singapore, by the Company;
 2. Subscription of 15,00,000 Equity Shares of Euro 1 each at par by the Company in Titagarh Firema S.P.A., Italy;
 3. Increasing the borrowing limits u/s 180(1)(c) of the Companies Act, 2013;
 4. Resignation of Shri Sumit Jaiswal, Company Secretary and Compliance Officer of the Company w.e.f 12.08.2022 and appointment of Shri Ravi Prakash Mundhra in his place w.e.f.13.08.2022;
 5. Appointment of Shri Prithish Chowdhary as the Whole-time Director, designated as Director (Marketing and Business Development) for five years w.e.f.13.08.2022;
 6. Revised Credit Rating Rationale dated 2nd August, 2022 received from CRISIL Ratings Limited;
 7. Extension of financial support to Titagarh Bridges and International Limited, wholly owned subsidiary of the Company, by

way of Inter Corporate Deposit upto Rs. 50 Crores;

8. Decision to enter into a Consortium Agreement/Joint Bid Agreement with Bharat Heavy Electricals Limited (BHEL) and Ramkrishna Forgings Limited, respectively for facilitating bidding in response to Tender Documents of the Indian Railways;
 9. Receiving Order dated 26th October, 2022 passed by The Hon'ble NCLT sanctioning the Scheme of Amalgamation of Titagarh Bridges International Private Limited with the Company w.e.f 1st April 2021;
 10. Appointment of Shri Saurav Singhania as Joint Chief Financial Officer with effect from 28.11.2022;
 11. Taking on Lease additional constructed area on the ground floor and 1st floor at Titagarh Wagons Factory from Titagarh Enterprise Limited, a Related Party from 11th Feb, 2023;
 12. Resignation of Shri Ravi Prakash Mundhra, Company Secretary and Compliance Officer of the Company.
 13. Appointment of Shri Dinesh Arya as the Company Secretary and Chief Compliance Officer w.e.f. 17.03.2023;
 14. Decision to change the Company's name to Titagarh Rail Systems Limited;
 15. Resignation of Shri Sudipta Mukherjee, Director (Operations) w.e.f 17.03.2023;
 16. Appointment of Shri Saket Kandoi as an Additional Director designated as Director (Freight Rolling Stock) and his being appointed Occupier of the factories of the Company w.e.f 17.03.2023;
 17. Decision to Transfer the Design Centre of the Company to a new private limited company to be incorporated with its registered office at Hyderabad;
- (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, except in few cases when shorter notices were given following the requisite compliances, 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 are 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
PR: 1421/2021
UDIN:A011247E000905294

Place: Kolkata
Date: 4th September, 2023

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	85.13
		b.	Shri Umesh Chowdhary, Vice Chairman & Managing Director	85.13
		c.	Shri Sudipta Mukherjee, Whole-time Director#	NA
		d.	Shri Anil Kumar Agarwal, Director (Finance) & CFO	34.74
		e.	Shri Prithish Chowdhary, Whole-time Director\$	17.49
		f.	Shri Saket Kandoi, Director (Freight Rolling Stock)^	17.14
(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, Whole-time Director	Not Applicable as he was a Director for a part of the year. (Resigned w.e.f. 17th March, 2023)
		d.	Shri Anil Kumar Agarwal, Director (Finance) & CFO	25.44
		e.	Shri Prithish Chowdhary, Whole-time Director	Not Applicable as he occupied the office of Director in his current designation for a part of the year. (Appointed w.e.f. 13th August, 2022)
		f.	Shri Saket Kandoi, Director (Freight Rolling Stock)	Not Applicable as he occupied the office of Director for a part of the year. (Appointed w.e.f. 17th March, 2023)
		g.	Shri Ravi Prakash Mundhra, Company Secretary (Appointed w.e.f. 13th August, 2022 and resigned w.e.f. 17th March, 2023)	Not Applicable as he was a KMP for a part of the year.
		h.	Shri Dinesh Arya, Company Secretary & Chief Compliance Officer (Appointed w.e.f. 17th March, 2023)	Not Applicable as he occupied office of the KMP for a part of the year.
(iii)	The percentage increase in the median remuneration of employees in the financial year			14.14%
(iv)	The number of permanent employees on the rolls of the Company			744

Rule	Particulars
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel for the financial year 2022-23 was 5.86% where as the percentile increase in the managerial remuneration was 4.97%. The average increase is an outcome of Company's performance and standard industry practices aligned with the Remuneration policy of the Company.
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company

Notes:

#ceased to be a Director w.e.f. 17th March, 2023. Ratio of remuneration to median remuneration not calculated since the total remuneration of the director also includes cessation benefits.

\$appointed w.e.f. 13th August, 2022, Ratio of remuneration to median remuneration calculated on pro-rata basis.

^appointed w.e.f. 17th March, 2023, Ratio of remuneration to median remuneration calculated on pro-rata basis.

For and on behalf of the Board

Kolkata
4th September, 2023

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 is conducted periodically and inter alia in accordance therewith-
 - 1. Electric powered vehicles have been introduced for transportation for more efficient use of energy as well as reduce carbon footprint.
 - 2. Solar Power Plant with capacity of 2MW is under implementation as part of renewal energy/alternate source of power.
 - 3. Helicopter fans are installed so as to reduce high electricity consumption.
 - 4. Inverter based Welding robots are used and Variable Frequency Drive (VFD) to conserve energy and reduce consumption by about 10%.
 - 5. Power source of CNC Plasma Machine has been upgraded to achieve reduced operation time by 50% resulting in corresponding savings in power consumption.
 - 6. Old Press Machine and Shoring Machine have been replaced with modernized CNC Press which saves 10% to 20% of electricity consumption.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
 - 1. Recycling the waste water and reuse it for plant operations.
 - 2. Setting up of RO plants for both industrial and domestic consumption.
 - 3. Consistent focus on modernization of various sources of power by replacing the old/inefficient drives.

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. 138.66 Lakhs for the year ended 31st March, 2023.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

- a) The stainless steel manufacturing of metro trains and semi high speed trains have been planned with the help of strategic partners for Bengaluru Metro and Vande Bharat trains.
- b) Upgrading of skillsets of the manpower through training in rolling stock workshops and Robotic centers of the business partners.
- c) Facility upgradation of the third rail systems is under process.
- d) Lazio convertor inverter for Italy.

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

- a) Manual Shot Blasting Booth to Automatic Recyclable Shot Blasting booth to achieve about 40% savings on the main raw material i.e. Shots.

The technology adapted for manufacture of modern aluminum lightweight Metro coaches for Pune Metro is being absorbed with the help of our Italian venture at the state-of-the-art facility set up by the Company in Uttarpara.

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:

The Company is focused on value addition in the manufacture and marketing of Wagons and Coaches and is consistent in its efforts to modernize the facilities to provide the quality products as customized mobility solution to its customers.

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)

	2022-23	2021-22
Capital	Nil	Nil
Recurring	301.84	322.96
Total	301.84	322.96
Total R & D expenditure as a percentage of total turnover	0.11%	0.22%

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. 33,407.32 Lakhs and outflow Rs. 19,602.31 Lakhs.

For and on behalf of the Board

Kolkata
September 04, 2023

J P Chowdhary
Executive Chairman

Annexure DR-6

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2022-23

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

Corporate Social Responsibility (CSR) at Titagarh Rail Systems 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 interventions 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. Titagarh's CSR initiatives are also aimed at ensuring 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.

The Company's CSR policy aims to create a sustainable impact in the community and society. As a policy, the Company's CSR activities focus on specific strategic areas. The CSR activities are undertaken in certain strategic areas namely livelihood enhancement projects, promoting education and health. The Company's CSR activities are guided by the CSR Committee. All the projects are regularly monitored and reviewed by the CSR Committee for their impact on the beneficiaries. The CSR Committee has framed 'Jeevan Nirog', 'Gyaan Jyoti', 'Shail Ganga' and 'Parvaah' as CSR themes to undertake CSR activities in partnership with selected eligible implementation partners directly.

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:

Sl 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	1
2.	Shri J P Chowdhary	Member, Executive Chairman	1	1
3.	Ms. Nayantara Palchoudhuri	Member, Independent Director	1	1
4.	Shri Krishan Kumar Jalan	Member, Independent Director	1	1

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

a. Web-link where CSR policies and projects are disclosed: <https://titagarh.in/policies-and-codes>

b. Web-link where the composition of CSR Committee is disclosed:
https://titagarh.in/storage/report/actual/1618812855_emub3_committeepdf.pdf

4. The executive summary along with web-links 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: Not Applicable

5. (a) Average net profit of the Company as per section 135(5): Rs. (2.240.39) Lakhs

(b) Two percent of average net profit of the Company as per section 135(5): Nil

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Rs. 5.29 Lakhs (for Financial Year 2021-22)

- (e) Total CSR obligation for the financial year (5b+5c+5d): Nil. Though there was no statutory requirement to spend on CSR activities, the Company being conscious of social obligation and as its voluntary commitment towards the society, spent an amount of Rs. 45.37 Lakhs during the Financial Year 2022-23*.

* Note : The figures for the purpose of computation of CSR expenditure as per Section 135 of the Act, pertaining to previous two financial year were re-stated due to effect Amalgamation of Titagarh Bridges International Private Limited and Cimmco Limited respectively.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other then Ongoing Project): Rs. 45.37 Lakhs
 (b) Amount spent in Administrative Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable
 (d) Total amount spent for the Financial Year (6a+6b+6c): Rs. 45.37 Lakhs.
 (e) CSR amount spent or unspent for the financial year:

(Rs. in lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	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
45.37	NIL	N.A.	NIL	NIL	NIL

- (f) Excess amount for set off, if any: Rs. 45.37 Lakhs

Sl. No.	Particular	Amount (Rs. in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	45.37
(iii)	Excess amount spent for the financial year [(ii)-(i)]	45.37
(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)]	45.37

Note: Rs. 5.29 Lakhs for Financial Year 2021-22 is also available for set off for the next two financial years.

7. Details of Unspent CSR amount for the preceding three financial years:

(Rs. in lakhs)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year	Amount transferred to a Fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of Transfer		
1.	2020-21	2.38	NIL	2.38	NIL	NIL	NIL	NA
2.	2021-22	Not Applicable						
3.	2022-23	Not Applicable						

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: **No**
 If Yes, enter the number of Capital assets created/ acquired – **Not Applicable**.
 Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**.
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicable**.

For and on behalf of the Board

Kolkata,
 September 04, 2023

Umesh Chowdhary
 Vice Chairman & Managing Director

Rashmi Chowdhary
 Chairperson, CSR Committee

Corporate Governance Report

Titagarh Rail Systems Limited (TRSL's) Philosophy on Code of Governance

TRSL's corporate culture is imbued with high standards of integrity and transparency by adhering to the sound and pragmatic corporate policies laid down by the Board of Directors based on business needs aimed at sustainability manifested in two important principles of 'team-work' and 'professionalism'. Apart from the commitment to achieving the mission statement including value maximization for the stakeholders forming the core, the Company consistently retains due focus on its environmental, social and good governance responsibilities.

Governance Structure

The Company has implemented a governance structure with well-defined roles and responsibilities of every systemic constituent. The Company's shareholders appoint the Board of Directors, who, in turn govern the affairs of the Company. The Board has constituted various Committees to discharge responsibilities effectively. The Company Secretary acts as the Secretary to all the Committees. The Chairman provides strategic direction and guidance to the Board. The Chief Executive Officer and a group of senior executives are individually empowered for day-to-day operations with corresponding roles and responsibilities assigned by the Board.

Board of Directors

The Board of Directors of the Company (the "Board") has been constituted to achieve an effective Board in accordance with the corporate governance policy of the Company. TRSL's Board as at March 31, 2023 comprised twelve directors including Executive Chairman, Vice Chairman & Managing Director, Director (Finance) & CFO, Director (Freight Rolling Stock) and Director (Marketing & Business Development) being the Five Executive Directors, six Independent Directors (including one Independent Woman Director) and one Non-Executive Director. The composition of the Board is in compliance with the provisions of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Managing Director(s), the Whole-time Director(s) and the Non-Executive Director(s) (except Independent Directors) are liable to retire by rotation

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.	Name of Directors & DIN	Designation & Category of the Directors	No. of Board Meetings attended	Attendance at previous AGM on 15.09.2022	No. of Shares held (Face value of Rs. 2 each)	No. of other directorships held	Chairmanship in other Committees	Membership in other Committees
1.	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	10	Present	70,700	Nil	Nil	Nil
2.	Shri Umesh Chowdhary DIN: 00313652	Promoter & Vice Chairman and Managing Director	10	Present	77,530	3	Nil	Nil
3.	Shri Anil Kumar Agarwal DIN: 01501767	Director (Finance) & CFO	10	Present	100,000	Nil	Nil	Nil
4.	Shri Manoj Mohanka DIN: 00128593	Independent & Non-Executive	11	Present	Nil	5	1	3
5.	Smt. Rashmi Chowdhary DIN: 06949401	Non-Independent & Non-Executive	9	Present	128,16,105	Nil	Nil	Nil
6.	Shri Atul Joshi DIN: 03557435	Independent & Non-Executive	11	Present	Nil	Nil	Nil	Nil
7.	Shri Sunirmal Talukdar DIN: 00920608	Independent & Non-Executive	11	Absent	Nil	5	6	8

Sl. No.	Name of Directors & DIN	Designation & Category of the Directors	No. of Board Meetings attended	Attendance at previous AGM on 15.09.2022	No. of Shares held (Face value of Rs. 2 each)	No. of other directorships held	Chairmanship in other Committees	Membership in other Committees
8.	Ms. Nayantara Palchoudhuri DIN: 00581440	Independent & Non-Executive	11	Present	Nil	8	Nil	9
9.	Shri Krishan Kumar Jalan DIN: 01767702	Independent & Non-Executive	11	Present	Nil	4	1	2
10.	Shri Sushil Kumar Roongta DIN: 00309302	Independent & Non-Executive	11	Present	Nil	8	3	7
11.	Shri Prithish Chowdhary DIN: 08509158	Director (Marketing & Business Development)	11	Present	Nil	Nil	Nil	Nil
12.	Shri Saket Kandoi DIN: 02308252	Director (Freight Rolling Stock)	1	Absent	70,965	2	Nil	Nil

Notes:

1. Shri Umesh Chowdhary is the son of Shri J P Chowdhary. Smt. Rashmi Chowdhary is the wife of Shri Umesh Chowdhary. Shri Prithish Chowdhary is the 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 Listing Regulations.
3. Other directorships do not include directorship in Private Limited Companies, Foreign Companies and Section 8 Companies.
4. Chairmanships/ Memberships of Board Committees include Audit and Stakeholders' Relationship Committees only.

Details of Directorships in other Listed Entities as at 31st March, 2023:

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 Anil Kumar Agarwal, Director (Finance) & CFO	Nil	N.A.
Shri Manoj Mohanka, Independent Director	Indian Terrain Fashions Limited India Carbon Limited Celebrity Fashions Limited Ludlow Jute & Specialties Limited	Independent Director 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 Heubach Colorants India Limited India Carbon Limited Sasken Technologies Limited	Independent Director Independent Director Independent Director Independent Director

Name and Category of the Director	Details of Directorships of other Listed Entities and Category of Directorship	
Ms. Nayantara Palchoudhuri, Independent Director	Rossell India Limited Vesuvius India Limited Ludlow Jute & Specialties Limited Nicco Parks & Resorts Limited International Combustion India Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Shri Krishan Kumar Jalan, Independent Director	PNC Infratech Limited UNO Minda Limited	Independent Director
Shri Sushil Kumar Roongta, Independent Director	J K Paper Limited Jubilant Pharmova Limited Jubilant Ingrevia Limited Adani Power Limited Zuari Industries Limited	Non-Executive Director Independent Director Independent Director Independent Director Independent Director
Shri Prithish Chowdhary, Director (Marketing & Business Development)	Nil	N.A.
Shri Saket Kandoi, Director (Freight Rolling Stock)	Nil	N.A.

Separate Meeting of Independent Director

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 17th March, 2023 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 in attendance at all the Board Meetings. Other senior management executives are called / invited 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 Listing Regulations, 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 programs have been placed on the website of the Company under the web link: <https://titagarh.in/policies-and-codes>.

Skills/expertise/competence of the Board of Directors

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

Sl. No.	Core skills/ expertise/ competencies	Whether such Core skills/ expertise/ competencies are available with the Company's Board	Name of the directors as on 31st March, 2023 having the required set of skills/ expertise/ competencies
1	Expertise in Freight and Passenger Rolling Stock, Shipbuilding, Bridges and Special Projects for Defense including respective value chain and engineering	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Saket Kandoi 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 Saket Kandoi Shri Manoj Mohanka Smt. Rashmi Chowdhary Shri Sunirmal Talukdar Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary
3	Leadership qualities and in depth knowledge and experience in general management of organization	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Shri Saket Kandoi Shri Manoj Mohanka Smt. Rashmi Chowdhary 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 Saket Kandoi Shri Manoj Mohanka Smt. Rashmi Chowdhary Shri Sunirmal Talukdar Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary

Sl. No.	Core skills/ expertise/ competencies	Whether such Core skills/ expertise/ competencies are available with the Company's Board	Name of the directors as on 31st March, 2023 having the required set of skills/ expertise/ competencies
5	Expertise in technology including design, research and innovation and digitalization	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Saket Kandoi
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 Saket Kandoi Shri Sunirmal Talukdar Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary

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.

Succession Planning:

The Company has put in place a structure to identify crucial job skills, knowledge, social relationship and organisational practice and to pass them to prepare next generation of workforce, thereby ensuring seamless movement of talent within the organisation.

Independent Directors:

All Independent Directors have confirmed that they meet the “Independence” Criteria as provided under Regulation 16 of Listing Regulations read with Section 149 of the Companies Act, 2013 and have also confirmed compliance with Regulation 25(8) of Listing Regulations. In the opinion of the Board, the Independent Directors of the Company fulfil the criteria for “independence” and/or “eligibility” as prescribed under the Listing Regulations and Section 149 of the Companies Act, 2013 ('the Act') and are independent of the management.

The number of directorships held by the Independent Directors is within the limits prescribed under Regulation 17A and comply with the provisions of Regulation 25 of Listing Regulations.

The Company has issued formal letter of appointment to the Independent Directors, a specimen of which is placed on the website of the Company.

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors.

Board Meetings held during the Financial Year ended the 31st March, 2023

Eleven (11) Meetings of the Board of Directors were held in the financial year ended 31st March, 2023 i.e. on 12th May, 2022, 30th May, 2022, 10th July, 2022, 13th August, 2022, 25th August, 2022, 9th September, 2022, 14th November, 2022, 28th November, 2022, 11th February, 2023, 17th March, 2023 and 21st March, 2023.

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 the Listing Regulations.

Board Committees

Audit Committee

The Audit Committee as at 31st March, 2023 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 Listing Regulations. The 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 Listing Regulations.

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 2022-23.

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 Listing Regulations 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 30th May, 2022, 13th August, 2022, 23rd August, 2022, 24th August, 2022, 9th September, 2022, 27th September, 2022, 14th November, 2022, 18th November, 2022, 11th February, 2023 and 17th March, 2023. 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 Chairman of the Audit Committee attended the last AGM held on 15th September, 2022

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, 2023. The attendance at and date of Stakeholders' Relationship Committee meeting held and the Status of Investors' complaints are as follows:

Attendance of the Directors at the Stakeholders' Relationship Committee Meetings held:

During the year only one meeting of the Stakeholders' Relationship Committee of the Company was held i.e. on 30th May, 2022. The attendance of Directors at these meeting is as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Manoj Mohanka	Chairman	1
2.	Shri Umesh Chowdhary	Member	-
3.	Ms. Nayantara Palchoudhuri	Member	1
4.	Shri Krishan Kumar Jalan	Member	1

The Chairman of the Stakeholders Relationship Committee attended the last AGM held on 15th September, 2022

In aggregate 5 (Five) cases of Investors' Grievances were received during the Financial Year 2022-2023 pertaining to 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, 2023. There was also no Investor complaint pending against the Company as at 31st March, 2023 on SCORES, the web based complaint redressal system of SEBI. The Company is encouraged to develop the practice of follow-up, preferably by phone/email wherever available, with the concerned shareholder to get the feed- back on satisfactory redressal of their query/complaint.

Share transfers and requests for other services are disposed of by the RTA within the time stipulated in the Listing Regulations. The Company Secretary, is acting as the Compliance Officer of the Company.

All valid requests for transfer of shares in physical mode received during the financial year ended the 31st March, 2023 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, 2023.

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 Listing Regulations 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 5 meetings of the NRC of the Company were held i.e. on 30th May, 2022, 13th August, 2022, 18th November, 2022, 18th January, 2023 and 17th March, 2023.

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	5
2.	Shri J P Chowdhary	Member	4
3.	Shri Sunirmal Talukdar	Member	5
4.	Shri Sushil Kumar Roongta	Member	5

The previous AGM of the Company held on 15th September, 2022 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, 2023 and their shareholding in the Company:

(Rs. in Lakhs)

Particulars	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee [§]	Shri Anil Kumar Agarwal	Shri Saket Kandoi [*]	Shri Prithish Chowdhary [^]
Salary and Perquisites	257.28	257.28	58.96	104.98	1.95	32.83
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Total	257.28	257.28	58.96	104.98	1.95	32.83
Stock Option Granted	Nil	Nil	Was allotted 30,000 equity shares of Rs. 2/- each at price of Rs. 44.20 per share on 13/11/2021	Was allotted 30,000 equity shares of Rs. 2/- each at price of Rs. 44.20 per share on 10/08/2021	Nil	Nil
Period for which appointed by the Board	5 years w.e.f. 08/01/2022 (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	5 years w.e.f. 17/03/2023	5 years w.e.f. 13/08/2022
Appointment by shareholders on	24th AGM on 27/09/2021 (Reappointed in 24th AGM held on 27/09/2021)	23rd AGM on 30/12/2020	22nd AGM on 20/09/2019	22nd AGM on 20/09/2019	By way of Postal Ballot (Notice dated 21/03/2023)	25th AGM on 15/09/2022
No of shares	70,700	77,530	42,500	1,00,000	Nil	Nil

^{*}Appointed as Director (Freight Rolling Stock) w.e.f. 17th March, 2023.

[^]Appointed/ designation changed to Whole-time Director, designated as Director (Marketing & Business Development) w.e.f. 13th August, 2022.

[§] Resigned w.e.f. 17th March, 2023.

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

Name of the Director	Sitting fees	Salary & Perquisites	Commission	Total
Shri Manoj Mohanka	11,80,000	NIL	4,16,667	15,96,667
Shri Sunirmal Talukdar	12,00,000	NIL	4,16,667	16,16,667
Shri Atul Joshi	10,00,000	NIL	4,16,666	14,16,666
Smt. Rashmi Chowdhary	3,20,000	NIL	NIL	3,20,000
Ms. Nayantra Palchoudhuri	5,00,000	NIL	4,16,667	9,16,667
Shri Krishan Kumar Jalan	5,00,000	NIL	4,16,667	9,16,667
Shri Sushil Kumar Roongta	7,00,000	NIL	4,16,666	11,16,666
Shri Prithish Chowdhary*	1,40,000	NIL	NIL	1,40,000
Total	55,40,000	NIL	25,00,000	80,40,000

*Appointed/ designation changed to Whole-time Director, designated as Director (Marketing and Business Development) w.e.f. 13th August, 2022

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary heads the Corporate Social Responsibility (CSR) Committee and Shri J P Chowdhary, Ms. Nayantra Palchoudhuri and Shri Krishan Kumar Jalan are the other members as at 31st March, 2023. 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(one) meeting of the CSR Committee of the Company was held i.e. on 30th May, 2022.

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

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Smt. Rashmi Chowdhary	Chairperson	1
2.	Shri J P Chowdhary	Member	0
3.	Ms. Nayantra Palchoudhuri	Member	1
4.	Shri Krishan Kumar Jalan	Member	1

Environmental Social and Governance (ESG) Committee

An ESG Committee was constituted with Shri Krishna Kumar Jalan, Mr. Nayantra Palchoudhuri and Smt. Rashmi Choudhary as Members on 17th March, 2023. No Meeting of ESG Committee was held during the year

Risk Management Committee

The role of the Risk Management Committee is, inter alia, to approve the strategic risk management framework of the Company, and review the risk mitigation strategies and results of risk identification, prioritisation & mitigation plans for all business units/ corporate functions, as also the measures taken for cyber security. The Committee also formulates the Risk Management Policy, and reviews the implementation, effectiveness and adequacy of the risk management systems, processes & plans of the Company.

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 Listing Regulations.

During the year, 2 (Two) meetings of the Risk Management Committee of the Company was held i.e. on 22nd September, 2022 and 17th March, 2023.

Attendance of the directors at the Risk Management Committee meetings:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Atul Joshi	Chairman	2
2.	Shri Sunirmal Talukdar	Member	2
3.	Shri Sushil Kumar Roongta	Member	1
4.	Shri Prithish Chowdhary	Member	2

Internal Complaints Committee

The Committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee 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:

IC Role	Name	Role in the Company
Presiding Officer	Ms. June Coelho	Secretary to MD
Members	Mr. Saurav Singhanian	Group Finance Controller & Jt. CFO
	Mr. Mrinal Kanti Das	Representative – Titagarh Rail Systems Limited
	Mrs. Parmjeet Walia	Deputy General Manager
	Mr. Nasimullah Khan	Representative - BTP Unit
External Member	Ms. Srabani Sarkar Neogi	• Founder Secretary and Director – South Kolkata Hamari Muskan
		• Consultant – Railway Children
		• Ex Consultant – Terre Des Home & Jeevika Development Society
		• Facilitated multiple projects like Apne Aap Women Worldwide, Sanlaap, Tiljala Shed etc.
		• Ex Member – Nari Nirjatan Protirodh Manch & Sahon
		• Recipient of Karmaveer Puraskar 2014-2015 & Ladies Study Group Charitable Trust Annual Award 2015.

There was no complaint of any issue falling under the purview of the Committee during the Financial Year ended 31st March, 2023.

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, Director (Marketing & Business Development, Shri Manoj Mohanka and Shri Atul Joshi, Independent Directors as at 31st March, 2023.

During the year, 4 meetings of the Committee were held i.e. on 24th May, 2022, 13th August, 2022, 29th September, 2022, and 14th January, 2023.

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	4
2.	Shri J P Chowdhary	Member	4
3.	Shri Umesh Chowdhary	Member	3
4.	Shri Manoj Mohanka	Member	4
5.	Shri Atul Joshi	Member	4
6.	Shri Prithish Chowdhary	Member	4

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

The Company Secretary, is the Compliance Officer and acts as the Secretary to all the Committees of the Company.

General Body Meetings

Annual General Meetings

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

Year	Annual General Meeting (AGM)	Venue	Date	Time	No. of Special Resolutions passed
2019-20	23rd AGM	756 Anandapur, E.M. Bypass, Kolkata – 700107 Through Video Conferencing or other Audio Visual Means (“OAVM”)	30.12.2020	10:30 A.M.	Four
2020-21	24th AGM	756 Anandapur, E.M. Bypass, Kolkata – 700107 Through Video Conferencing or other Audio Visual Means (“OAVM”)	27.09.2021	10:30 A.M.	Two
2021-22	25th AGM	756 Anandapur, E.M. Bypass, Kolkata – 700107 Through Video Conferencing or other Audio Visual Means (“OAVM”)	15.09.2022	10:30 A.M.	Two

No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended 31st March, 2023.

Postal Ballot including e-voting.

As on date of this Report, the Company has sought the Approval of the shareholders by way of Special Resolution through Notice of Postal Ballot/ E-voting dated March 21, 2023 for the following proposals:

1. Change of the name of the Company.
2. Employee Stock Option Scheme for the Employees of the Company.

M/s Sushil Goyal & Co. (Membership No. FCS-3969, CPN No. 8289), Practising Company Secretaries, have been appointed as the Scrutinizers to conduct the Postal Ballot and Remote E-voting in a fair and transparent manner and the Company has engaged the services of National Securities Depository Limited (NSDL) as the agency for the purpose of providing e-voting facility.

In compliance with General Circulars No. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 20/2021 dated December 08, 2021, No. 03/2022 dated May 05, 2022 and No. 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as “MCA Circulars”), the Company has sent the Postal Ballot Notice in electronic form only and physical copy of the Postal Ballot Notice along with Form and pre-paid business envelope has not been sent to the shareholders. Further, the communication of assent / dissent of the shareholders took place through the remote e-voting system only. The remote e-voting period for the said Postal Ballot commenced on Tuesday, March 28, 2023 at 09:00 a.m. (IST) and ended on Wednesday, April 26, 2023 at 05:00 p.m. (IST).

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 mentioned in the Notice of AGM 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.

Other Disclosures

(i) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2022-23 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) Compliance with requirements of Corporate Governance pursuant to the Listing Regulations:

The Company has complied with all the mandatory requirements of Corporate Governance of the Listing Regulations.

The following is the status of compliance with non-mandatory recommendations of Part E of Schedule II as mentioned in Regulation 27(1) of the Listing Regulations:

- Shareholders' Rights:** As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders
- Audit Qualifications:** The Company's financial statements for the financial year 2022-23 do not contain any audit qualification.
- Reporting of Internal Auditor:** The Internal Auditors of the Company directly report to the Audit Committee.

(vi) Fees paid to Statutory Auditor:

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part, are as follows:

Particulars	Amount (in lakhs)
Audit Fee	59.00
Limited Review	21.00
Other Certification Services	7.75
Reimbursement of Expenses	6.35
Total	94.10

(vii) 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) & NSE Limited (NSE)	Delay in submission of financial results for the quarter & half year ended 30th September, 2021	A fine of Rs. 1,45,000/- plus GST@18% each was levied on the Company by the respective Stock Exchanges	<p>The Company received email/letter dated 14th December, 2021 from BSE and NSE regarding non-submission of the financial results for the quarter and half year ended 30th September, 2021 ('Results') till the date of such email/letter, which was a non-compliance of Regulation 33 of SEBI (LODR) Regulations, 2015, advising the Company to pay the respective applicable fine of Rs. 1,45,000/- plus GST@18% to each Stock Exchange. The Company paid the said fine under protest to BSE and NSE and requested them to waive the fine levied and refund the amount paid on the grounds that, as was already communicated to the respective Stock Exchanges, the delay in submission of the Results was due to reasons beyond the control of the Company. The Company had earlier sought additional time for preparation/finalization of the results, since its subsidiary, Titagarh Firema S.p.A., Italy, on an entirely unavoidable ground, was awaiting the sanction of one-time debt restructuring by its Banker in accordance with the applicable regulations of their local government for a situation having arisen out of the pandemic and had requested for additional time to provide its quarterly and half yearly results which have to be consolidated with the Results of the Company.</p> <p>Further, the Company received another letter dated 30th December, 2021 from NSE levying the fine of Rs. 190,000/- + GST@18% for delay in submission of the said Results by 38 days from its due date (i.e. Rs. 5000 per day/fine amount). Since the Company had earlier paid the fine levied for 29 days, the differential amount of Rs. 45,000/- + GST@18% was paid by the Company to NSE on 5th January, 2022.</p>
2	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. T</p> <p>he 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>

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Company
3	BSE Limited (BSE) and NSE Limited (NSE)	Delay in Submission of financial results for the Quarter/Year ended 31st March 2020 as per Regulation 33 of the SEBI (LODR) Regulations, 2015	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%. 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.	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. 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. 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. NSE is yet to respond for the Company's request for waiver of fine on the subject.
4	BSE Limited (BSE) and NSE Limited (NSE)	Delay in Submission of financial results for the Quarter ended 30th June 2020 as per Regulation 33 of the SEBI (LODR) Regulations, 2015	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	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. 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

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Company
			fine of Rs. 70,000/- plus GST@18%. 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.	Exchanges on 8th October, 2020 and 14th October, 2020 respectively. 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. 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.
5	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-May2019 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. 29th May, 2019, which was an intermittent vacancy as per the Section 149(4) of the Companies Act, 2013. As per the provisions of the said Section, any intermittent vacancy of an independent director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later. Therefore, the Company had time upto 29th August, 2019 to fill the aforesaid intermittent vacancy. The Company by its letter dated 02.11.2019 wrote to the Exchange that: "if it is assumed that your office is taking a different interpretation, even then the fine should be waived since the time taken to appoint Independent Director was not intentional". The Exchange(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.

(viii) 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 Listing Regulations 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>.

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

The Company is compliant with all the mandatory requirement of Listing Regulations for 2022-23.

The following non-mandatory requirement under Listing Regulations which has been adopted is mentioned below:

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

(x) Annual Secretarial Compliance Report

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019 read with Regulation 24A of Listing Regulations, 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. Save and except the action taken by NSE Limited and BSE Limited in the matter relating to delay in submission of financial results for the quarter and half year ended 30th September, 2021, which are explained hereinabove at Sl. No. (vi), these are no observations in the said report. The report is annexed hereto – **Annexure CG-3**.

(xi) 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.

(xii) 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.

(xiii) 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 Listing Regulations.

(xiv) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

Sl. No.	Name of Party	Amount of Loan	Rate of Interest	Purpose
Not Applicable				

(xv) 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 : Friday, 29th September, 2023
 Venue : Online platform of NSDL (Deemed venue: 756 Anandapur, E.M. Bypass, Kolkata – 700107)
 Book Closure Dates : 23rd September, 2023 to 29th September, 2023 (both days inclusive)
 for Final Dividend

Dividend Payment Date: Dividend of 25% i.e. INR 0.50/- per equity share of face value of Re. 2/- each for the financial year 2022-23 has been recommended by the Board of Directors to the members for their approval. If approved, dividend shall be paid within 30 days from the date of declaration, to such members whose names appear in the Register of the Members of the Company as on close of business hours on Friday, 22nd September, 2023.

Financial Calendar	: Tentative Date
First Quarter Results	: July/August, 2023
Second Quarter Results	: October/November, 2023
Third Quarter Results	: January/February, 2024
Fourth Quarter Results	: April/May, 2024

(xvi) 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 2023-24 have been paid to both BSE and NSE. ISIN for dematerialization is INE615H01020.

(xvii) Details of unclaimed shares pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulation

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 equity shares (comprising of 9961 folios) 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, 2023, 1182 equity shares of Rs. 2/- each (comprising of 19 shareholders) 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.

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

(A) BSE Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	Sensitive Index	
2022				High	Low
April	117.30	99.35	27,47,503	60,845.10	56,009.07
May	115.05	94.00	15,61,123	57,184.21	52,632.48
June	112.90	93.35	10,70,271	56,432.65	50,921.22
July	135.50	100.95	23,41,073	57,619.27	52,094.25
August	173.05	120.25	28,95,550	60,411.20	57,367.47
September	177.80	136.45	14,39,856	60,676.12	56,147.23
October	166.90	146.00	5,25,205	60,786.70	56,683.40
November	195.65	148.30	9,98,657	63,303.01	60,425.47
December	225.25	182.00	23,85,756	63,583.07	59,754.10
2023					
January	240.00	209.00	14,19,042	61,343.96	58,699.20
February	235.90	194.80	10,79,796	61,682.25	58,795.97
March	264.80	204.65	24,86,900	60,498.48	57,084.91

(B) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	Sensitive Index	
2022				High	Low
April	117.40	99.35	2,48,98,463	18,114.65	16,824.70
May	116.30	94.00	6,53,92,465	17,132.85	15,735.75
June	112.90	93.40	1,36,06,003	16,793.85	15,183.40
July	135.55	100.85	3,02,53,259	17,172.80	15,511.05
August	174.00	120.45	3,09,95,015	17,992.20	17,154.80
September	177.90	135.80	1,25,37,122	18,096.15	16,747.70
October	166.00	147.00	1,63,69,709	18,022.80	16,855.55
November	196.55	148.65	86,89,106	18,816.05	17,959.20
December	225.50	181.05	1,95,30,197	18,887.60	17,774.25
2023					
January	239.85	209.15	1,35,64,496	18,251.95	17,405.55
February	236.00	193.30	99,54,506	18,134.75	17,255.20
March	264.95	208.50	2,63,66,643	17,799.95	16,828.35

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

The Company has engaged the services of Maheshwari Datamatics Pvt. Ltd., as the RTA. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

The Company vide its letter dated 18th May, 2023 has intimated to all its shareholders holding shares in physical mode and asked them to submit Forms ISR-1, ISR-2 and ISR-3 or SH 13 or SH 14 as prescribed by SEBI vide its circular dated November 3, 2021 & December 14, 2021. Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on the compliance of share transfer formalities on yearly basis, as a quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the stock exchanges where the shares are listed.

(xx) Categories of Shareholding as on the 31st March, 2023

Category	No. of Shares held	% of Total Shares
• Promoter & Promoter Group	5,71,84,887	47.82
• Indian Public		
Mutual Funds & UTI	76,95,962	6.43
Financial Institutions & Banks	20,246	0.016
Private Corporate Bodies	1,04,77,286	8.75
Individuals/Others	3,53,51,365	29.56
Non-Residents		
Foreign Institutional Investors/ Non-Residents	84,12,503	7.03
Clearing Members	4,28,840	0.35
TOTAL	11,95,71,089	100.00

(xxi) Dematerialization of shares and liquidity: 99.81% of total equity shares of the Company have been dematerialized as on 31st March, 2023.

(xxii) Distribution of Shareholding as on 31st March, 2023:

Range of Shares	No. of Holders	% To Holders	No. of Shares	% To Equity
1 to 5000	1,10,669	99.10	2,22,01,552	18.57
5001 to 10000	566	0.50	42,76,709	3.58
10001 to 20000	218	0.19	31,32,908	2.62
20001 to 30000	82	0.07	20,24,325	1.69
30001 to 40000	25	0.02	8,96,473	0.75
40001 to 50000	24	0.02	11,15,670	0.93
50001 to 100000	36	0.03	25,95,269	2.17
100001 & above	51	0.04	8,33,28,183	69.69
TOTAL	1,11,671	100.00	11,95,71,089	100.00

(xxiii) The Equity share of the Company have not been suspended from trading by the SEBI and / or Stock Exchanges

(xxiv) Policy for determining material subsidiary

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 Provision of Listing Regulation Titagarh Firema SpA, Italy, (TFA) ceased to be a subsidiary of the Company w.e.f. 8th September, 2022 and thereafter, was and continues to be an associate company including as at 31st March, 2023.

(xxv) Credit Rating

In August 2022, CRISIL Ratings has revised its outlook on long-term bank facilities of the Company to 'Positive' from 'Stable' while reaffirming the rating at 'CRISIL A-'.

(xxvi) Outstanding convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ ADRs/ Warrants or any Convertible instruments.

(xxvii) Commodity price risk or foreign exchange risk and hedging activities

(xxviii) The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to Corporate Governance. The Company is committed to continuously scale up the Corporate Governance standards by way of practicing good Governance to ensure transparency in the affairs of the Company.

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 Rail Systems 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 : 4th September, 2023

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, 2023.

for Titagarh Rail Systems Limited

Kolkata

Date: 4th September, 2023

Umesh Chowdhary
Vice Chairman and Managing Director

Certificate on Corporate Governance

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

I have examined the compliance of conditions of Corporate Governance by Titagarh Rail Systems Limited (CIN: L27320WB1997PLC084819) (formerly Titagarh Wagons Limited) for the year ended on 31st March, 2023, 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: 4th September, 2023

(CS Sumantra Sinha)
Practising Company Secretary
ACS-11247 / CP-15245
UDIN: A011247E000905294

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 Rail Systems Limited**

We have reviewed the financial statements read with cash flow statement of Titagarh Rail Systems Limited for the year ended on the 31st day of March, 2023 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
4th September, 2023

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 Rail Systems 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 Rail Systems Limited** (formerly 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, 2023** 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
13	SAKET KANDOI	02308252	17/03/2023

*resigned w.e.f. 17.03.2023

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: 24th May, 2023

(CS Sumantra Sinha)
Practising Company Secretary
ACS – 11247 / CP - 15245
UDIN: A011247E000356493

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 Rail Systems 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 Rail Systems 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 Rail Systems 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/KMP 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 RAIL SYSTEMS LIMITED For the year ended 31st March, 2023

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

- (a) all the documents and records made available to me and explanation provided by **Titagarh Rail Systems 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, 2023** ("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; **Not Applicable for the period under review**
- (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; **Not Applicable for the period under review**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable for the period under review**
- (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;
- (j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

and based on the above examination, I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/Remarks by PCS*
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) as notified by the Central Government under section 118 (10) of the Companies Act, 2013 and mandatorily applicable.	Yes	--
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none">All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entitiesAll the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/guidelines issued by SEBI	Yes	--

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
3	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website 	Yes	--
4	Disqualification of Director: None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	--
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Yes	(a) The Company does not have any material subsidiary as on 31.03.2023 (b) The Company has one wholly owned foreign subsidiary as on 31.03.2023
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	--
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	--
8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes NA	-- No such case
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	--
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	Yes	--
12	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	--

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019: **Not Applicable for the period under Review**

*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

(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:

(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:

Sl. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice / Warning, etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
--	--	--	NIL	--	--	--	--	--	--	--

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice / Warning, etc.)	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Submission of financial results for the Quarter & Half Year ended 30.09.2021	Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015	Delay in submission	NSE Ltd. BSE Ltd.	Imposition of Fine	Non-compliance of Regulation 33 of SEBI (LODR) Regulations 2015	1,45,000/- (plus applicable GST) to BSE and 1,90,000 (plus applicable GST) to NSE	The Company has paid in full, the fine amounts imposed by NSE and BSE in the year 2021-22	The Company has represented to the individual stock exchanges for waiver of such fine on the grounds that it had earlier communicated to them in advance about the possible delay in submission of the Results and had sought additional time for preparation/ finalization of the Results and that the timely compliance had been made impossible due to reasons beyond the control of the Company	No further/ conse-quential action was taken by the Exchanges against the Company after payment of the fine amount(s).

Note:

1. Provide the list of all the observations in the report for the previous year along with the actions taken by the listed entity on those observations.
2. Add the list of all observations in the reports pertaining to the periods prior to the previous year in case the entity has not taken sufficient steps to address the concerns raised/ observations.
E.g. In the report for the year ended 31st March, 2023, the PCS shall provide a list of:
 - all the observations in the report for the year ended 31st March, 2023 along with the actions taken by the listed entity on those observations.
 - the observations in the reports pertaining to the year ended 31st March, 2023 and earlier, in case the entity has not taken sufficient steps to address the concerns raised/ observations in those reports.)

Place : Kolkata
Date : 24th May, 2023

(CS Sumantra Sinha)
Practising Company Secretary
ACS-11247 / CP-15245
UDIN: A011247E000356592



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

FY 2022-23

TITAGARH RAIL SYSTEMS LIMITED

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Listed Entity	L27320WB1997PLC084819
2.	Name of the Listed Entity	TITAGARH RAIL SYSTEMS LIMITED (Formerly Titagarh Wagons Limited)
3.	Year of incorporation	1997
4.	Registered office address	Titagarh Towers, 756 Anandapur, E.M. Bypass, Kolkata-700107
5.	Corporate office address	same as above
6.	Email	corp@titagarh.in
7.	Telephone	033 40190800
8.	Website	www.titagarh.in
9.	Financial year reported	FY 2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up capital (INR)	11,95,71,089 equity shares of Rs. 2/- each fully paid up aggregating Rs. 23,91,42,178/-
12.	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Dinesh Arya Company Secretary & Chief Compliance Officer Phone: 9748477504 Email: dinesh.arya@titagarh.in;
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products / Services

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

Sr. No.	Description of Main Activity	Description of Business Activity	Percentage of Turnover of the entity
1.	Freight Rail Systems	Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment for Defence, Bridges Girders etc.	76.47%
2.	Passenger Rail Systems	Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.	23.53%

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

Sr. No.	Product/Service	NIC Code	Percentage of total Turnover contributed
1.	Manufacturing of Wagons, Loco Shells, bogies, couplers and construction of Warships, Passenger Vessels, Tug.	3020	76.47%
2.	Manufacturing of Metro Coaches, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors	3020	25.53%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	4	6	10
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	28
International (No. of Countries)	0

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

Response: 0.11%

c. A brief on types of customers

Response: Indian Railways, Metro Authorities, Customers in private sector, Ministry of Defence

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	593	566	95	27	5
2.	Other than Permanent (E)	49	47	96	2	4
3.	Total employees (D + E)	642	613	95	29	4
WORKERS						
4.	Permanent (F)	151	151	100	0	0
5.	Other than Permanent (G)	1600	1598	100	0	0
6.	Total workers (F + G)	1751	1749	100	0	0

b. Differently abled Employees and workers

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	0	0	0	0	0
Differently abled Workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	0	0	0	0	0

19. Participation/ Inclusion/ Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	17
Key Management Personnel (other than managing/wholtime Directors)	2	0	0

20. Turnover rate for permanent employees and workers

	Turnover rate of current FY 2022-23			Turnover rate in previous FY 2021-22			Turnover rate of the year prior to the Previous FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	43	2	45	7	2	9	-	-	-
Permanent Workers	-	-	-	-	-	-	-	-	-

IV. Holding, Subsidiary and Associate Companies (including joint ventures)

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

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	Percentage of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Titagarh Firema S.p.A	Associate Company	49.7	No
2.	Titagarh Singapore Pte Limited	Subsidiary	100	No
3.	Titagarh Mermec Private Limited	Joint Venture	50	No

V. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (INR): Rs. 2,78,052.90 lacs

(iii) Net worth (INR): Rs. 96,292.23 lacs

VI. Transparency and Disclosures Compliances

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

		FY 22-23			FY 21-22		
Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide weblink for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. For shareholders: the Company has a dedicated email ID: investors@titagarh.in;	Nil	Nil	Nil	Nil	Nil	Nil
Investors (Other than shareholders)	Email ID of the Registrar & Share Transfer Agent is: mdpldc@yahoo.com	Nil	Nil	Nil	Nil	Nil	Nil

		FY 22-23			FY 21-22		
Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide weblink for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	For other stakeholders we have a Vigil Mechanism policy/Whistle Blower Policy and the same has been uploaded on website of the Company.	5	Nil	Nil	6	Nil	Nil
Employees and workers		Nil	Nil	Nil	Nil	Nil	Nil
Customers	The email address is: vigil.auditcommittee@titagarh.in.	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners		Nil	Nil	Nil	Nil	Nil	Nil
Contract Employees	Further, all stakeholders can also email to ethics.compliance@titagarh.in.	Nil	Nil	Nil	Nil	Nil	Nil
Others (Please specify)		Nil	Nil	Nil	Nil	Nil	Nil

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format. (*NA: Not applicable)

Sr. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
1	E c o n o m i c Performance	Opportunity & Risk	Core purpose of a business organization is to generate economic value for all stakeholders. The sustained profitability and growth of the company directly impact its employees and other stakeholders	<ul style="list-style-type: none"> Company has strong focus on maintaining cost leadership, optimizing unit cost, enhancing revenue performance, and ensuring healthy liquidity. 	Positive/Negative

Sr. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
2	Sustainable Supply Chain	Opportunity	Implementing strong ESG practices throughout the value chain enables the organization to bolster local businesses, minimize its indirect environmental footprint, and foster good governance among partner organizations.	NA	Positive
3	Product Safety and Quality	Opportunity & Risk	<p>Optimizing resource utilization plays a key role in producing high-quality and safe products. This offers us a significant opportunity to meet various requirements, leveraging our diverse product portfolio and innovative approaches.</p> <p>Neglecting to uphold the safety and quality of our products has the potential to harm our brand image. This, in turn, could influence our operational activities, customer contentment, and financial performance.</p>	<ul style="list-style-type: none"> • We have Implemented robust quality control processes throughout the manufacturing, assembly, and maintenance phases to ensure that products meet safety and quality standards. • All our products undergo a proper testing and certifications from relevant authorities to validate their safety and performance claims 	Positive/Negative
4	Innovation and R&D	Opportunity	The creation of sustainable products and solutions has the potential to deliver lasting social and environmental advantages, while also generating economic benefits for the company in the long term	NA	Positive
5	Regulatory Compliance	Opportunity & Risk	<p>Failure to comply with regulatory requirements can lead to legal fines, penalties, and reputational damage for the organization.</p> <p>Adhering to regulations can enhance the company's reputation and foster positive relationships with other business entities.</p>	<ul style="list-style-type: none"> • The Company has established robust mechanisms and a management system to ensure compliance with applicable laws, regulations, standards, and ethical practices within the organization and the 	Positive/Negative

Sr. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
6	Corporate Governance and Ethics	Risk	Strong corporate governance and ethical practices are crucial for Investor Confidence, Public Perception, and Industry Reputation. Weak governance can lead to reduced investor confidence and potential impacts on the company's financial performance and reputation.	<ul style="list-style-type: none"> To ensure transparency, responsibility, compliance, ethics, and trust across business processes, as well as accountability to stakeholders, the company has established policies, a Code of Conduct, and various management systems. 	Negative
7	Energy and Emission Management	Risk	Managing energy consumption and reducing emissions are vital steps to address climate change. Embracing low-carbon technologies not only helps the organization contribute to mitigating climate change but also prepares for potential future regulations and taxes related to energy and emissions.	<ul style="list-style-type: none"> Implemented energy-efficient practices in operations and maintenance to reduce energy consumption and emissions. Renewable Energy Integration into operations. 	Negative
8	Water Use and Recycling	Risk	Water is a crucial and limited resource. Climate change has led to unpredictable weather patterns, posing a risk to ensuring a consistent and sufficient water supply for business operations.	<ul style="list-style-type: none"> Maintained a systematic and strong approach to manage and monitor water conservation efforts. Initiatives are aimed to achieve net water positivity by emphasizing groundwater recharge and rainwater harvesting. 	Negative

Sr. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
9	Waste Management	Opportunity & Risk	Through our extensive efforts in waste management with forthcoming regulatory standards, we can effectively showcase the Company's commitment to sustainability and proactively mitigate potential financial risks such as fines and penalties. Insufficient waste management and re-utilization practices may result in operational inefficiencies and impede product manufacturing.	<ul style="list-style-type: none"> A portion of the waste is repurposed as raw material for the Foundry division. Hazardous waste produced during operations is appropriately disposed of through authorized vendors 	Positive/Negative
10	Community Development	Opportunity	Engaging in community development activities enables a company to make a positive difference in society through meaningful initiatives that yield significant benefits for various communities.	NA	Positive
11	Employment	Opportunity	By implementing right hiring, retention, and talent development practices to create a diverse, inclusive, and sustainable work environment, organizations can deliver exceptional value to customers and maintain a leadership position in the industry.	NA	Positive
12	Occupational Health and Safety	Risk	Neglecting the health, safety, and wellbeing of our workforce can have a direct impact on productivity, leading to potential disruptions in business operations, reduced customer satisfaction, and overall profitability.	<ul style="list-style-type: none"> Our team is dedicated to prioritizing Occupational Health and Safety by conducting frequent internal audits, and our plants have obtained certifications under ISO14001:2015 and ISO14001:2018. We ensure regular safety trainings are provided to all employees and 	Negative

Sr. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or Negative implications)
13	Respect for Human Rights	Risk	Respecting human rights is crucial for safeguarding the well-being of our communities, employees, and stakeholders, while also mitigating regulatory risks and liabilities.	<ul style="list-style-type: none"> • We have cultivated an inclusive environment that promotes diversity and embraces employees' various capabilities, eliminating any form of discrimination. • The Company's dedication to human rights is evident in its governance practices, procurement processes, and social strategy. 	Negative
14	Industrial Labour Relations	Risk	Implementing robust labour practices enables the organization to prevent regulatory scrutiny, circumvent penalties, and empower its employees and workers	<ul style="list-style-type: none"> • The Company is fully compliant with all labour laws and regulations. • There is no use of forced, child, or compulsory labour within the Company. • Our policy framework is designed to foster a diverse, safe, and empowered workforce. 	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://titagarh.in/policies-and-codes								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14,001, ISO 45,001, UNGC guidelines, GRI – standards etc. relevant and applicable.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	We have identified key performance indicators (KPIs) for the material issues finalized through the stakeholder engagement and materiality assessment. The goals and targets against these KPIs are currently under development.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	We have identified key performance indicators (KPIs) for the material issues finalized through the stakeholder engagement and materiality assessment. The goals and targets against these KPIs are currently under development.								

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

Response: TRSL is engaged in providing mobility solutions for both freight and passengers, while remaining conscientious of the environmental, social, and governance responsibilities that come with it. The company boasts a diversified Board committed to incorporating the principles of responsible business conduct into its policies, with the aim of enhancing the well-being of the communities it serves. Beyond ethical behavior, as outlined in the Titagarh Code of Conduct, TRSL is dedicated to improving health, safety, and environmental impacts associated with its operations. The Company places a particular emphasis on ESG factors, encompassing climate, energy, water, waste management, and resource utilization. This approach ensures that Titagarh's products not only offer desired benefits to customers but also contribute to environmental preservation, address social obligations, and uphold governance standards, including equitable business practices and human rights. To this end, the Company has well-defined policies such as the Titagarh Code of Conduct, Sustainability Policies, and CSR Policy, among others, to which stakeholders are committed to adhering.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

Response:

Shri J.P. Chowdhary - Executive Chairman; (DIN 00313685);
 Shri Umesh Chowdhary - Vice Chairman & Managing Director; (DIN 00313652);
 Shri Saket Kandoi- Director (Freight Rolling Stock); (DIN 02308252)
 Shri Anil Kumar Agarwal Director (Finance) & CFO; (DIN 01501767)

9. Does the entity have a specified Committee of the Board/ Directors responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Response: Yes, the ESG Committee was constituted by the Board with the terms of its reference including the BRSR with Director (Finance) & CFO nominated as the coordinator. (The ESG Committee was subsequently merged into CSR Committee w.e.f. May 24, 2023.) The responsibility for the implementation and review of the BRSR Principles in the Company assigned to the ESG Committee has thus been vested in the CSR Committee to which the executive management is required to present a report on such implantation from time to time. CSR Committee updates the Board periodically.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action.	All the policies are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/ respective committees and placed before the BoD as and when required. In the assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with the extant regulations as applicable. In case of any non-compliances, the Company investigates and rectifies the issues with focus on system to ensure that the same does not recur.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.

Response: No

12. If answer to question (11) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Response: NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

Essential Indicators:

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	1	All	100
Key Managerial Personnel	6	Corporate Laws, Compliances, Finances, Taxation and other respective domain.	100
Employees other than BoD and KMPs	6	In their respective domain	100
Workers	6	In their respective domain	100

Note: All the principles laid down in BRSR are covered by TRSL's mandatory training which is adhered to by Board of Directors, Key Managerial Personnel, and all employees.

2. Details of fines /penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NA	NA	NA
Settlement		1. National Company Law Tribunal, Kolkata 2. Arbitration	1. Rs. 1,19,00,000 (Rupees One Crore Nineteen Lakhs Only) 2. Rs. 1,15,00,000 (Rupees One Crore Fifteen Lakhs Only)	1. Disputes with an operational creditor were settled by payment of Rs.119 lacs. 2. Dispute with a customer were settled by payment of Rs. 115 lacs by the customer	No
Compounding fee	NA	NA	NA	NA	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA				
Punishment					

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N.A.	N.A.

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

Response: Yes, our business code of conduct (Titagarh Code of Conduct) covers anti-corruption or anti-bribery related requirements. The Company has a Vigil Mechanism framed under Section 177 of Companies Act, 2013, to deal with any instances of corruption or bribery.

Weblink: https://titagarh.in/storage/report/actual/1679458487_G9qJH_titagarh-code-of-conductpdf.pdf

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

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Response: NA

Leadership Indicators:

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

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
7	All principles	90

The awareness programs of TRSL for value chain partners can be broadly classified into safety, ethics, and sustainability. Value chain partners are made aware of the high standards of safety, integrity in their dealings with the Company and adhere to its sustainability policies with emphasis on providing safe and healthy work environment to the people who work for the value chain partners.

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

Response: Yes. TRSL has formulated a Code of Conduct for the Directors & Senior Management requiring all the directors to act in the interest of the Company and eliminate any scope of conflict. The Code is affirmed by the directors and further annual declaration and disclosure of interest as and when the same arises is made by directors. The members of the Board are made aware of their statutory duties and responsibilities including their fiduciary relationship with the Company and its stakeholders. The directors recuse themselves from the proceedings when an item involving any entity is being transacted where they may even deem to be interested.

PRINCIPLE 2

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

Essential Indicators:

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

	FY 2022-23	FY 2021-22	Details of improvement in environmental & social impacts
R&D	100%	100%	The R&D expenses is in nature of employee cost incurred towards development of new design for metro coaches having social impacts on the society.
Capex	1.78%	3.77%	The capital expenditure incurred having positive impacts on both environment and society.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Response: Yes
 - If yes, what percentage of inputs were sourced sustainably?
Response: Not Available
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:

Response: NA

Plastics (including packaging)	NA
E-waste	NA
Hazardous waste	NA
Other waste	NA

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

Response: NA

Leadership Indicators:

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Response: NA

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

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Returns from Foundry	20%	18%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: NA
5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

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

PRINCIPLE 3

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

Essential Indicators:

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

Category	Percentage of workers covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Percentage of Employees (Permanent and Other employees) covered											
Male	581	581	100	0	0	0	0	581	100	0	0
Female	27	27	100	0	0	27	100	0	0	0	0
Total	608	608	100	0	0	27	4.4	581	96	0	0

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

Category	Percentage of workers covered by										
	Total (A)	Health insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day-care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Percentage of Employees (Permanent and Other employees) covered											
Male	1721	1721	100	0	0	0	0	1721	100	0	0
Female	30	30	100	0	0	27	90	0	0	0	0
Total	1751	1751	100	0	0	27	1.5	1721	98	0	0

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	87	100	Y	NA	NA	NA
Gratuity	88	9	Y	NA	NA	NA
ESI	25	100	Y	NA	NA	NA
Others- please specify	NA	NA	NA	NA	NA	NA

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

Response: Yes. We ensure that the persons with disabilities enjoy the right to equality, life with dignity and respect for his or her integrity equally with others.

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

Response: We don't have any disabled employee in our organization. However, the Titagarh Code of Conduct (accessible at the link given hereinabove) provides equal opportunity to differently abled persons.

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0

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

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. TRSL has a grievance redressal mechanism available to the employees and workers. The intent of the mechanism is ensuring that the grievance is dealt in a fair and just manner whilst being in compliance with the Company's Policies. The Company's practices encourage fair resolution of the grievances and further aims to promote a positive work environment. The Company's Vigil mechanism encourages employees to report unethical business practices at workplace without reprisal.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	
	The Employees both at corporate and factory level, can report their grievances to the HR team. In case any grievance is unresolved, the same can be escalated to the CHRO/ Compliance Officer.

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

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Permanent Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2022-23					Total (D)	FY 2021-22			
	Total (A)	On Health and Safety Measures		On Skills upgradation			On Health and Safety Measures		On Skills upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	122	31	25	60	49%	-	-	-	-	-
Female	19	4	21	9	47.3%	-	-	-	-	-
Total	141	35	24.8	112	79.4	-	-	-	-	-
Workers										
Male	1219	81	6.6	580	47.5%	-	-	-	-	-
Female	64	5	7.8	35	54.6%	-	-	-	-	-
Total	1283	86	6.7	827	64.46	-	-	-	-	-

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	478	304	63.5%	-	-	-
Female	18	16	88.88%	-	-	-
Total	496	320	64.5%	-	-	-
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

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

Response: Yes, we have implemented an occupational health and safety management system that is certifiable to ISO 14001:2015 and ISO 14001:2018. The management system is reviewed internally every year, and it is also externally certified at operating units. The efficacy of the management system is maintained and improved as part of the company-wide risk management and control process, and it is aligned with our safety principle.

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

Response: At TRSL, the process of hazards prevention and control in the workplace involves collecting existing information about hazards, inspecting the workplace for safety and health risks, conducting incident investigations, identifying hazards during emergencies and non-routine tasks, characterizing hazards, defining control measures, and prioritizing hazards based on severity and exposure potential. This systematic approach ensures the identification and mitigation of workplace hazards, maintaining a safe environment, and complying with safety regulations through ongoing monitoring and adaptation. Furthermore, we are compliant with West Bengal Factories Rules, 1958 and accordingly also have a safety manual SOP present.

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

Response: Yes, we have well defined systems and processes for workers to report work-related hazards and remove themselves from such risks. The methods used by different plants include Near miss/unsafe condition reporting, shopfloor safety meeting, safety committee meeting, daily Safety Toolbox Talk, observation reporting system through "Safety Portal", reporting of near miss incident from shop floor workmen, and interaction with workers during daily plant inspection and internal mail and phone communication.

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

Response: Yes, all the employees/workers have access to non-occupational medical and healthcare services. All our plants have either dedicated occupational health centres (OHC) or medical consultants, visiting specialist doctors, and trained paramedic staff to ensure uninterrupted emergency medical services round the clock.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	0.76	0
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	106	33
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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

Response: At TRSL, we ensure a safe and healthy workplace through multiple measures:

Induction Training: New employees and workers receive comprehensive induction training that covers safety protocols and workplace hazards.

PPE: Personal Protective Equipment, including helmets, safety shoes, goggles, etc., is provided to every worker, ensuring their safety in various roles.

Departmental Training: Safety awareness training is conducted department-wise, enhancing employees' role-specific safety understanding.

Health Check-ups: Regular health assessments are conducted to monitor employees' well-being and identify health issues early.

Safety Posters: Awareness posters across the premises reinforce safety messages and promote a vigilant culture.

Equipment Provision: Job-specific safety gear, routine workplace cleaning, proper lighting, and clean water are provided.

External Audits: Periodic safety, electrical, and structural audits by authorized vendors identify and address potential hazards.

Preventive Maintenance: Routine maintenance of movement and lifting tools ensures their reliability and reduces accident risks.

Regulatory Compliance: The entity follows state government provisions like OSEP, toolbox talks, and SOPs for machine operation.

These measures collectively create a secure work environment, ensuring employees' well-being, compliance with regulations, and a culture of safety.

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

	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1	0	Issue was resolved immediately
Health and Safety	NIL	NIL	NA

14. Assessments for the year:

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

Response: Following a worker's minor injury during grinding work, swift corrective measures were implemented to enhance safety protocols. A wheel blade guard was promptly installed on the machines involved to prevent similar incidents. To ensure comprehensive prevention, the entity introduced proper training sessions for workers, addressing safe equipment handling techniques and hazard awareness. Additionally, safety awareness programs were conducted, emphasizing the importance of adhering to safety procedures. To reinforce these initiatives, informative posters were strategically placed, serving as visual reminders of best practices. These proactive actions collectively signify the organization's commitment to employee safety, continuous improvement, and a steadfast approach to preventing future injuries in the workplace.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(a) Employees (Y/N): Yes, Suitable benefit is extended by TRSL on a case to case basis.

(b) Workers (Y/N): Yes, Suitable benefit is extended by TRSL on a case to case basis.

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

Response: The payment of statutory dues by the value chain partners is verified from the supporting papers required to be provided by them before their payment is made by the Company. Further, the online portals of the authorities concerned are also browsed for random confirmation to the extent possible.

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

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	NA	NA

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

Response: Yes

5. Details on assessment of value chain partners:

	Percentage of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

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

Response: Periodic visits are made by the TRSL's personnel to the site of value chain partners to verify the risks/concerns, if any, on health and safety practices and if/where required, corrective actions discussed through such engaging events.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

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

Response: Key stakeholder groups of the entity are identified based on pre-determined criteria including strategic, financial and others and updated from time to time by the senior management.

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

Stakeholder group	Whether identified as Vulnerable and Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors	No	Email, Meetings and Website	Need based/ any time as per mutual convenience/ monthly/quarterly	Efficient and sustainable use of natural resources, improvement in inputs, encourage small enterprises, competency development.
Employees		Email, Town Hall Meetings and Website	Need based/ any time as per mutual convenience/ monthly/quarterly	To discuss updated SOP's, Policies, Programmes and events from time to time.
Shareholders and Investors		Email, Meetings and Website	Analysts meet -Quarterly One to one investor- as and when requested.	To discuss the performance of the Company and obtain consent/approval of the shareholders as is stipulated by law and ensure smooth operation. Transparent communication/queries of the investors/corporate governance.
Customers		Email, Meetings and Website	Need based/ any time as per mutual convenience/ monthly/quarterly	Customer needs, ways to improve services, infrastructure, satisfaction survey, regular updates.

Leadership Indicators:

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

Response: The executive management at TRSL has been delegated the task of engaging with stakeholders on economic, environmental, and social topics and feedback is reported to the Board through CSR Committee.

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

Response: Yes, For environment - expert firm and for CSR - Titagarh Municipality are consulted for identifying the environmental and social aspects respectively.

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

Response: In addition to the entities named above, Chairperson of CSR Committee engages with the stakeholders concerned for implementing the projects to benefit the marginalized stakeholder groups.

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators:

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)
Employees						
Permanent	593	474	80%	-	-	-
Other than Permanent	49	39	80%	-	-	-
Total	642	513	80%	-	-	-
Workers						
Permanent	151	121	80%	-	-	-
Other than Permanent	1600	1286	80%	-	-	-
Total	1751	1400	80%	-	-	-

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

Category	FY 2022-23					Total (D)	FY 2021-22			
	Total (A)	Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	513	0	0	513	100	-	-	-	-	-
Female	21	0	0	21	100	-	-	-	-	-
Other than Permanent										
Male	68	0	0	68	100	-	-	-	-	-
Female	6	0	0	6	100	-	-	-	-	-
Workers										
Permanent										
Male	151	0	0	151	100	-	-	-	-	-
Female	0	0	0	0	0	-	-	-	-	-
Other than Permanent										
Male	1600	1600	100	0	0	-	-	-	-	-
Female	30	30	100	0	0	-	-	-	-	-

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In INR)	Number	Median remuneration/ salary/ wages of respective category (In INR)
Board of Directors (BoD)	10	16,06,667	2	6,18,334
Key Managerial Personnel	2	4,84,744	0	NA
Employees other than BoD and KMP	561	33,991	27	30,529
Workers	151	22,007	0	NA

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

Response: Yes, HR team is authorized to monitor the human rights impact or issues caused or contributed to by the business and report to CSR Committee through CHRO/ Compliance Officer.

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

Response: The Human Resource/Industrial Relation personnel at each facility and Head Office are required to take note of grievance, if any related to human rights issues and resolve them at their level or wherever necessary escalate to the CSR Committee through Compliance Officer.

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

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	NA	NA	Nil	NA	NA
Discrimination at workplace	Nil	NA	NA	Nil	NA	NA
Forced Labour/Involuntary Labour	Nil	NA	NA	Nil	NA	NA
Wages	Nil	NA	NA	Nil	NA	NA
Other human rights related issues	Nil	NA	NA	Nil	NA	NA

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

Response: The Company is committed to create a workplace that is inclusive and free from any type of discrimination or harassment. To achieve this goal, we have drafted a comprehensive ESG Policy that set guidelines to ensure that all employees are treated equally and with dignity.

The Company also has a grievance mechanism in place to report cases related to discrimination and harassment and ensure that they are addressed by an appropriate authority. Additionally, the company regularly conducts internal meetings to educate and sensitize its employees on the prevention of sexual harassment in the workplace. The Company ensures complete protection to a Whistle Blower against any fear of reprisal or retaliation of any kind and ensures protection against victimisation. The Company condemns any kind of discrimination, harassment, victimization, or any other unfair employment practice being adopted against Whistle Blowers.

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

Response: Yes. All contracts bear the affirmation from the awardee about adherence to the Titagarh Code of Conduct wherein the Company's policy on human rights is defined.

9. Assessments for the year:

	Percentage of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child Labour	100 %, the Company's operational areas are subject to periodic assessment and process control reviews. The Company's internal team verifies that that policies and procedures are being followed according to defined processes, and ensure that human rights aspects, such as child labour, sexual harassment, and minimum wages, are properly
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

Response: NA

Leadership Indicators:

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

Response: NA

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

Response: NA

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

Response: Yes.

4. Details on assessment of value chain partners:

	Percentage of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Sexual harassment	The Company has not conducted any assessment of value chain partners for Human Rights
Discrimination at workplace	
Child Labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Response: NA

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

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

Parameter	FY 2022-23 (GJ)	FY 2021-22 (GJ)
Total electricity consumption (A)	1,31,485	82,135
Total fuel consumption (B) (Diesel)	67,138	16,832
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	1,98,623	98,967
Energy intensity per crore rupee of Turnover (Total energy consumption/turnover in rupees)	0.71	0.67
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

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

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Response: NA

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

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	616	616
(ii) Groundwater	66,446	66,152
(iii) Third party water	8,604	5,739.58
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	75,666	72,508
Total volume of water consumption (in kilolitres)	75,666	72,508
Water intensity per crore rupee of turnover (Water consumed / turnover)	0.27	0.49
Water intensity (optional) – the relevant metric may be selected by the entity		

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

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Response: NA

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Kg	10,358.45	8,286.76
Sox	Kg	4,743.40	3,795.12
Particulate Matter (PM)	Kg	38,650.23	3,4509.13
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

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

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, FCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,566.04	1,499.33
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	24,742	15,669
Total Scope 1 and Scope 2 emissions per crore rupee of turnover	Metric tonnes of CO ₂ equivalent	0.10	0.11
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

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

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Response: Installation of the 803 KW Solar plant in TWL facilities, Barrackpore has been commissioned and 841537 Kwh power was generated through it during FY 22-23 which is 15.28% of the plant's total power consumption for the said FY. This has resulted in a positive impact on environment. The implementation of further capacity of solar plant is under process

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	74.55	45
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	38.71	4.54
Other Non-hazardous waste generated (H). Please specify, if any.	17,973.37	9,473
Total (A+B + C + D + E + F + G + H)	18,086.64	9,522.55
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	405.47	0
(ii) Re-used	14,517.28	7,328
(iii) Other recovery operations	0	0
Total	14,922.75	7,328

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	3,158.89	2,190
Total	3,158.89	2,190

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

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

Response: In our entity, hazardous waste category falls in Schedule I code no.21.1 Process waste, residues and sludges, code no.33.1 Empty barrels/containers/liners contaminated with hazardous chemicals/wastes. The waste is stored in a separate storage site. Furthermore, with respect to one of our units, we have membership of UCCI, Udaipur which has proper hazardous waste disposal facility, and we engage with government authorised vendors for safe waste disposal.

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

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)
1	Mal Godown Road, Bharatpur	Fabrication work	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Response: NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines /penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
The Company has stringent internal controls for ensuring compliance with all guidelines and standards set by CPCB / SPCBs. The Company aims at surpassing the minimum standards at every manufacturing stage.				

Leadership Indicators

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

Parameter	FY 2022-23 (GJ)	FY 2021-22 (GJ)
From renewable sources		
Total electricity consumption (A)	6,035	2,688
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)	6,035	2,688
From non-renewable sources		
Total electricity consumption (D)	1,25,451	79,447
Total fuel consumption (E)	67,138	16,832
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	1,92,589	96,279

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

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (GJ)	FY 2021-22 (GJ)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

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

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

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area**

(ii) **Nature of operations**

(iii) **Water withdrawal, consumption, and discharge in the following format:**

Response: NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

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

Response: Not available

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Response: No significant direct or indirect impact.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
1	APCD (Air Pollution control Device)		As per statutory

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Response: OSEP as per provision u/s 41 B of the Factories Act 1948, carried out by PDCE Group. OSEP defines hazardous & risk points at the plant premise. Action plan during emergency time. Preparation for potential and unexpected incidents at workplace are part thereof. As per report on plant on site crisis would be raised basis is made man-made cause, natural cause & extraneous. Classification of emergency L1, L2 & L3 has prepared.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Response: NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Response: 90%

PRINCIPLE 7

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

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/ associations.

Response: 4

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

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chamber of Commerce & Industry	National
2	Confederation of Indian Industry	National
3	Indian Chamber of Commerce	State
4	Bharat Chamber of Commerce	State

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

Response: NA

Leadership Indicators:

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

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

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators:

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

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

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Response: NA

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

Response: The personnel at the sites of manufacturing facilities are trained to coordinate with the local community to receive and redress grievances, if any. Furthermore, 4 Schools in and around the manufacturing facilities at Titagarh are being developed/ assisted under CSR activities with Titagarh Municipality as the Company's Implementation partner. To address concerns of these programmes we have also designated personnels who are available to address concerns raised to them.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	85.36 %	87.09 %
Sourced directly from within the district and neighbouring districts	Neighbouring districts: 94.28 % Within the district: 5.71 %	Neighbouring districts: 91.30 % Within the district: 8.69 %

Leadership Indicators:

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

Response: NA

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

Name of implementation of Agency	Project Title	Schedule 7	Project Location/s (State)	Project Location/s (District)	Total Amount Spent
NA					

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

Response: At TRSL, the policy is not to discriminate between the suppliers based on their size and provide equal opportunities to all.

(b) From which marginalized /vulnerable groups do you procure?

Response: MSMEs, Local Vendors etc.

(c) What percentage of total procurement (by value) does it constitute?

Response: Not available

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

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6. Details of beneficiaries of CSR Projects:

Sr. no	Focus Area	Project Title	Name of NGO partner	Number of beneficiaries reached	Percentage of marginalized communities
1	South Kolkata Hamari Muskan (SKHM) SKHM's primary task is to provide children, youths and mothers safe spaces with basic amenities, who are part of the red light community. SKHM's aim is care and protection of its stakeholders within those safe spaces. SKHM provides education and/or age-appropriate skill-based training combined with psychosocial interventions. Their role is to help any individual seeking to exit any harmful trade through relevant skill-based training and then linking them to alternative livelihood methods.	Education to the economically weaker section of the society under the CSR Theme: "Gyan Jyoti"	South Kolkata Hamari Muskan	230	100
2	Society for Indian Children Welfare (SICW) is a non-profit social welfare organisation serving the needs of destitute women and children for over four decades. SICW has placed more than 2,500 children in loving homes across the world.	Rehabilitation including medical care, skill-based training etc. under the CSR Theme: "Jeevan Nirog"	Society For Indian Children Welfare	9	100%
3	Annamrita focuses on providing nutritious and high-quality food relief to underprivileged communities. They work directly with central and state Govt. entities to blend excellence into their food serving program. From serving mid-day meals as lunch to school going children and serving meals to the frontline workers and the underprivileged, their food relief programs have a far reaching impact on the society at large.	Mid-day meals to school going children under the CSR Theme: "Gyan Jyoti"	Annamrita	1000	100%
4	The aim of Muskan School is to provide sound education for the children under privileged class of the society irrespective of their race, religions, cast or creed and promote literacy, cultural and other social activities, sports activities, fine arts, crafts, etc. Provide socio-economic help and assistance to poor and needy people	Education to the economically weaker section of the society at 'Muskaan School' under the CSR Theme: "Gyan Jyoti"	Muskaan School	51	100%
5	Looking after public health and sanitation and cleanliness, other public services (i.e., waste disposal, police and fire protection, water supply, health services)	Education to the economically weaker section of the society under the CSR Theme: "Gyan Jyoti"	Titagarh Municipality	The projects to be undertaken in the area of Health and Education are being identified. Funds disbursed for the purpose in March, 2023.	
6	The aim is to help in creation of infrastructure for a library cum study centre for under privileged children.	Education to the economically weaker section of the society under the CSR Theme: "Gyan Jyoti"	Bidhannagar Police Commissionerate		

PRINCIPLE 9

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

Essential Indicators:

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

Response: On receipt of customer complaints and feedback, the same is shared with the Quality and Warranty Departments. Quality and Warranty Depts. analyses the complaints for check on warranty obligations, warranty limitations in terms of period of warranty. Thereafter, communication with the customer is imparted with necessary visits and obligations are being imparted. On completion a joint note is prepared and the same is closed.

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

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

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

	FY 2022-23			FY 2021-22		
	Received during the year	Pending Resolution at end of year	Remarks	Received during the year	Pending Resolution at end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

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

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

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

Response: Yes at <https://titagarh.in/policies-and-codes>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/services.

Response: Nil

Leadership Indicators:

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Response: www.titagarh.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Response: NA

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Response: NA

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Response: NA

5. Provide the following information relating to data breaches:

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

Response: NA. No such instance of breach has happened.

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited) Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone 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, 2023, 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 Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 49 to the standalone financial statements in respect of Scheme of Amalgamation (the "Scheme") between the Company and Titagarh Bridges and International Private Limited, its subsidiary ("Transferor Company"), from the appointed date of April 1, 2021, as approved by National Company Law Tribunal vide its order dated October 26, 2022. Accordingly, the figures for the previous year ended March 31, 2022 have been restated to give effect to the aforesaid merger.

Our opinion is not modified in respect of this matter.

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
Assessment of carrying value of Investment in Titagarh Firema SpA (Refer to Note 2.9 – "Investments in Subsidiaries, Associate and Joint Venture", Refer Note 2.33 – "Critical Estimates and Judgements – Impairment of Investments in Subsidiaries, Associate and joint ventures" and Note 4 – "Non-Current Assets – Financial Assets – Investments") The Company has investment in equity shares of Titagarh Firema SpA and such investment is carried at cost, net of impairment losses, if any, in accordance with the accounting policies as stated in the notes referred to above.	Our audit procedures included the following: <ul style="list-style-type: none">• Obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the assessment of the carrying value of investments.• Checked on a sample basis relevant input data used in the impairment assessment back to the latest budgets and checked the mathematical accuracy of the impairment model.• We used auditors' expert to assess the appropriateness of the methodology used in the impairment model, the

Key Audit Matter	How our audit addressed the key audit matter
<p>For investments where an indication of impairment exists, the carrying value of investment is assessed for impairment. During the year, the Company has recognised an impairment charge of Rs. 4,972.82 lacs in respect of the above investment.</p> <p>Impairment assessment requires significant judgements and estimates such as discount rates, terminal growth rate etc.</p> <p>This has been considered as a key audit matter given the significance of the impairment charge during the year and significant management judgements and estimates involved in determining the same.</p> <p>Revenue recognition - appropriateness of estimation of contract cost and revenue recognition</p> <p>(Refer to Note 2.18 – “Revenue Recognition”, Refer Note 2.33 – “Critical Estimates and Judgements – Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time” and Note 23 – “Revenue from operations”)</p> <p>In respect of certain contracts with customers, the Company recognises revenue over a period of time in accordance with its accounting policy. This involves determination of percentage completion of the project and contract margin to be recognised on the project, which are dependent on the actual cost incurred and total budgeted cost, which is cost incurred till date and estimation of future cost to complete the contract.</p> <p>This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the project, and the related assumptions</p> <p>This has been considered as a key audit matter given the significant management judgements involved and complexities in determining costs to complete and the resulting contract margin. contract margin.</p>	<p>underlying assumptions such as discount rate, future growth rates, terminal value and performed sensitivity on key assumptions to assess the reasonableness of the impairment analysis.</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 noted that the management’s assessment in relation to the carrying value of Titagarh Firema SpA is reasonable.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding, evaluated the design, and tested the operating effectiveness of key controls around estimation of contract margin and costs to complete the contracts. Inquired with the management the status of the contracts, the basis for estimates of cost to complete the contracts and other factors such as consideration of any specific identified risks. Verified on a sample basis the contract revenue with the underlying contracts and other relevant terms and conditions as appropriate. Tested on a sample basis the actual costs incurred during the year with supporting documents. Tested on a sample basis the cost to complete with order placed with vendors, and other relevant supporting documents, as appropriate. Recomputed the percentage of completion based on the budgeted cost and the total actual cost incurred and the revenue recognized based on the percentage of completion. Evaluated the adequacy of the disclosures made in the standalone financial statements. <p>Based on the above procedures performed, management’s estimation of contract cost and revenue recognition is considered reasonable.</p>

Other Information

- The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor’s report thereon. The Annual report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

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

9. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone 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 standalone 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.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures,

and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls 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 (as amended), 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 16 and 39 to the standalone financial statements.
 - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. In respect of derivative contracts, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses – Refer Note 45.1 to the standalone financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to

the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(vi)(A) to the standalone financial statements)

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51(vi)(B) to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

16. 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

Pramit Agrawal

Partner

Membership Number 099903

UDIN: 23099903BGWLOH5929

Place: Kolkata

Date: May 24, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) on the standalone financial statements for the year ended March 31, 2023

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 Rail Systems Limited (formerly known as Titagarh Wagons Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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.
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 controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Pramit Agrawal

Partner

Membership Number: 099903

UDIN : 23099903BGWLOH5929

Place: Kolkata

Date: May 24, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) on the standalone financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. Certain fixed assets of the Company, representing 368 railway wagons having an aggregate carrying value of Rs 385.12 lacs as at March 31, 2023 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3.1, Note 3.3 and Note 3.5 to the standalone financial statements in respect of property, plant and equipment, investment properties and right respectively, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land	155.67	Titagarh Shipyard Limited	No	April 1, 2015	Pursuant to order of Hon'ble National Company Law Tribunal, Kolkata bench passed on July 12, 2016, the erstwhile Titagarh Shipyard Limited got merged with the company with the appointed date as April 1, 2015. The Company is yet to submit an application to the relevant authority for changing the name.
Freehold Land	4,734.83	M/s Birla Brothers Ltd	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal, Kolkata bench passed on October 1, 2020. The erstwhile Cimmco Limited (earlier known as M/ S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Leasehold Land	19,724.09	Cimmco Birla Limited	No	April 1, 2019	

Description of property	Gross carrying value (Rs in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Freehold Land	3,391.29	Titagarh Steels Limited	No	April 1, 2019	Pursuant to order of Hon'ble High Court Calcutta passed on November 26, 2009, the erstwhile Titagarh Steels Limited got merged with the company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Building	117.04	Ms. Savitri Devi Chowdhary	Relative of Promoter	March 28, 2001	The Company is yet to initiate the process for transfer of property.
Investment Property	821.24	Cimmco Birla Limited	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal, Kolkata bench passed on October 1, 2020. The erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. 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 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such

banks, which are in agreement with the unaudited books of account.

- iii. (a) The Company has made investment in one company. The Company has not granted secured/unsecured loans/advances in nature of loans or stood guarantee or provided security to any Company/firm/Limited Liability Partnership/other party during the year.
- (b) In respect of the aforesaid investment, the terms and conditions under which such investment was made are not prejudicial to the Company's interest.
- (c) During the year the outstanding loan balance which was repayable on demand was converted into investment. Therefore, in the absence of stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal till the date of aforesaid conversion. In respect of interest, party is not regular in payment of interest as applicable till date of aforesaid conversion, which is tabled below.

Name of the entity	Amount (Rs in lacs)	Due Date	Extent of delay	Remarks (if any)
Titagarh Firema SpA	3.95 3.55	May 10, 2022 June 10, 2022	79 days 48 days	Amount realised on July 28, 2022

- (d) In respect of the loans /advances in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans /advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 50 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, professional tax, employees' state insurance, service tax, cess and other material statutory dues which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Net Amount (Rs. In Lacs)	Amount of Deposit (Rs. In Lacs)	Period to which the amount relates	Forum where the dispute is pending
The Income-Tax Act, 1961	Income Tax	3,013.15	-	AY 2017-2018, AY 2018-2019	CIT(A)
		563.17	-	AY 2005-2006, AY 2011-2012, AY 2012-2013, AY 2013-2014	Income Tax Appellate Tribunal
The Custom Act, 1962	Custom Duty	1,222.71	-	2004-2005, 2006-2007	CESTAT
		30.63	-	1992-1993	Additional Commissioner Customs
		58.80	3.20	1986-1987, 1998-1999, 2000-2001	Deputy Director of Enforcement
The West Bengal Sales Tax Act, 1944	Sales Tax	5.24	-	2004-2005	The West Bengal Taxation
		8.99	0.93	2016-2017	Additional Commissioner of Commercial Tax West Bengal
The Rajasthan Sales Tax Act	Sales Tax	19.99	-	2015-2016 to 2017-2018	Deputy Commissioner Appeal
		154.74	0.59	2014-2015	Joint Commissioner Appeals
		111.92	-	2013-2014	Rajasthan Tax Board
		391.69	25.53	2017-2018	The Additional Commissioner, Appellate Authority
The Orissa Sales Tax Act	Sales Tax	117.60	-	1999-2001	High Court
The West Bengal Value Added Tax Act, 2003	Value Added Tax	1,499.04	151.00	2012-2013 to 2017-2018	The West Bengal Taxation
		17.43	-	2010-2011	Additional Commissioner of Commercial Tax West Bengal

Name of the statute	Nature of dues	Net Amount (Rs. In Lacs)	Amount of Deposit (Rs. In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Foreign Trade Development and Regulation Act, 1992	Terminal Excise Duty	693.20	-	2008-2010	Directorate General of Foreign Trade
Orissa Entry Tax Act	Entry Tax	15.82	-	1999-2001	High Court
		7.60	-	2013-2014	Appellate Authority
The Central Excise Act, 1944	Excise Duty	599.61	7.43	1999-2000, 2011-2012, 2015-2016, 2007-2012	Customs, Excise and Service Tax Appellate Tribunal
		393.93	4.93	2011-2015	Additional Commissioner of Central Excise and Service Tax
		74.56	5.35	2009-2011, 2014-2016	Assistant Commissioner of Central Excise and Service Tax
		12,068.53	56.77	1995-1996, 2006-2007 to 2013-2014	Commissioner of Central Excise and Service Tax
		122.94	5.64	2007-2008 to 2013-2014	Commissioner of Central Excise (Appeal)
		36.60	0.76	2014-2017	Commissioner (Appeal)
		452.43	21.01	2013-2016	Joint Commissioner of Central Excise and Service Tax
		126.27	-	1989-1994	Supreme Court

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) 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 other borrowings or in the payment of interest to any lender during the year.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the Company has not utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, as detailed below:

Nature of the fund raised	Name of the lender	Amount diverted (Rs. In Lacs)	Purpose for which amount was sanctioned	Purpose for which amount was utilised	Remarks
Term Loan	ICICI Bank Limited	4,962.50	Capital expansion	Not utilised	Amount received on March 31, 2023 and is lying unutilised in the Company's Bank account.

Also refer Note 15(h) to the standalone financial statements.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary, joint venture or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CIC as part of the Group as detailed in note 51(x) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 52 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) The Company is not required to spend any amount under section 135(5) of the Act since the average of last three years net profit is a net loss. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company. (Refer Note 30.1 to the standalone financial statements).
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Pramit Agrawal

Partner

Membership Number: 099903

UDIN : 23099903BGWLOH5929

Place: Kolkata

Date: May 24, 2023

STANDALONE BALANCE SHEET as at March 31, 2023

(Rs. in Lacs)

	Notes	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	3.1	62,001.02	60,754.26
b) Right-of-Use Assets	3.5	10,191.97	5,991.81
c) Capital Work-in-progress	3.4	1,227.91	-
d) Investment Properties	3.3	821.24	821.24
e) Intangible Assets	3.2	164.09	252.21
f) Financial Assets			
i) Investments	4	4,452.93	6,012.61
ii) Other Financial Assets	7	6,060.15	3,818.44
g) Contract Assets	9	87.38	-
h) Non-current Tax Asset (Net)	8	2,868.68	2,651.75
i) Other Non-current Assets	10	4,106.41	4,149.39
Total Non-current Assets		91,981.78	84,451.71
Current Assets			
a) Inventories	11	46,137.13	31,224.49
b) Financial Assets			
i) Trade Receivables	5	27,914.49	19,872.96
ii) Cash and Cash Equivalents	12.1	4,079.23	632.91
iii) Bank Balances other than (ii) above	12.2	4,457.79	3,309.76
iv) Loans	6	-	1,608.54
v) Other Financial Assets	7	634.22	4,054.13
c) Contract Assets	9	27,080.65	9,871.13
d) Other Current Assets	10	22,380.16	13,473.87
Total Current Assets		1,32,683.67	84,047.79
Asset held for sale	3.6	71.13	-
TOTAL - ASSETS		2,24,736.58	1,68,499.50
II. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	2,391.42	2,391.42
b) Other Equity	14	93,900.81	84,584.29
Total Equity		96,292.23	86,975.71
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	4,962.50	5,286.09
ii) Lease Liabilities	3.5	9,945.92	5,665.56
b) Contract Liabilities	21	2,826.72	-
c) Provisions	16	343.64	340.93
d) Deferred Tax Liabilities (Net)	18	1,346.36	1,454.38
Total Non-current Liabilities		19,425.14	12,746.96
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	19,969.91	8,589.95
ii) Lease Liabilities	3.5	447.69	260.81
iii) Trade Payables	19	-	-
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		574.92	686.99
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		31,725.85	22,272.91
iv) Other Financial Liabilities	20	751.13	493.96
b) Contract Liabilities	21	53,863.86	33,790.82
c) Other Current Liabilities	22	306.62	226.69
d) Provisions	16	772.12	854.27
e) Current Tax Liabilities (Net)	17	527.61	1,600.43
Total Current Liabilities		1,08,939.71	68,776.83
Liabilities held for sale	3.6	79.50	-
TOTAL - LIABILITIES		1,28,444.35	81,523.79
TOTAL - EQUITY AND LIABILITIES		2,24,736.58	1,68,499.50
Summary of significant accounting policies	2		

The above standalone balance sheet should be read in conjunction with the accompanying notes.

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 Rail Systems Limited
(formerly Titagarh Wagons Limited)

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 24, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 24, 2023

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Dated: May 24, 2023

Pramit Agrawal
Partner
Membership No. 099903

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

Saurav Singhania
Group Finance Controller and
Jt. Chief Financial Officer

Dinesh Arya
Company Secretary

Place: Kolkata
Dated: May 24, 2023

Place: Kolkata
Dated: May 24, 2023

Place: Kolkata
Dated: May 24, 2023

Place: Kolkata
Dated: May 24, 2023

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2023
(Rs. in Lacs)

	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Income			
Revenue from Operations	23	2,78,052.90	1,49,551.20
Other Income	24	4,398.39	1,806.20
Total Income		2,82,451.29	1,51,357.40
Expenses			
Cost of Raw Materials and Components Consumed	25	2,16,541.91	1,06,346.07
Changes in Inventories of Finished Goods, Work in progress and Saleable Scrap	26	(1,536.56)	1,032.25
Employee Benefits Expense	27	5,652.64	4,542.08
Finance Costs	28	8,074.67	5,726.79
Depreciation and Amortization Expense	29	2,250.35	1,838.34
Other Expenses	30	30,963.52	20,795.53
Total Expenses		2,61,946.53	1,40,281.06
Profit before exceptional items and tax		20,504.76	11,076.34
Exceptional items	32	4,627.55	4,802.46
Profit Before Tax		15,877.21	6,273.88
Income Tax Expense	31		
Current Tax		5,305.50	2,632.45
Deferred Tax - Charge / (Credit)		235.07	292.66
Total Tax Expense		5,540.57	2,925.11
Profit for the Year after Tax		10,336.64	3,348.77
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss in subsequent periods :			
Remeasurement Gains / (Losses) on Defined Benefit Plans		(2.10)	19.50
Income Tax on above		0.53	(4.91)
Item that will be reclassified to Profit or Loss in subsequent periods :			
Fair Value changes of Cash Flow Hedges		(1,361.11)	743.00
Income Tax on above		342.56	(187.00)
Other Comprehensive Income for the year (Net of taxes)		(1,020.12)	570.59
Total Comprehensive Income for the Year		9,316.52	3,919.36
Earnings per Equity Share			
[Nominal Value of Share Rs. 2/- (March 31, 2022: Rs 2/-)]	33		
Basic (In Rs.)		8.64	2.80
Diluted (In Rs.)		8.64	2.80
Summary of Significant Accounting Policies	2		

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.

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 Rail Systems Limited
(formerly Titagarh Wagons Limited)

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 24, 2023

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

Place: Kolkata
Dated: May 24, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 24, 2023

Saurav Singhania
Group Finance Controller and
Jt. Chief Financial Officer

Place: Kolkata
Dated: May 24, 2023

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Dated: May 24, 2023

Dinesh Arya
Company Secretary

Place: Kolkata
Dated: May 24, 2023

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated: May 24, 2023

STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2023

(Rs. in Lacs)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. Cash Flows from Operating Activities		
Profit before Tax	15,877.21	6,273.88
Adjustments for:		
Depreciation and Amortisation Expense	2,250.35	1,838.34
Finance Cost	8,074.67	5,726.79
Employee Stock Option Expenses	-	16.67
Warranty Claims (Net)	-	(8.18)
Unrealised Foreign Exchange Fluctuations (Gain)/ Loss (net)	(1,464.85)	20.13
Irrecoverable Debts/ Advances Written Off (net)	2,526.81	2,253.48
Net (Gain)/ Loss on Disposal of Property, Plant and Equipment	(17.95)	(290.32)
Net Gain on Disposal of Investment	-	(24.27)
Fair Value Gain on Investment - FVTPL	(164.55)	(183.28)
Unspent Liabilities / Provisions No Longer Required Written Back	(467.07)	(14.20)
Interest Income	(750.15)	(609.74)
Other Income for Security Deposit of Leases	(16.55)	(6.77)
Exceptional Items - Non Cash Portion	4,972.82	4,802.46
Operating Profit before Changes in Operating Assets and Liabilities	30,820.74	19,794.99
Increase/(Decrease) in Trade Payables	9,620.45	9,440.65
Increase/(Decrease) in Contract Liabilities	22,899.76	6,908.30
Increase/(Decrease) in Non-current and Current Financial and		
Non-financial Liabilities and Provisions	400.41	(259.49)
(Increase)/ Decrease in Trade Receivables	(6,710.31)	(7,798.20)
(Increase)/ Decrease in Inventories	(17,277.43)	(13,652.88)
Decrease/ (Increase) in Contract Assets	(17,296.90)	(8,970.80)
(Increase)/Decrease in Non-current and Current Financial and Non-Financial Assets	(9,664.16)	(914.12)
Cash Generated From (Used in) Operations	12,792.56	4,548.45
Income Taxes Paid (Net of Refunds)	(6,595.25)	(1,054.94)
Net Cash From (Used in) Operating Activities	6,197.31	3,493.51
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment including		
Capital Work-in-Progress and Intangible Assets	(3,674.09)	(7,841.06)
Proceeds from Disposal of Property, Plant and Equipment	23.18	612.88
Investments in Subsidiaries	(1,640.06)	-
Fixed Deposits Made	(7,125.07)	(10,191.89)
Fixed Deposits Matured	4,053.43	12,079.58
Proceeds from sale of non - current Investment	-	(1,004.21)
Interest Received	615.88	482.22
Net Cash From (Used in) Investing Activities	(7,746.73)	(5,862.48)

STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2023

(Rs. in Lacs)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
C. Cash Flows from Financing Activities		
Repayment of Long-term Borrowings	(2,705.03)	(6,777.99)
Proceeds from Long-term Borrowings	4,962.50	-
Proceeds from Loan from Related Parties	-	2,000.00
Repayment of Loan to Related Parties	(2,000.00)	-
Payment of Lease Liabilities	(864.83)	(385.75)
Short Term Borrowings - Receipts/ (Payments) (net)	10,798.89	5,884.89
Finance Costs Paid	(5,193.51)	(3,004.66)
Proceeds from Issue of Employee Stock Option Scheme	-	81.13
Dividend Paid (including Dividend Distribution Tax) for earlier years	(2.28)	(2.73)
Net Cash From (Used in) Financing Activities	4,995.74	(2,205.11)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	3,446.32	(4,574.08)
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	632.91	5,206.99
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	4,079.23	632.91

The following transactions being non cash in nature have been excluded from above Cash Flow Statement -

- conversion of loan of Rs. 1,608.54 lacs to investment in subsidiary
- loss of control in subsidiary resulting in such investment of Rs. 1,272.63 lacs being classified as investment in associate."
 - The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
 - Refer Note 47 for Debt Reconciliation.

The above standalone cash flow statement should be read in conjunction with the accompanying notes.

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 Rail Systems Limited
(formerly Titagarh Wagons Limited)

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 24, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 24, 2023

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Independent Director
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Group Finance Controller and
Jt. Chief Financial Officer

Dinesh Arya
Company Secretary

Place: Kolkata
Dated: May 24, 2023

Place: Kolkata
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Place: Kolkata
Dated: May 24, 2023

Place: Kolkata
Dated: May 24, 2023

Standalone Statement of Changes in Equity for the year ended March 31, 2023

A) Equity Share Capital (Refer Note 13)

(Rs in Lacs)

Particulars	Number in Lacs	Amount
Balance as at April 1, 2021	1,193.87	2,387.75
Changes in Equity Share Capital	-	-
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	1.84	3.67
Balance as at March 31, 2022	1,195.71	2,391.42
Changes in Equity Share Capital	-	-
Balance as at March 31, 2023	1,195.71	2,391.42

B) Other Equity

(Rs in Lacs)

Particulars	Other Equity (Refer Note 14)							Total
	Securities Premium Account	General Reserve	Capital Reserve	Employee Stock Options Outstanding Account	Equity Component of compound financial instruments	Hedge Reserve Account	Retained Earnings	
Balance as at April 1, 2021	40,820.00	5,411.39	5,691.15	166.61	515.69	434.20	28,047.44	81,086.48
Profit for the Year	-	-	-	-	-	-	3,348.77	3,348.77
Other Comprehensive Income (Net of Tax)								
- Remeasurement (Gains)/ Losses on Defined Benefit Plans	-	-	-	-	-	-	14.59	14.59
- Fair value change of cash flow hedges	-	-	-	-	-	556.00	-	556.00
Total Comprehensive Income for the year	-	-	-	-	-	556.00	3,363.36	3,919.36
Transactions with Owners in their Capacity as Owners:								
Premium on Issue of Equity Shares pursuant to ESOP Scheme	77.46	-	-	-	-	-	-	77.46
Recognition of Share Based Payment	-	-	-	16.68	-	-	-	16.68
Transfer from ESOPs Outstanding Account on Exercise and Lapse	166.91	-	-	(183.29)	-	-	16.38	-
Derecognition on redemption of debentures (Net of Tax)	-	-	-	-	(515.69)	-	-	(515.69)
Balance as at March 31, 2022	41,064.37	5,411.39	5,691.15	-	-	990.20	31,427.18	84,584.29
Profit for the Year	-	-	-	-	-	-	10,336.64	10,336.64
Other Comprehensive Income (Net of Tax)								
- Remeasurement (Gains)/ Losses on Defined Benefit Plans	-	-	-	-	-	-	(1.57)	(1.57)
- Fair value change of cash flow hedges	-	-	-	-	-	(1,018.55)	-	(1,018.55)
Total Comprehensive Income for the year	-	-	-	-	-	(1,018.55)	10,335.07	9,316.52
Balance as at March 31, 2023	41,064.37	5,411.39	5,691.15	-	-	(28.35)	41,762.25	93,900.81

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

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 Rail Systems Limited (formerly Titagarh Wagons Limited)

For Price Waterhouse & Co

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 24, 2023

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Vice Chairman and Managing Director
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Group Finance Controller and
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Company Secretary

Place: Kolkata
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Dated: May 24, 2023

Place: Kolkata
Dated: May 24, 2023

Note to Standalone Financial Statements as at and for the year ended March 31, 2023

1 Corporate Information

Titagarh Rail Systems Limited (Formerly 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 as detailed under segment information in Note 42. The Company caters to both domestic and export market.

The standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on May 24, 2023.

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.

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

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 Company as under residual value guarantees.
- Exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- 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:

- 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 Rail Systems Limited (Formerly 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.

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, Associates 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.

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.

Equity Instruments

The Company subsequently measures all equity investments (other than investments in subsidiaries, associates 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 45(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, Associates and Joint Venture

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

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business.

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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 Offsetting Financial Instruments

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

2.15 Financial Guarantee Contracts

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

2.16 Cash and Cash Equivalents

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

2.17 Borrowing Costs

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

2.18 Revenue Recognition

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 transaction price (net of variable consideration, if any). The transaction price is the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable.

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

Sale of Products

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

Revenue from sale of specialized products

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

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

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

2.19 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

2.20 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve

months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

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

2.21 Share Based Payments

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

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

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

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

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

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

2.22 Income Taxes

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

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

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

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

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

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

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

2.23 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is

probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

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

Warranties

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

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations, deduction made by the customers, as the case may be based on management's best estimate of the expenditure required to settle the 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 2.24

Onerous Contract

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

2.24 Contingencies

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

2.25 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

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

(ii) Diluted Earnings Per Equity Share

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

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

2.26 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, being the Board of Directors.

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 42 for segment information presented.

2.27 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.

2.28 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.

2.29 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.

2.30 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.

2.31 (a) 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.

(b) Derivative Instruments

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

2.32 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.

2.33 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.20 and 34**

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 45(II)(c)**

The risk of uncollectibility of trade receivables and other receivables is primarily estimated based on prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history etc. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically. 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. Further, the Company has also applied the simplified approach for expected credit loss on trade receivable and contract assets.
- **Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets— Notes 2.2, 2.3, 3.1, 3.2 and 3.5**

Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment, right of use assets and intangible assets.
- **Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time- Notes 2.18 and 23**

For contracts wherein performance obligation are satisfied over time, an entity recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, in order to depict an entity's performance in transferring control of goods or services promised to a customer. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract and price variations etc. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.
- **Litigations, Claims and Contingencies — Notes 2.23, 2.24 and 39**

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.
- **Valuation of Deferred Tax Assets — Notes 2.22 and 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 2.23 and 16**

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, Associates and Joint Ventures — Notes 2.9 and 4**

Determining whether the investments in subsidiaries, associates and joint ventures 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, associates and joint ventures.

- **Fair Value Measurements — Notes 2.8(vii) and 44**

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.

2.34 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Company
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

2.35 Assets (or disposal groups) held for sale

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group),

but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods."

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

3.1 Property, Plant and Equipment

(Rs. in Lacs)

	Freehold Land [Refer (a) below]	Leasehold Land [Refer (a) below]	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, 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
Additions	-	-	-	2,559.82	3,469.47	-	105.20	10.04	57.37	63.21	29.22	6,294.33
Disposals	-	-	-	136.67	-	205.95	-	-	-	-	9.69	352.31
As at March 31, 2022	23,420.99	20,059.70	70.94	10,623.90	12,524.13	457.90	514.52	396.76	220.72	419.08	302.36	69,011.00
Additions	-	814.08	-	106.13	1,264.67	-	257.90	5.91	22.34	97.12	96.22	2,664.37
Disposals	3.19	-	-	-	-	51.91	-	-	-	-	10.82	65.92
As at March 31, 2023	23,417.80	20,873.78	70.94	10,730.03	13,788.80	405.99	772.42	402.67	243.06	516.20	387.76	71,609.45
Accumulated Depreciation												
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
Charge for the year	-	166.35	12.24	261.12	588.39	-	15.35	37.42	10.42	51.00	32.84	1,175.13
Disposals	-	-	-	14.66	-	9.70	-	-	-	-	5.37	29.73
As at March 31, 2022	-	1,165.43	70.61	1,401.62	4,472.38	27.43	152.43	245.83	132.28	324.86	156.51	8,149.38
Charge for the year	-	172.76	-	301.26	711.95	-	21.67	38.58	24.68	57.85	38.29	1,367.04
Disposals	-	-	-	-	-	6.56	-	-	-	-	8.79	15.35
As at March 31, 2023	-	1,338.19	70.61	1,702.88	5,184.33	20.87	174.10	284.41	156.96	382.71	186.01	9,501.07
Impairment												
As at March 31, 2021	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Net Carrying Amount												
As at March 31, 2022	23,420.99	18,894.27	0.33	9,222.28	7,944.39	430.47	362.09	150.93	88.44	94.22	145.85	60,754.26
As at March 31, 2023	23,417.80	19,535.59	0.33	9,027.15	8,497.11	385.12	598.32	118.26	86.10	133.49	201.75	62,001.02

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

- 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	Gross Carrying Amount		Whether the title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
	As at March 31, 2023	As at March 31, 2022			
Freehold Land	4,734.83	4,734.83	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata bench passed on October 1, 2020. The erstwhile Cimco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimco Birla Limited) got merged with the company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Freehold Land	3,391.29	3,391.29	No	April 1, 2019	Pursuant to order of Hon'ble High Court Calcutta passed on November 26, 2009, the erstwhile Titagarh Steels Limited got merged with the company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Freehold Land	155.67	158.86	No	April 1, 2015	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata bench passed on July 12, 2016, the erstwhile Titagarh Shipyard Limited got merged with the company with the appointed date as April 1, 2015.
Leasehold Land	19,724.09	19,724.09	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata bench passed on October 1, 2020. The erstwhile Cimco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimco Birla Limited) got merged with the company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Building	117.04	117.04	Relative of Promoter	March 28, 2001	The Company is yet to initiate the process for transfer of property

Notes to Financial Statements as at and for the year ended March 31, 2023

- b) Refer Note 38 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
- c) Refer Note 15 for information on Property, Plant and Equipment pledged as security by the Company.
- d) Assets pledged as security for term loans availed by an erstwhile Subsidiary Company, now an associate w.e.f September 9, 2022.

The Company has provided pari pasu security of its land at Bharatpur (Gross book value of Rs. 16,964.87 Lacs) against a term loan of Euro. 50 million and overdraft facility of Euro 30 million sanctioned by Bank of Baroda to Titagarh Firema S.p.A, an associate of the Company (w.e.f September 9, 2022). Refer Note 41.

Represents 368 Railway Wagons sub leased to Indian Railways. As per Arbitration Award dated July 3, 2019, use of said wagons have been restricted by Indian Railway and Indian Railway has been instructed to give the possession back to the Company, being the sole and beneficial owner of said wagons. The realisable value of 368 wagons as per management estimate is estimated to be more than the book value of Rs. 385.12 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, 2021	698.10	227.79	1,556.46	880.39	3,362.74
Additions	6.88	-	-	-	6.88
Disposals	-	-	-	-	-
As at March 31, 2022	704.98	227.79	1,556.46	880.39	3,369.62
Additions	24.52	-	31.19	-	55.71
Disposals	-	-	-	-	-
As at March 31, 2023	729.50	227.79	1,587.65	880.39	3,425.33
Accumulated Amortisation					
As at March 31, 2021	397.53	170.83	1,279.30	396.17	2,243.83
Charge for the year	96.73	56.96	213.13	-	366.82
Disposals	-	-	-	-	-
As at March 31, 2022	494.26	227.79	1,492.43	396.17	2,610.65
Charge for the year	91.32	-	52.51	-	143.83
Disposals	-	-	-	-	-
As at March 31, 2023	585.58	227.79	1,544.94	396.17	2,754.48
Impairment					
As at March 31, 2021	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2022	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2023	22.54	-	-	484.22	506.76
Net Carrying Amount					
As at March 31, 2022	188.18	-	64.03	-	252.21
As at March 31, 2023	121.38	-	42.71	-	164.09

Notes to Financial Statements as at and for the year ended March 31, 2023

3.3 Investment Properties

(Rs. in Lacs)
Freehold Land

Carrying Amount as at March 31, 2021	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2022	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2023	821.24

Particulars	Gross Carrying Amount		Title deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter/ director of employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
	As at March 31, 2023	As at March 31, 2022				
Investment Properties	821.24	821.24	Original copy of title deeds not available with the Company. In the name of erstwhile Cimmco Birla Limited, which got merged with the Company	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal, Kolkata bench passed on October 1, 2020, The erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.

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, 2023, fair valuation of the two properties is estimated to be Rs. 1,139.54 Lacs (March 31, 2022: Rs. 1,053.34 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The 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, 2023 and March 31, 2022 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Market Rate for Land owned by the erstwhile Cimmco Ltd (since merged with the Company)	5% Increase (Decrease) in the Market Rate would result in Increase (Decrease) in fair value by Rs 57.01 Lacs (March 31, 2022: Rs 52.67 Lacs)

3.4 Capital work in progress

(Rs. in Lacs)

(i) Movement in Capital work in progress	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	-	1,628.92
Additions during the year	2,589.97	4,643.05
Capitalised during the year	(1,362.06)	(6,271.97)
Balance at the end of the year	1,227.91	-

Notes to Financial Statements as at and for the year ended March 31, 2023

Capital work in progress primarily includes construction of new office and sheds and ongoing installation of new machineries etc. in the factories located in West Bengal.

(Rs. in Lacs)

(ii) Age analysis of Capital work in progress

As on March 31, 2023

	Amounts in Capital work-in-progress for				
	Less than one year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Projects in progress	1,227.91	-	-	-	1,227.91
Total	1,227.91	-	-	-	1,227.91

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(Rs. in Lacs)

As on March 31, 2022

	Amounts in Capital work-in-progress for				
	Less than one year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

3.5 Right-of-use assets and leases

(Rs. in Lacs)

The Company's leasing arrangement includes land having a fixed lease term of 10 years. During the year, office space taken on lease in earlier years has been transferred to Assets held for sale. Refer Note 3.6.

(i) Amount recognised in balance sheet

	Land	Building	Total
Gross Carrying Amount			
As at March 31, 2021	-	162.14	162.14
Additions	6,136.05	-	6,136.05
Disposals	-	-	-
As at March 31, 2022	6,136.05	162.14	6,298.19
Additions	5,010.77	-	5,010.77
Assets included in a disposal group classified as held for sale	-	162.14	162.14
As at March 31, 2023	11,146.82	-	11,146.82
Accumulated Depreciation			
As at March 31, 2021	-	9.99	9.99
Charge for the year	255.88	40.51	296.39
Disposals	-	-	-
As at March 31, 2022	255.88	50.50	306.38
Charge for the year	698.97	40.51	739.48
Assets included in a disposal group classified as held for sale	-	91.01	91.01
As at March 31, 2023	954.85	-	954.85
Net Carrying Amount			
As at March 31, 2022	5,880.17	111.64	5,991.81
As at March 31, 2023	10,191.97	-	10,191.97
Lease liabilities	Non-current	Current	Total
As at March 31, 2022	5,665.56	260.81	5,926.37
As at March 31, 2023	9,945.92	447.69	10,393.61

Notes to Financial Statements as at and for the year ended March 31, 2023

(ii) Amounts recognised in the statement of profit and loss

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

	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right of use assets (Refer Note no 29)	739.48	296.39
Interest expense (included in finance costs) (Refer note no 28)	575.14	223.81
Expenses relating to short term leases (included in other expenses, Refer Note 30)	102.57	433.79
Total	1,417.19	953.99

(iii) The total cash outflow for leases for the year was Rs. 864.83 Lacs (March 31, 2022 Rs. 385.75 Lacs)

(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.

3.6 Asset held for sale

	As at March 31, 2023	As at March 31, 2022
Office space at Hyderabad	71.13	-
Total	71.13	-

Liabilities held for sale

	As at March 31, 2023	As at March 31, 2022
Office space at Hyderabad	79.50	-
Total	79.50	-

Note :

The Board of directors of the Company in its meeting held on March 18, 2023 decided to incorporate a new company in India in a joint venture with Titagarh Firema SpA, (TFA), Italy to acquire the Company's Design Centre in Hyderabad to support the Passengers Rail System. The new company with the proposed name: Titagarh Firema Engineering Services Pvt. Ltd. will carry on the business of research, engineering and design related services. Titagarh Board has approved a maximum investment of Rs. 5 crores in the Joint Venture Company with 51% of the equity to be held by TFA and 49% by Titagarh, India. Accordingly, the assets and liabilities relating to the design centre in Hyderabad has been disclosed as assets held for sale. The Company expects its completion by June 30, 2023.

Notes to Financial Statements as at and for the year ended March 31, 2023

4 Investments (Non-current)

	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	As at	As at
	2023	2022		March 31, 2023 (Rs. In Lacs)	March 31, 2022 (Rs. In Lacs)
Investment in Equity Shares					
In Subsidiary Companies (Unquoted) (at Cost)					
Titagarh Wagons AFR (a)	70,00,500	70,00,500	EURO 1	-	-
[Net of Rs. 4,883.89 Lacs impairment (March 31, 2022: Rs. 4,883.89 Lacs)]					
Titagarh Singapore Pte Limited (*) (a)	10,00,000	10,00,000	USD 1	-	-
[Net of Rs. 12,743.65 Lacs impairment (March 31, 2022: Rs.12,743.65 Lacs)]					
Titagarh Firema S.p.A (**), (#) and (^) (a)	-	1,17,67,000	EURO 1	-	2,996.85
[Net of Rs. 19,318.35 Lacs impairment (March 31, 2022: Rs.14,345.53 Lacs)]					
In Associate Companies (Unquoted) (at Cost)					
Titagarh Firema S.p.A (^) (a)	1,64,00,000	-	EURO 1	1,272.63	-
In Joint Ventures (Unquoted) (at Cost)					
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	10.00	0.05	0.05
In Others (Unquoted) (at FVTPL) (b) ^^					
Titagarh Enterprises Limited	49,32,960	49,32,960	10.00	3,140.55	2,972.63
Titagarh Industries Limited	56,850	56,850	10.00	39.00	42.38
				4,452.73	6,012.41
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
				4,452.93	6,012.61
Total - Non Current Investments					
Aggregate book value of quoted investments				0.05	0.05
Aggregate book value of unquoted investments				4,452.88	6,012.56
Market value of quoted investments				0.05	0.05
Aggregate amount of impairment in the value of Investments				36,945.89	31,973.07

* The Board of Directors of the Company in their meeting have approved the liquidation of TSPL, a wholly owned subsidiary Company, considering that no operations are currently being carried on in the subsidiary. The process for winding up of the subsidiary in compliance with the local rules and regulations at Singapore has already been initiated. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) for the year ended March 31, 2023.

** Purchased 1,233,000 shares for Rs. 432.57 Lacs; acquired 1,500,000 shares for Rs. 1,207.49 Lacs; 1,900,000 shares received on loan conversion to equity of Rs. 1,608.54 Lacs (March 31, 2022: purchased 1,704,647 equity shares for Rs. 1,324.43 Lacs)

Pursuant to an investment agreement dated July 20, 2022 signed between the Company, TBIPL (now amalgamated with the Company as disclosed in Note 49) and the Government of Italy through its investment agency, (Invitalia) along with a international private equity investor, have together infused fresh

Notes to Financial Statements as at and for the year ended March 31, 2023

equity of Euro 14.5 million (Euro 10 million by Invitalia and Euro 4.5 million by international private equity investor) in Titagarh Firema S.p.A (TFA), a subsidiary of the Company. The above equity infusion resulted in dilution of equity stake of the Company in TFA to 49.70% which along with other terms of the aforesaid agreement led to Company's loss of control in TFA as a subsidiary and is now an associate company with effect from September 9, 2022.

[^] Includes 3 million equity shares pledged by the company for the loan taken by TFA from Bank of Baroda U.K branch.

^{##} Quotation not available, since suspended due to penal reason.

^{^^} Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Company {Also refer note 15(c)} :

Name of Investments	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	Amount Pledged As at March 31, 2023	Amount Pledged As at March 31, 2022
	2023	2022		Rs. In Lacs	Rs. In Lacs
Titagarh Enterprises Limited	49,32,960	49,32,960	10	493.29	493.29
Titagarh Industries Limited	56,850	56,850	10	5.69	5.69
				498.98	498.98

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

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

(b) Refer Note 44 for determination of fair values.

(c) Refer Note 45 for credit risk and market risk on investments.

(d) During the year ended March 31, 2023, the Company considered indicators of impairment such as decline in operational performance, changes in outlook of future profitability among other potential indicators for investments held in Titagarh Firema SpA (TFA). The recoverable value of investments held in TFA, a wholly owned subsidiary of the Company till September 8, 2022 and thereafter an associate of the Company is the value in use (VIU) of the underlying business. The VIU computation uses cash flow forecasts based on most recently approved financial budgets and strategic forecasts which cover a period of five years and future projections taking the analysis out into perpetuity based on a steady state, sustainable cash flow. Key assumptions for the value in use computations are those regarding the discount rates, exchange rates, order book etc. The projections are based on both past performance and the expectations of future performance and assumptions therein. The Company estimates discount rates using post-tax rates that reflect the current market rates. The weighted average post-tax discount rates used for discounting the cash flows projections as a subsidiary and as an associate is 11.14% and 13.83% respectively (March 31, 2022: 15.00%). Beyond the specifically forecasted period, a growth rate of 1% (March 31, 2022: 1%) is used to extrapolate the cash flow projections. The outcome of the impairment assessment as on September 8, 2022 resulted in recognition of an impairment loss of Rs. 4,972.82 lacs whereas as at year ended March 31, 2023, there was no such loss.

The Company has also conducted sensitivity analysis on the impairment tests at year end including sensitivity in respect of discount rates. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of investments to exceed its recoverable value.

Notes to Financial Statements as at and for the year ended March 31, 2023

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

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Receivables				
Trade receivables from contract with customers	-	-	26,866.86	18,344.59
Trade receivables from contract with customers – related parties (Refer Note 43)	-	-	1,310.58	1,795.66
Less: Loss allowance [Refer Note 45(II) (c)]	-	-	102.22	-
Less: Liquidated Damages [Refer note 45(II) (c)]	-	-	160.73	267.29
Total receivables	-	-	27,914.49	19,872.96
Break-up of security details				
Trade receivables considered good – secured	-	-	28,177.44	20,140.25
Trade receivables considered good – unsecured	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables – credit impaired	-	-	-	-
Total	-	-	28,177.44	20,140.25
Loss Allowances [Refer Note 45(II) (c)]	-	-	102.22	-
Liquidated Damages [Refer note 45(II) (c)]	-	-	160.73	267.29
Total trade receivables	-	-	27,914.49	19,872.96

Trade Receivables Ageing Schedule

Particulars	Outstanding as at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 Year	2-3 Year	More than 3 Year	Total
Undisputed trade receivables						
Considered Good	24,364.13	671.50	2,342.38	70.43	-	27,448.44
Disputed Trade Receivables						
Considered Good	-	-	-	-	729.00	729.00
Total	24,364.13	671.50	2,342.38	70.43	729.00	28,177.44
Not Due				-		
Total						28,177.44
Loss Allowances						102.22
Liquidated Damages						160.73
						27,914.49

Notes to Financial Statements as at and for the year ended March 31, 2023

Trade Receivables Ageing Schedule

(Rs. in Lacs)

Particulars	Outstanding as at March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 Year	2-3 Year	More than 3 Year	Total
Undisputed trade receivables						
Considered Good	17,559.07	807.20	145.64	277.51	39.16	18,828.58
Disputed Trade Receivables						
Considered Good	-	-	-	568.24	112.39	680.63
Total	17,559.07	807.20	145.64	845.75	151.55	19,509.21
Not Due						631.04
Total						20140.25
Loss Allowances						-
Liquidated Damages						267.29
Total						19,872.96

- Liquidated damages has been adjusted with trade receivable in accordance with the requirement of IND AS 115.
- Refer Note 15 for information on trade receivables pledged as security by the Company and Note 45 for information about credit risk and market risk on trade receivables.
- There are no outstanding receivables due from directors or other officers of the Company.

6 Loans(At Amortised Cost)

(Unsecured, Considered good unless stated otherwise)

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Loans to Related Parties [Refer (a) & (b) below]	-	-	-	1608.54
Total	-	-	-	1608.54

Notes:

- Loans to Related Parties are non-derivative financial assets receivable on demand which generate a fixed interest income for the Company. The said interest are payable on monthly basis and was fully realised in July 2022. Also Refer Note 43.
- The aforesaid loan was converted into investments in equity shares of TFA , as approved by the Board of Directors of TBIPL and TFA in their meetings held on May 23, 2022 and May 27, 2022 respectively in keeping with the requirement of equity infusion in TFA pursuant to investment agreement dated July 20, 2022 signed between the Company, TBIPL (now amalgamated with the Company as disclosed in Note 49) and the Government of Italy through its investment agency, (Invitalia) along with a international private equity investor.

7 Other Financial Assets

(Unsecured, Considered good unless stated otherwise)

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security Deposits*	363.37	185.65	164.86	82.93
Measured at Fair Value through OCI #				
Derivative Assets	-	-	-	1,323.24
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months @	5,373.26	3,451.93	-	-
Claims Receivables [Refer (a) below]	-	-	76.16	2,361.23
Receivable from Related Parties (Refer Note 43)				
Considered Good	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2023

7 Other Financial Assets (Contd.) (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Considered Doubtful	-	-	235.93	235.93
	-	-	235.93	235.93
Less: Provision for Doubtful Recoverable from Related Parties	-	-	235.93	235.93
Interest Accrued on				
Fixed Deposits with Banks	323.52	180.86	259.35	250.16
Loans to Subsidiaries (Refer Note 43)				
Considered Good	-	-	-	17.58
Considered Doubtful	-	-	139.97	139.97
	-	-	139.97	157.55
Less: Provision for Doubtful Interest Accrued on Loan to Subsidiaries	-	-	139.97	139.97
	-	-	-	17.58
Charges Recoverable	-	-	133.85	18.99
Total	6,060.15	3,818.44	634.22	4,054.13

* Includes security deposit given to related parties Rs. 281.92 Lacs (March 31, 2022: Rs. 147.50 Lacs) (Refer Note 43)

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.

@ Includes 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 for the current year represents amount receivable for Insurance claims and the claim receivable for previous year represents amount receivable from Indian Railway in relation to differential sub lease rentals.

8 Tax Assets (Net) (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance Tax (Including Tax Deducted at Source)	2,868.68	2,651.75	-	-
(Net of provision for tax Rs. 23,541.63 Lacs; March 31, 2022 Rs. 21,018.28 Lacs)				
	2,868.68	2,651.75	-	-

Notes to Financial Statements as at and for the year ended March 31, 2023

9 Contract Assets (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Retention money held by customers	87.38	-	-	-
Contract assets relating to unbilled revenue	-	-	27,080.65	9,871.13
	87.38	-	27,080.65	9,871.13

10 Other Assets (Rs. in Lacs)

(Unsecured, considered good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital Advances	3,362.86	3,557.53	-	-
Security Deposits	545.62	451.47	-	-
Advances Recoverable in Cash or in Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	196.63	45.00
Considered Good - Others	-	-	10,813.19	4,694.39
Considered Doubtful - Others	-	-	200.71	209.98
	-	-	11,210.53	4,949.37
Less: Provision for doubtful advances - Others	-	-	200.71	209.98
	-	-	11,009.82	4,739.39
Balance with Government Authorities	-	-	10,527.81	8,130.66
Prepaid expenses	197.93	140.39	842.53	603.82
Total	4,106.41	4,149.39	22,380.16	13,473.87

a) Represents Rs. 166.63 Lacs (March 31, 2022: Rs. Nil) recoverable from associate company and Rs. 30.00 Lacs (March 31, 2022: Rs. 45.00 Lacs) recoverable from Directors of the Company. Also Refer Note 43.

11 Inventories (Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value)		
Raw materials and components [Includes Goods in transit Rs. 2,301.05 Lacs (March 31, 2022: Rs 1,030.04 Lacs)]	36,488.73	23,250.46
Work in progress	6,996.43	5,765.44
Saleable scrap	1,067.12	761.55
Stores and spares	1,584.85	1,447.04
Total	46,137.13	31,224.49

- a) Refer Note 15 for information on inventories pledged as security by the Company
- b) Work in progress includes project work in progress of Rs. 2,842.71 Lacs (March 31, 2022: Rs 4,038.71 Lacs)
- c) Value of inventories above is stated after provisions (net of reversal) Rs. 641.65 Lacs (March 31, 2022: Rs. 706.45 Lacs) for write-downs to net realisable value and provision for slow-moving and obsolete items of raw materials and stores and spares, resulting in net reversal of Rs. 64.79 Lacs during the year (March 31, 2022: charge of Rs. 291.77 Lacs).

Notes to Financial Statements as at and for the year ended March 31, 2023

12 Cash and Bank Balances (Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
12.1 Cash and cash equivalents		
Balances with banks:		
On current accounts	4,060.29	372.82
Cash on hand (including Cheques in hand Rs. Nil (March 31, 2022: Rs 238.46 Lacs)	18.94	260.09
	4,079.23	632.91
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	12.17	14.45
On Unpaid Fractional Share Entitlement Accounts	8.59	8.59
Bank deposits with maturity of more than three months but less than twelve months #	4,437.03	3,286.72
	4,457.79	3,309.76
Total	8,537.02	3,942.67

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, 2023		As at March 31, 2022	
	No. of shares in lacs	Rs. in Lacs	No. of shares in lacs	Rs. in Lacs
Authorised Shares				
Equity Shares of Rs. 2/- each (March 31, 2022: Rs. 2/- each)	12,905.00	25,810.00	12,905.00	25,810.00
Preference Shares of Rs. 10/- each (March 31, 2022: 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, 2022 Rs. 2/-) each, fully paid-up	1,195.71	2,391.42	1,195.71	2,391.42
	1,195.71	2,391.42	1,195.71	2,391.42

(Rs. in Lacs)

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

	2022-23		2021-22	
	No. of shares in lacs	Rs. in Lacs	No. of shares in lacs	Rs. in Lacs
Equity Shares				
Outstanding at the beginning of the year	1,195.71	2,391.42	1,193.87	2,387.75
Shares Issued Pursuant to the Employee Stock Option Scheme @	-	-	1.84	3.67
Outstanding at the end of the year	1,195.71	2,391.42	1,195.71	2,391.42

@ During the year, Nil equity shares (March 31, 2022: 183,500 equity shares) of Rs 2/- each were issued and allotted to the eligible employees of the Company under the Employee Stock Option (ESOP) Scheme (Refer Note 35)

Notes to Financial Statements as at and for the year ended March 31, 2023

b) Terms and Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2022: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2022: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Private Limited	2,40,71,588	20.13%	2,40,71,588	20.13%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	15.22%	1,82,01,875	15.22%
Rashmi Chowdhary	1,28,16,105	10.72%	1,28,16,105	10.72%
HDFC Trustee Company Limited- HDFC Capital Builder Fund	-	-	88,94,149	7.44%
HDFC Large and Midcap Fund	73,44,149	6.14%	-	-

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.

d) Details of Shareholding of Promoters

Promoter Name	March 31, 2023		March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Titagarh Capital Management Services Private Limited ##	2,40,71,588	20.13%	2,40,71,588	20.13%	0.00%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	15.22%	1,82,01,875	15.22%	0.00%
Jagdish Prasad Chowdhary	70,700	0.06%	70,700	0.06%	0.00%
Umesh Chowdhary	77,530	0.06%	77,530	0.06%	0.00%
Rashmi Chowdhary	1,28,16,105	10.72%	1,28,16,105	10.72%	0.00%
Sumita Kandoi	5,751	0.00%	5,751	0.00%	0.00%
Vinita Bajoria	28,351	0.02%	7,351	0.01%	0.01%
Bimla Devi Kajaria	4,500	0.00%	10,000	0.01%	-0.01%
Gaurav Kajaria	-	0.00%	7,583	0.01%	-0.01%
Titagarh Logistics Infrastructures Pvt. Ltd.	19,08,487	1.60%	12,35,000	1.03%	0.57%

In previous year, Titagarh Capital Management Services Private Limited (PAN: AACCT5853F) ('TCMSPL') has acquired 134,722 and 111,777 equity shares of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited) ('the Company') on March 30, 2022 and March 31, 2022 respectively through market purchase from public category shareholder(s). However, the said shares were not credited into TCMSPL's demat account till March 31, 2022, and also did not appear in the BENPOS of the Company as at March 31, 2022 from the Depositories and furnished by the Company's Registrar. Therefore, the aforesaid 246,499 shares (representing 0.21% of the Company's paid-up share capital) could not be taken as held by TCMSPL in the shareholding pattern as on March 31, 2022 filed with BSE Limited and NSE Limited. However, the said 246,499 shares are considered and included above.

Notes to Financial Statements as at and for the year ended March 31, 2023

14 Other Equity	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Reserves and Surplus		
a. Securities Premium Account		
Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
Balance at the beginning of the year	41,064.37	40,820.00
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(a)]	-	77.46
Transfer from ESOPs Outstanding Account on Exercise and Lapse	-	166.91
Balance at the end of the year	41,064.37	41,064.37
b. General Reserve (Refer Note 14.1)		
Balance at the beginning of the year	5,411.39	5,411.39
Movement during the year	-	-
Balance at the end of the year	5,411.39	5,411.39
c. Capital Reserve		
Balance at the beginning of the year #	5,691.15	5,691.15
Movement during the year	-	-
Balance at the end of the year	5,691.15	5,691.15
# Net of Rs 1,187.16 Lacs arising pursuant to merger of Titagarh Bridges and International Private Limited with the Company. (Refer Note 49)		
d. Employee Stock Options (ESOPs) Outstanding Account (Refer Note 35)		
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 at the beginning of the year	-	166.61
Recognition of Share Based Payment (Refer Note 35)	-	16.68
Transfer from ESOPs Outstanding Account on Exercise and Lapse	-	(183.29)
Balance at the end of the year	-	-
e. Retained Earnings		
Balance at the beginning of the year	31,427.18	28,047.44
Profit for the Year	10,336.64	3,348.77
Add: Appropriations		
Item of Other Comprehensive Income recognised directly in Retained Earnings		
- Remeasurements Gains on Defined Benefit Plan (Net of Tax)	(1.57)	14.59
Transfer from ESOPs Outstanding Account on Options Lapsed	-	16.38
Net surplus in the statement of profit and loss	41,762.25	31,427.18
f. Cash Flow Hedge Reserve Account (Refer Note No. 14.2 and 14.3)		
Balance as per the Last Financial Statements	990.20	434.20
Changes in fair value recognised during the year	(1,361.11)	743.00
Tax impact on above	342.56	(187.00)
	(28.35)	990.20
g. Equity Component of compound financial instruments		
Balance as per the Last Financial Statements	-	515.69
Equity Component of Compound Financial Instruments derecognised during the year (net of deferred tax)	-	(515.69)
	-	-
Total Other Equity	93,900.81	84,584.29

Notes to Financial Statements as at and for the year ended March 31, 2023

14.1 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 mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14.2 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.

14.3 During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to Rs. Nil (March 31, 2022: 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. (28.35) Lacs (March 31, 2022: Rs. 990.20 Lacs)
- later than one year: gain Rs. Nil Lacs (March 31, 2022: Rs. Nil Lacs)

15 Borrowings (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Indian Rupee Loan from banks	4,962.50	3,286.09	3,286.13	2,705.06
Cash Credits and Working Capital Demand Loans	-	-	14,639.27	5,884.89
Buyers Credit	-	-	2,044.51	-
Unsecured				
Loan from Related Party	-	2,000.00	-	-
	4,962.50	5,286.09	19,969.91	8,589.95

Notes:

- a) Term Loan of Rs. 4,962.50 Lacs (March 31, 2022: Rs. NIL) carrying interest @ 9.05 % p.a. (March 31, 2022: NIL % p.a.) linked to 1 year MCLR has been availed during the year and is repayable in 16 equal quarterly installments from April 2024 to January 2028. Above term loan was secured by way of first charge over land at Gwalior district, Madhya Pradesh owned by the Company. Charge is yet to be created over such land.
- b) Term Loan of Rs. 3,286.13 lacs (March 31, 2022: Rs. 5,991.15 Lacs) carries interest @ 7% to 10.23% p.a (March 31, 2022: 7% to 8.75% p.a.) 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 charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on the Company's current assets relating to Bharatpur Plant.
- c) Cash Credits and Working Capital Demand Loans of Rs. 14,639.27 lacs (March 31, 2022: Rs. 5,884.89 lacs) are secured by first charge on the Company's current assets, movable fixed asset both present and future and further creating charge on immovable properties of the company by deposit of title deeds except immovable properties at Bharatpur, Rajasthan, Gwalior and Bhind district, Madhya Pradesh. The above facilities has also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.
- d) Cash Credits is repayable on demand and carry an interest rate ranging between 8.70% to 13.60% p.a. (March 31, 2022: 8.95% to 12.35%) linked with MCLR.

Notes to Financial Statements as at and for the year ended March 31, 2023

- (e) Working Capital Demand Loans carry interest ranging from 5% to 13% p.a. (March 31, 2022: 5.25% to 8.95% p.a.) and are repayable on demand.
- (f) Buyers Credit carry an interest rate of 5.20% p.a. (March 31, 2022: NIL % p.a.) and is linked to Secured Overnight Financing Rate (SOFR). The same is repayable by May 2, 2023.
- (g) As at March 31, 2023, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified for entities which got amalgamated into the Company pursuant to National Company Law Tribunal Orders in earlier years. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. Further, certain charges wherein the outstanding loans have been repaid and the Company has also filed the related Form 17 for satisfaction of Charge in respect thereof in earlier years, but the same has not been updated in the MCA records. The Company is following up these matters and is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders. Further in case of new term loan obtained during the year, the Company is yet to file charges with MCA.
- (h) Term Loans obtained in earlier years have been applied for the purpose for which it has been obtained. Term loan from a bank of Rs. 4,962.50 lacs which was disbursed on March 31, 2023 is lying in cash credit account pending utilisation at year end.
- (i) Loan from related party carry an interest rate of 9.5% p.a. (March 31, 2022: 9.5% p.a) and is repayable after five years from the date of grant of loan with the condition that the Company has the right to pre-pay the full amount at any time, after the lock-in of 3 months from the date of grant of loan. The said loan has been prepaid during the year.
- (j) TBIPL (now merged with the Company) had issued OFCD's to its promoters in the year 2019-2020 which were unsecured, unlisted and non-transferable. The tenure of OFCD was 7 years from the date of allotment. The OFCDs were convertible 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 interest was payable on annual basis on every March 31. Pursuant to the conversion, OFCD shall rank pari passu with existing Equity Shares. If OFCD holder does not choose the option of conversion, then the OFCD will be compulsorily redeemed by the company on the expiry of seven years from the date of allotment. During the previous year these OFCD's were redeemed by the Company.
- (k) Refer Note 45 for information about market risk and liquidity risk on borrowings.

16 Provisions (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits :				
Gratuity [Refer Note 34 (i)]	343.64	340.93	125.43	102.37
Leave Benefits [Refer Note 34 (iii)]	-	-	136.09	125.35
	343.64	340.93	261.52	227.72
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	283.40	275.19
Litigations, Claims and Contingencies [Refer (a) below for movement] & 39(i)]	-	-	227.20	351.36
	-	-	510.60	626.55
Total	343.64	340.93	772.12	854.27

Notes to Financial Statements as at and for the year ended March 31, 2023

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

	Warranties		Litigation Claims and Contingencies	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
At the beginning of the year	275.19	283.37	351.36	351.36
Made during the year	57.81	49.60	-	-
Unused amounts reversed/ utilized during the year (Net)	(49.60)	(57.78)	(124.16)	-
At the end of the year	283.40	275.19	227.20	351.36

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. 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.

17 Current Tax Liabilities

	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (Net of Advance Tax and TDS Rs. 4,800.78 Lacs; March 31, 2022 Rs. 1,059.42 Lacs)	527.61	1,600.43
Total	527.61	1,600.43

18 Deferred Tax Liabilities (Net)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Arising out of temporary difference in depreciable and non-depreciable assets	9,006.28	7,924.71
Unrealised gain on FVTPL equity securities	404.91	366.75
Fair valuation of derivative assets	-	333.03
Gross Deferred tax liabilities	9,411.19	8,624.49
Deferred tax assets		
Provision for fall in value of Investment	4,967.00	5,190.07
Provision for Doubtful Debts and Advances	170.85	147.46
Provision for Liquidated Damages	40.45	67.27
Provision for Litigations, Claims and Contingencies	57.18	108.62
Provision for Employee Benefits	183.95	165.14
Fair valuation of derivative assets	9.53	-
Lease Liabilities	2,635.87	1,491.55
Gross Deferred tax assets	8,064.83	7,170.11
Net Deferred Tax Liabilities	1,346.36	1,454.38

Notes to Financial Statements as at and for the year ended March 31, 2023

The movement in deferred tax assets and liabilities during the year ended March 31, 2023 and March 31, 2022:

	As at April 1, 2021 Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2022 Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2023 Deferred tax asset / (Liability)
Arising out of temporary difference in depreciable and non-depreciable assets	(6,582.45)	(1,342.26)	(7,924.71)	(1,081.57)	(9,006.28)
Unrealised gain on FVTPL equity securities	(545.99)	179.24	(366.75)	(38.16)	(404.91)
Fair valuation of derivative assets	(146.03)	(187.00)	(333.03)	333.03	-
Total Deferred Tax Liabilities	(7,274.47)	(1,350.02)	(8,624.49)	(786.70)	(9,411.19)
Provision for fall in value of Investment	5,672.04	(481.97)	5,190.07	(223.07)	4,967.00
Provision for Doubtful Debts and Advances	302.95	(155.49)	147.46	23.39	170.85
Provision for Liquidated Damages	27.01	40.26	67.27	(26.82)	40.45
Provision for Litigations, Claims and Contingencies	88.43	20.19	108.62	(51.44)	57.18
Provision for Employee Benefits	173.40	(8.26)	165.14	18.81	183.95
Capital Loss	-	-	-	-	-
Fair valuation of derivative assets	-	-	-	9.53	9.53
Lease Liabilities	37.26	1,454.29	1,491.55	1,144.32	2,635.87
Carried Forward Business Losses	3.57	(3.57)	-	-	-
Total Deferred Tax Assets	6,304.66	865.45	7,170.11	894.72	8,064.83
Net Deferred Tax Assets / (Liabilities)	(969.81)	(484.57)	(1,454.38)	108.02	(1,346.36)

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 0.53 Lacs [March 31, 2022 Rs. (4.91) Lacs] and income tax impact on Fair value change of cash flow hedges amounting to Rs. 342.56 Lacs [March 31, 2022 Rs. (187.00) Lacs] included in Other Comprehensive Income.

Deferred tax asset against capital loss for provision for fall in value of Investment has been recognised to the extent of identifiable capital gains against which corresponding deferred tax liability is recognised.

19 Trade Payables

(Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 40)	574.92	686.99
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	31,725.85	22,272.91
	32,300.77	22,959.90

Notes to Financial Statements as at and for the year ended March 31, 2023

Trade Payables Ageing Schedule

(Rs. in Lacs)

Particulars	Outstanding as at March 31, 2023				
	Less than 1 year	1-2 Year	2-3 Year	More than 3 Year	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	286.10	-	-	-	286.10
Others	18,423.15	113.52	-	-	18,536.67
Disputed Trade Payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	18,709.25	113.52	-	-	18,822.77
Not Due					
Micro enterprises and small enterprises					288.82
Others					10,070.56
Unbilled					
Micro enterprises and small enterprises					-
Others					3,118.62
Total	-	-	-	-	32,300.77

Particulars	Outstanding as at March 31, 2022				
	Less than 1 year	1-2 Year	2-3 Year	More than 3 Year	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	457.65	-	-	-	457.65
Others	10,304.15	178.72	7.22	192.33	10,682.42
Disputed Trade Payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	10,761.80	178.72	7.22	192.33	11,140.07
Not Due					
Micro enterprises and small enterprises					229.34
Others					8,288.95
Unbilled					
Micro enterprises and small enterprises					-
Others					3,301.54
Total	-	-	-	-	22,959.90

- (a) Trade Payables include dues to related parties of Rs. 409.74 Lacs (March 31, 2022: Rs.1,472.98 Lacs). Refer Note 43 for details.
- (b) Refer Note 45 for information about market risk and liquidity risk on trade payables.

Notes to Financial Statements as at and for the year ended March 31, 2023

20 Other Financial Liabilities (Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost		
Interest accrued and not due on borrowings	34.57	93.33
Investor education and protection fund will be credited by following amounts (as and when due)		
Unpaid dividends	12.17	14.45
Unpaid fractional share	8.59	8.59
Measured at Fair Value through OCI		
Derivative Liabilities #	37.87	-
Others		
Employee Related Liabilities	498.15	109.18
Payable for Purchase of Property, Plant and Equipment	159.78	125.89
Other Liabilities [Refer (a) below]	-	142.52
Total	751.13	493.96

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.

(a) Other Liabilities represent dues to related parties of Rs. Nil (March 31, 2022: Rs. 142.52 Lacs). Refer Note 43 for details.

21 Contract Liabilities (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance from customers	2,826.72	-	53,581.30	33,695.94
Revenue in excess of billing	-	-	282.56	94.88
	2,826.72	-	53,863.86	33,790.82

22 Other Liabilities (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Statutory Dues	-	-	306.62	226.69
	-	-	306.62	226.69

Notes to Financial Statements as at and for the year ended March 31, 2023

23 Revenue from Operations	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Contract with Customers		
Sale of products		
Finished Goods	2,62,296.62	1,38,492.82
Raw Materials and Components	13,246.11	8,168.38
Other operating revenues		
Scrap sales	2,171.09	2,543.72
Others	339.08	346.28
Total	2,78,052.90	1,49,551.20

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 275,542.73 Lacs (March 31, 2022: Rs 146,661.20 Lacs). The details of which are given below:-

	March 31, 2023	March 31, 2022
Revenue recognised at a point in time	2,15,552.95	1,23,053.40
Revenue recognised over time	59,989.78	23,607.80
	2,75,542.73	1,46,661.20

Reconciliation of revenue recognised with contract price:

	March 31, 2023	March 31, 2022
Contract price	2,65,579.55	1,37,461.47
Adjustment for:		
Liquidated Damages	(1,011.00)	(359.85)
Escalation	10,974.18	9,559.58
Revenue from operations	2,75,542.73	1,46,661.20

24 Other Income	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
24.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	564.49	525.73
Loans to Subsidiaries	7.29	33.36
Others ##	194.92	50.65
	766.70	609.74
24.2 Others		
Net Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges #	2,697.05	-
Unspent Liabilities / Provisions No Longer Required Written Back	467.07	14.20
Net gain on sale of investments	-	24.27
Net Gain on Disposal of Property, Plant and Equipment	17.95	290.32
Insurance Claim	76.99	684.28
Other Non-operating Income *	208.08	0.11
	3,467.14	1,013.18

Notes to Financial Statements as at and for the year ended March 31, 2023

24.3 Other Gains / (Losses)

Fair Value Gain on Investment FVTPL	164.55	183.28
	164.55	183.28
Total	4,398.39	1,806.20

Foreign Exchange Fluctuations includes Rs. 1,343.87 Lacs (March 31, 2022: Rs. Nil) on account of cancellation of forward contracts during the year.

* Mainly comprises of Rs. 123.03 lacs recovery against bad-debt and Rs. 40.00 lacs recovery against settlement of an old case.

Interest income - Others for the current year represents interest income from supplier for early payment of related outstandings.

25 Cost of Raw Materials and Components Consumed (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year	23,250.46	10,952.26
Add: Purchases	2,29,780.18	1,18,644.27
	2,53,030.64	1,29,596.53
Less: Inventories at the end of the year	36,488.73	23,250.46
Cost of raw materials and components consumed	2,16,541.91	1,06,346.07

26 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished Goods	-	883.85
Work-in-Progress	5,765.44	5,980.09
Saleable Scrap	761.55	695.30
(A)	6,526.99	7,559.24
Inventories at the end of the year		
Finished Goods	-	-
Work-in-Progress	6,996.43	5,765.44
Saleable Scrap	1,067.12	761.55
(B)	8,063.55	6,526.99
(Increase) / Decrease (A-B)	(1,536.56)	1,032.25

27 Employee Benefits Expense (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	5,063.45	4,022.76
Employee Stock Option Expenses (Refer Note 35)	-	16.68
Contribution to Provident and Other Funds [Refer Note 34 (ii) and 50]	275.55	229.56
Gratuity Expense [Refer Note 34 (i)]	76.92	70.47
Staff Welfare Expenses	236.72	202.61
Total	5,652.64	4,542.08

Notes to Financial Statements as at and for the year ended March 31, 2023

28 Finance Costs

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc. (Refer (a) below)	5,893.32	4,470.37
Interest & Finance Charges on Lease Liabilities	575.14	223.81
Bank charges, Other Borrowing Costs etc.	1,606.21	1,032.61
Total	8,074.67	5,726.79

a) Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs. 2,364.79 lacs (March 31, 2022 Rs. 2,315.71 lacs) representing cost of financing component @ 9% against long term advance from customer.

29 Depreciation and Amortisation

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Property, Plant & Equipments (refer note 3.1)	1,367.04	1,175.13
Depreciation of Right of Use Assets (refer note 3.5)	739.48	296.39
Amortisation of Intangible Assets (refer note 3.2)	143.83	366.82
Total	2,250.35	1,838.34

30 Other Expenses

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	8,717.23	4,996.13
Job Processing and other machining charges (including contract labour charges)	9,454.35	5,539.68
Power and Fuel	4,370.01	3,325.90
Design and development expenses	46.69	223.82
Repairs		
Plant and machinery	279.07	188.28
Buildings	236.42	113.07
Others	165.49	78.25
Rent and Hire charges	102.57	433.79
Rates and Taxes	226.45	256.74
Insurance	232.27	188.25
Security Services	169.91	171.56
Advertising and sales promotion	170.45	86.17
Brokerage and commission	138.50	93.53
Travelling and conveyance	937.41	420.81
Legal and professional fees	890.83	655.02
Commission to non-whole time directors	25.00	10.00
Directors sitting fees	55.40	66.60
Payment to Auditors		
As auditors		
Audit fee	59.00	48.00
Limited review	21.00	12.00

Notes to Financial Statements as at and for the year ended March 31, 2023

Other Expenses (Contd.)

Other Certification services	7.75		8.50	
Reimbursement of expenses	6.35	94.10	2.98	71.48
Warranty Claims (net)	65.65		(8.18)	
Less: Adjusted with provision	49.60	16.05	-	(8.18)
Irrecoverable debts/ advances/ other receivables written off	2,536.08		3,062.32	
Less: Adjusted with provision	9.27	2,526.81	808.84	2,253.48
Provision for doubtful debts and advances		102.22		-
Corporate Social Responsibility expenses (Refer Note 30.1)		45.37		7.68
Foreign Exchange Fluctuations (Refer Note 30.2)		-		358.15
Miscellaneous expenses		1,960.92		1,265.32
Total		30,963.52		20,795.53

30.1 Corporate Social Responsibility Expenses

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(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)	45.37	7.68
Total	45.37	7.68

30.2 Foreign Exchange Fluctuations is net of gain of Rs. Nil (March 31, 2022: Rs. 127.20 lacs) on account of cancellation of forward contracts during the year

31 Income Tax Expense / (Benefit)

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Amount recognised in the Statement of Profit and Loss		
Current Tax	5,305.50	2,632.45
Deferred Tax	235.07	292.66
Total Income Tax Expense Recognised in Profit and Loss	5,540.57	2,925.11
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit / (Loss) before Tax	15,877.21	6,273.88
At India's Statutory Income Tax Rate of 25.168% (March 31, 2020: 25.168%)	3,995.98	1,579.01
Adjustments:		
Expenses not allowed as deductions	58.83	118.06
Deferred tax not recognised on capital losses #	1,360.87	1,403.27
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	136.09	81.03
Derecognition of Optionally Fully convertible debentures	-	(170.34)
Impact of Brought Forward Loss	-	(24.41)
Others	(11.20)	(61.51)
	5,540.57	2,925.11

Refer Note 18

Notes to Financial Statements as at and for the year ended March 31, 2023

32 Exceptional Item	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Impairment of Investments in Titagarh Firema S.p.A (TFA) (Refer Note (a))	4,972.82	4,802.46
Claims Recovered pertaining to Titagarh Wagon AFR (Refer Note (b))	(345.27)	-
	4,627.55	4,802.46

Note: a. Represents impairment loss of investment in Titagarh Firema S.p.A as subsidiary {Refer note 4(d)}.
b. Represents claim received based on award in favour of the Company by the Commercial Court of Paris with respect to its claim relating to its erstwhile subsidiary Titagarh Wagons AFR, France (under liquidation).

33 Earnings/(Loss) Per Equity Share	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	11,95,71,089	11,93,87,589
(ii) Number of Equity Shares at the End of the Year	11,95,71,089	11,95,71,089
(iii) Weighted Average Number of Equity Shares Outstanding during the year	11,95,71,089	11,94,91,175
(iv) Face Value of Each Equity Share (Rs)	2.00	2.00
(v) Profit after Tax Available for Equity Shareholders	10,336.64	3,348.77
(vi) Basic Earnings per Equity Share (Rs.) [(v)/(iii)]	8.64	2.80
(B) Diluted		
(i) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	11,95,71,089	11,94,91,175
(ii) Diluted Earnings per Equity Share (Rs) [A(v)/B(i)]	8.64	2.80

34 Employee Benefits:

(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 India). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favorable 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, 2023	For the Year ended March 31, 2022	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	7.57	7.65	42.41	36.84
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.58	2.74	22.36	23.24
Total	12.15	10.39	64.77	60.08
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(3.76)	36.63	5.86	(56.13)
Total	(3.76)	36.63	5.86	(56.13)
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	111.92	123.07	403.81	366.89
Fair value of Plan Assets	46.66	46.66	-	-
Net Liability	65.26	76.41	403.81	366.89

Notes to Financial Statements as at and for the year ended March 31, 2023

Employee Benefits: (Contd.)

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	-	-	125.43	102.37
Non-Current Liability (Long term)	65.26	76.41	278.38	264.52
	65.26	76.41	403.81	366.89
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	123.07	96.30	366.89	408.16
Current Service Cost	7.57	7.65	42.41	36.84
Interest Cost	7.38	5.30	22.36	23.25
Benefits Paid	(19.54)	(20.24)	(33.71)	(45.23)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	(4.48)	(1.26)	(17.24)	(2.11)
Demographic Assumptions	-	(0.03)	-	(1.53)
Experience Variance	(2.08)	35.35	23.10	(52.49)
Closing Defined Benefit Obligation	111.92	123.07	403.81	366.89
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	46.66	46.67		
Return on Plan Assets	(2.80)	(2.57)		
Investment Income	2.80	2.56		
Fair Value of Plan Assets at the end of the year	46.66	46.66		
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 India	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	3 years	3 years	3 years	4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	30.49	42.64	125.43	102.37
Later than 1 year and not later than 5 years	80.08	74.72	243.44	216.99
Later than 5 year and not later than 10 years	26.46	25.31	123.98	107.99
More than 10 years	5.88	6.58	45.99	45.49
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	7.25%	6.00%	7.25%	6.10%
Rate of increase in Salary	6.50%	6.50%	5.00%	5.00%

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.

Notes to Financial Statements as at and for the year ended March 31, 2023

The Company expects to contribute Rs. 71.76 Lacs (March 31, 2022 Rs.82.84 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	(Rs. in Lacs)							
	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2023		As at March 31, 2022		As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	115.44	108.59	126.94	119.43	418.68	389.95	381.25	353.54
Salary Growth Rate (-/+ 1%)	108.53	115.43	119.41	126.88	390.95	417.28	354.47	379.93

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:

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, 2023	For the Year Ended March 31, 2022
Provident Fund (Refer Note 50)	247.85	205.85
ESI	27.70	23.71
Total	275.55	229.56

(iii) Leave Benefits

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was Rs. 136.09 Lacs (March 31, 2022: Rs. 125.35 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, 2023	As at March 31, 2022
Leave provision not expected to be settled within the next 12 months	91.86	81.56

(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.

Notes to Financial Statements as at and for the year ended March 31, 2023

(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.

35 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 2,500,000 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 - Second Allotment

b) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
	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	-	-	57,500	44.20
Exercised during the year	-	-	57,500	44.20
Outstanding at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs. NIL (March 31, 2022: Rs. NIL) and weighted average contractual life of the option as at March 31, 2023 is NIL years (March 31, 2022: NIL years).

The weighted average remaining contractual life of options outstanding at end of period is NIL years (March 31, 2022: NIL years). The weighted average fair value of stock options granted was Rs. NIL lacs (March 31, 2022 Rs. NIL lacs).

Notes to Financial Statements as at and for the year ended March 31, 2023

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, 2022	
August 10, 2021	86.53

Grant Date-May 19, 2017				
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	No. of Options Weighted Average Exercise Price (WAEP) (Rs)	No. of Options Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	-	1,47,000
Granted during the year	-	-
Lapsed during the year	-	18,000
Forfeited during the year	-	3,000
Exercised during the year	-	1,26,000
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

The weighted average fair value of the option as on the grant date is Rs. NIL (March 31, 2022: Rs. NIL) and weighted average contractual life of the option as at March 31, 2023 is NIL years (March 31, 2022: NIL years).

The weighted average remaining contractual life of options outstanding at end of period is NIL years (March 31, 2022: NIL years). The weighted average fair value of stock options granted was Rs. NIL lacs (March 31, 2022 Rs. NIL lacs).

Notes to Financial Statements as at and for the year ended March 31, 2023

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2022	
August 10, 2021	86.53
November 13, 2021	93.29

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

Disclosures are restricted to Tranche 1 - Second Allotment and Tranche 2 - First Allotment as the other tranches have lapsed and expired in the earlier periods.

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. NIL Lacs (March 31, 2022 : Rs 16.68 Lacs) in the Statement of Profit and loss.

The Board of Directors of the Company at its meeting held on March 21, 2023 approved the Employee Stock Option Scheme titled Titagarh Wagons Limited Employees Stock Options Scheme 2023 for the employees of the Company and its subsidiary and associates. Subsequently, on April 26, 2023, the shareholders, by way of postal ballot approved the said Scheme.

36 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, 2023	For the Year ended March 31, 2022
Loans to Subsidiaries :		
i) Titagarh Singapore Pte. Ltd.		
Balance as at year end	-	-
Maximum amount outstanding at any time during the year	-	1,291.50
[Titagarh Singapore Pte. Ltd has utilised the loan for meeting working capital requirements with an average rate of interest NIL % [March 31, 2022 : 4%]		
ii) Titagarh Firema S.p.A.		
Balance as at year end	-	1,608.54
Maximum amount outstanding at any time during the year	1,608.54	1,608.54
[Titagarh Firema S.p.A has utilised the loan for meeting working capital requirements with an average rate of interest 3% [March 31, 2022 : 3%]		

Also refer Note 6(b) and Note 47

Notes to Financial Statements as at and for the year ended March 31, 2023

37 Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties. (Rs.in Lacs)

	Amount Outstanding		% to the total loans and advances in the nature of loans	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a) Amounts Repayable on demands				
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Other Related Parties	-	1,608.54	-	100.00%

38 Commitments (Rs.in Lacs)

	As at March 31, 2023	As at March 31, 2022
a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for [net of advances Rs. Nil lacs (March 31, 2022: Rs. Nil lacs)]	9,149.45	776.61

As at March 31, 2023, commitments for leases not yet commenced was Nil (March 31, 2022: Nil).

39 Contingent Liabilities (Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
(i) Claims against the Company not acknowledged as debt		
Disputed claims contested by the Company and pending at various courts/arbitration*	3,200.30	3,277.12
Matters under appeal with:		
Sales tax authorities	2,520.09	2,522.97
Income tax authorities	4,950.99	5,368.90
Customs and Excise Authorities	13,849.99	13,868.42
Goods and service tax Authorities	168.88	168.88
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,190.54
	25,880.79	26,396.83

* Includes Rs 1,360.45 Lacs (March 31, 2022: Rs. 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, 2022 : Rs 136.04 Lacs) only.

In respect of above cases based on favorable 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:

- (a) Erstwhile Cimmco Limited (Since merged with the Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfillment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

Notes to Financial Statements as at and for the year ended March 31, 2023

- (b) SBI Caps has raised a claim of Rs. 1,128.95 lacs on erstwhile Cimmco Limited (since merged with the Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favorable 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.

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

	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	525.74	686.99
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.55	0.84
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,064.15	2,142.63
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	42.74	25.96
Interest accrued and remaining unpaid at the end of the accounting year	49.18	47.63
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

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. There are no MSME payable for purchase of Property, Plant & Equipment.

41 List of Subsidiaries, Associate and Joint Venture of the Company

The Company has following Subsidiaries, Associate and Joint Venture for which the Company prepares Consolidated Financial Statements as per Ind AS 110 "Consolidated Financial Statements". Investment in these subsidiaries, associate 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, 2023	March 31, 2022
Titagarh Singapore Pte. Limited (TSPL)*	Singapore	100.00%	100.00%
Titagarh Wagons AFR (TWA) **	France	100.00%	100.00%
Titagarh Firema S.p.A (TFA) ***	Italy	-	99.24%

Notes to Financial Statements as at and for the year ended March 31, 2023

* The Board of Directors of the Company has approved the liquidation of TSPL, a wholly owned subsidiary Company, considering that no operations are currently being carried on in the subsidiary. The process for winding up of the subsidiary in compliance with the local rules and regulations at Singapore has already been initiated. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) for the year ended March 31, 2023.

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

On June 4, 2019 the Commercial Court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent company was no longer in control of TWA, under French Law. The Commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder and ordered for liquidation of TWA. Currently TWA is under liquidation.

Name of the Associate	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		March 31, 2023	March 31, 2022
Titagarh Firema S.p.A (TFA) ***	Italy	49.70%	-

*** Pursuant to an investment agreement dated July 20, 2022 signed between the Company, TBIPL (now amalgamated with the Company as disclosed in Note 49) and the Government of Italy through its investment agency, (Invitalia) along with a international private equity investor, have together infused fresh equity of Euro 14.5 million (Euro 10 million by Invitalia and Euro 4.5 million by international private equity investor) in Titagarh Firema S.p.A (TFA), a subsidiary of the Company. The above equity infusion resulted in dilution of equity stake of the Company in TFA to 49.70% which along with other terms of the aforesaid agreement led to Company's loss of control in TFA as a subsidiary and is now an associate company with effect from September 9, 2022.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		March 31, 2023	March 31, 2022
Titagarh Mermec Private Limited	India	50%	50%

42 SEGMENT INFORMATION

During the year, the Company has reassessed its operating segments based on the recent changes in the overall business landscape and accordingly the Company's products have been identified by the chief operating decision maker, being the Board of Directors, as "Freight Rail Systems" and "Passenger Rail Systems"

- Freight Rail Systems** - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment's for Defence, Bridge Girders etc.
- Passenger Rail Systems** - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

Segment performance is evaluated based on profit or loss and is measured consistently with Profit or Loss in the Standalone Financial Statements. Also, the Company's borrowings (include finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment Assets and Liabilities are measured in the same way as in the standalone financial statements.

These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Notes to Financial Statements as at and for the year ended March 31, 2023

Information about operating segments

For the year ended March 31, 2023

(Rs. in Lacs)

	Freight Rail System	Passenger Rail System	Total
Revenue from operations			
Segment revenue (external)	2,25,093.47	52,959.43	2,78,052.90
Segment profit	23,570.92	2,198.14	25,769.06
Unallocated (income) / expenses			
Finance Costs			5,144.25
Interest Income			(571.84)
Interest Expense / (Income) - Net			4,572.41
Depreciation and Amortisation Expense			272.94
Other Corporate Income			(3,056.80)
Other Corporate Expenses			3,475.75
Unallocable expenditure net of income			691.89
Exceptional Item			4,627.55
Profit / (Loss) before taxes			15,877.21
Tax expenses / (Credit)			5,540.57
Profit / (Loss) for the year			10,336.64
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	1,578.41	398.99	1,977.40
Unspent liabilities / provisions no longer required written back	(319.30)	-	(319.30)
Segment assets	1,17,946.12	61,807.28	1,79,753.40
Unallocated assets			
Investments			4,452.93
Cash and cash equivalents			4,079.23
Other bank balances			4,457.79
Tax Assets (Net)			2,868.68
Other unallocated assets			29,124.55
Total assets			2,24,736.58
Segment liabilities	63,270.39	36,407.46	99,677.85
Unallocated liabilities			
Deferred Tax Liabilities (Net)			1,346.36
Borrowings			24,932.41
Tax Liabilities			527.61
Other unallocated liabilities			1,960.12
Total liabilities			1,28,444.35

Notes to Financial Statements as at and for the year ended March 31, 2023

Information about operating segments

For the year ended March 31, 2022

(Rs. in Lacs)

	Freight Rail System	Passenger Rail System	Total
Revenue from Operations			
Segment Revenue (External)	1,27,653.79	21,897.41	1,49,551.20
Segment Profit	17,302.47	440.81	17,743.28
Unallocated (Income) / Expenses			
Finance Costs			3,702.39
Interest Income			(1,304.50)
Interest Expense / (Income) - Net			2,397.89
Depreciation and Amortisation Expense			275.38
Other Corporate Income			(998.85)
Other Corporate Expenses			4,992.52
Unallocable expenditure net of income			4,269.05
Exceptional Item			4,802.46
Profit / (Loss) before Taxes			6,273.88
Tax Expenses / (Credit)			2,925.11
Profit / (Loss) for the Year			3,348.77
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	1,306.06	256.90	1,562.96
Unspent liabilities / provisions no longer required written back	(3.59)	-	(3.59)
Segment Assets	82,235.89	46,293.70	1,28,529.59
Unallocated Assets			
Investments			6,012.61
Cash and Cash Equivalents			632.91
Other Bank Balances			3,309.76
Deferred Tax Assets (Net)			-
Tax Assets (Net)			2,651.75
Other Unallocated Assets			27,362.88
Total Assets			1,68,499.50
Segment Liabilities	33,119.08	29,460.18	62,579.26
Unallocated Liabilities			
Deferred Tax Liabilities (Net)			1,454.38
Borrowings			13,876.04
Current Tax Liabilities			1,600.43
Other Unallocated Liabilities			2,013.68
Total Liabilities			81,523.79

Notes to Financial Statements as at and for the year ended March 31, 2023

Geographic Wise 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, 2023	For the year ended March 31, 2022
India	2,77,749.57	1,47,100.25
Rest of the World	303.33	2,450.95
Total	2,78,052.90	1,49,551.20

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. 172,441.14 lacs (March 31, 2022: Rs. 86,292.93 lacs) and Maharashtra Metro Railway Corporation Rs. 52,462.98 Lacs (March 31, 2022: Rs. 18,442.21 Lacs) which represents more than 10% of the total revenue from external customers of the Company.

43 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists:

Subsidiary Companies:	Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (upto September 8, 2022) Titagarh Singapore Pte. Limited (Refer note 41) Titagarh Wagons AFR (Refer note 41)
Joint Venture Company:	Titagarh Mermec Private Limited
Associate Company:	Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (w.e.f September 9, 2022)

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

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Anil Kumar Agarwal - Director (Finance), Chief Business & Risk Officer and Chief Financial Officer Mr. Saurav Singhania- Joint Chief Financial Officer & Group Finance Controller (w.e.f November 18, 2022) Mr. Sudipta Mukherjee - Director (Whole-Time Director) (upto March 17, 2023) Mr. Saket Kandoi - Director (Whole-Time Director) (w.e.f March 17, 2023) Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Prithish Chowdhary - Non Executive Director (upto August 12, 2022) Mr. Prithish Chowdhary - Director (Marketing & Business Development) (w.e.f August 13, 2022) Mr. Manoj Mohanka - Independent Director Mr. Atul Ravishanker Joshi - Independent Director Mr. Sunirmal Talukdar - Independent Director Mr. Sushil Kumar Roongta - Independent Director Mr. Krishan Kumar Jalan - Independent Director Ms. Nayantara Palchoudhuri - Independent Director Mr. Dinesh Arya - Company Secretary (w.e.f March 17, 2023) Mr. Ravi Mundhra - Company Secretary (upto March 17, 2023) Mr. Sumit Jaiswal - Company Secretary (upto August 12, 2022)
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Notes to Financial Statements as at and for the year ended March 31, 2023

Close member of the family of KMP's	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary
Enterprises over which KMP/ Shareholders/ Close family members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Nicco Eastern Private Limited Shivaliks Mercantile Private Limited

Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

(Rs. in Lacs)								
Nature of transactions	Year	Subsidiary Companies	Joint ventures	Associate	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	2022-23	11.28	-	209.47	-	-	-	220.75
	2021-22	2,450.95	-	-	-	-	-	2,450.95
Management Fees								
Titagarh Firema S.p.A	2022-23	82.58	-	-	-	-	-	82.58
	2021-22	346.28	-	-	-	-	-	346.28
Interest Income on Loans to Subsidiaries								
Titagarh Singapore Pte Limited	2022-23	-	-	-	-	-	-	-
	2021-22	15.78	-	-	-	-	-	15.78
Titagarh Firema S.p.A	2022-23	7.29	-	-	-	-	-	7.29
	2021-22	17.58	-	-	-	-	-	17.58
Unspent Liabilities No Longer Required Written Back								
Titagarh Singapore Pte Limited	2022-23	131.09	-	-	-	-	-	131.09
	2021-22	-	-	-	-	-	-	-
Purchase of Raw Materials and Components								
Titagarh Firema S.p.A	2022-23	783.51	-	2,807.86	-	-	-	3,591.37
	2021-22	15,079.59	-	-	-	-	-	15,079.59
Nicco Eastern Private Limited	2022-23	-	-	-	104.05	-	-	104.05
	2021-22	-	-	-	-	-	-	-
Reimbursement of Expenses received								
Titagarh Enterprises Limited	2022-23	-	-	-	30.57	-	-	30.57
	2021-22	-	-	-	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Reimbursement of Expenses Paid								
Titagarh Firema S.p.A	2022-23	240.25	-	-	-	-	-	240.25
	2021-22	167.81	-	-	-	-	-	167.81
Payment for Lease Rental (Refer Note 3.5)								
Titagarh Enterprises Limited	2022-23	-	-	-	864.83	-	-	864.83
	2021-22	-	-	-	675.86	-	-	675.86
Interest Expense on OFCD								
Mr. J P Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	6.65	-	6.65
Mr. Umesh Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	2.22	-	2.22
Mrs. Savitri Devi Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	-	3.88	3.88
Mrs. Rashmi Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	1.66	-	1.66
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	55.85	-	-	55.85
Shivaliks Mercantile Private Limited	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	60.39	-	-	60.39
Interest Expense on Loan								
Titagarh Enterprises Limited	2022-23	-	-	-	128.32	-	-	128.32
	2021-22	-	-	-	69.75	-	-	69.75
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]								
Mr. J P Chowdhary	2022-23	-	-	-	-	257.28	-	257.28
	2021-22	-	-	-	-	257.28	-	257.28
Mr. Umesh Chowdhary	2022-23	-	-	-	-	257.28	-	257.28
	2021-22	-	-	-	-	257.28	-	257.28
Mr. Prithish Chowdhary	2022-23	-	-	-	-	32.83	-	32.83
	2021-22	-	-	-	-	-	-	-
Mr. Anil Kumar Agarwal	2022-23	-	-	-	-	104.98	-	104.98
	2021-22	-	-	-	-	83.69	-	83.69
Mr. Sudipta Mukherjee	2022-23	-	-	-	-	58.96	-	58.96
	2021-22	-	-	-	-	65.42	-	65.42

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Mr. Saket Kandoi	2022-23	-	-	-	-	1.95	-	1.95
	2021-22	-	-	-	-	-	-	-
Mr. Saurav Singhanian	2022-23	-	-	-	-	26.54	-	26.54
	2021-22	-	-	-	-	12.00	-	12.00
Mr. Sumit Jaiswal	2022-23	-	-	-	-	3.13	-	3.13
	2021-22	-	-	-	-	12.60	-	12.60
Mr. Ravi Prakash Mundhra	2022-23	-	-	-	-	19.14	-	19.14
	2021-22	-	-	-	-	-	-	-
Mr. Dinesh Arya	2022-23	-	-	-	-	2.95	-	2.95
	2021-22	-	-	-	-	-	-	-
Employee Stock Option Expense								
Mr. Anil Kumar Agarwal	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	0.91	-	0.91
Mr. Sudipta Mukherjee	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	0.91	-	0.91
Sitting Fees to Directors								
Mr. Manoj Mohanka	2022-23	-	-	-	-	11.80	-	11.80
	2021-22	-	-	-	-	12.60	-	12.60
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	-	10.00	-	10.00
	2021-22	-	-	-	-	14.40	-	14.40
Mrs. Rashmi Chowdhary	2022-23	-	-	-	-	3.20	-	3.20
	2021-22	-	-	-	-	3.20	-	3.20
Mr. Sunirmal Talukdar	2022-23	-	-	-	-	12.00	-	12.00
	2021-22	-	-	-	-	16.00	-	16.00
Mr. Sushil Kumar Roongta	2022-23	-	-	-	-	7.00	-	7.00
	2021-22	-	-	-	-	6.40	-	6.40
Mr. Krishan Kumar Jalan	2022-23	-	-	-	-	5.00	-	5.00
	2021-22	-	-	-	-	5.00	-	5.00
Mr. Prithish Chowdhary	2022-23	-	-	-	-	1.40	-	1.40
	2021-22	-	-	-	-	4.00	-	4.00
Ms. Nayantara Palchoudhri	2022-23	-	-	-	-	5.00	-	5.00
	2021-22	-	-	-	-	5.00	-	5.00
Commission to non - whole time directors								
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Mr. Sunirmal Talukdar	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67
Mr. Sushil Kumar Roongta	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67
Mr. Krishan Kumar Jalan	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67
Ms. Nayantara Palchoudhri	2022-23	-	-	-	-	4.16	-	4.16
	2021-22	-	-	-	-	1.67	-	1.67
Mr. Manoj Mohanka	2022-23	-	-	-	-	4.16	-	4.16
	2021-22	-	-	-	-	1.67	-	1.67
Impairment of Investments								
Titagarh Firema S.p.A	2022-23	-	-	4,972.82	-	-	-	4,972.82
	2021-22	4,802.46	-	-	-	-	-	4,802.46
In relation to Balance Sheet Item								
Investments made								
Titagarh Firema S.p.A	2022-23	3,248.60	-	-	-	-	-	3,248.60
	2021-22	1,324.43	-	-	-	-	-	1,324.43
Loans Given								
Titagarh Firema S.p.A (Refer Note 4)	2022-23	-	-	-	-	-	-	-
	2021-22	1,608.54	-	-	-	-	-	1,608.54
Loan Refunded								
Titagarh Singapore Pte Limited	2022-23	-	-	-	-	-	-	-
	2021-22	1,291.50	-	-	-	-	-	1,291.50
Loan Taken								
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	2,000.00	-	-	2,000.00
Repayment of Loan								
Titagarh Enterprises Limited	2022-23	-	-	-	2,000.00	-	-	2,000.00
	2021-22	-	-	-	-	-	-	-
Advance paid against Capital Goods								
Titagarh Firema S.p.A	2022-23	-	-	-	-	-	-	-
	2021-22	2,385.94	-	-	-	-	-	2,385.94
Security deposit paid								
Titagarh Enterprises Limited	2022-23	-	-	-	293.98	-	-	293.98
	2021-22	-	-	-	338.10	-	-	338.10

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Balances outstanding as at the year end								
Withholding Tax payable to TSPL for period April 21 to July 21								
Titagarh Singapore Pte Limited	2022-23	-	-	-	-	-	-	-
	2021-22	2.37	-	-	-	-	-	2.37
Trade Receivables								
Titagarh Firema S.p.A	2022-23	-	-	1,274.51	-	-	-	1,274.51
	2021-22	1,795.66	-	-	-	-	-	1,795.66
Titagarh Enterprises Limited	2022-23	-	-	-	36.07	-	-	36.07
	2021-22	-	-	-	-	-	-	-
Trade Payables								
Titagarh Firema S.p.A	2022-23	-	-	-	-	-	-	-
	2021-22	1,472.98	-	-	-	-	-	1,472.98
Titagarh Enterprises Limited	2022-23	-	-	-	399.81	-	-	399.81
	2021-22	-	-	-	-	-	-	-
Nicco Eastern Private Limited	2022-23	-	-	-	9.93	-	-	9.93
	2021-22	-	-	-	-	-	-	-
Capital Advance								
Titagarh Firema S.p.A	2022-23	-	-	2,387.31	-	-	-	2,387.31
	2021-22	2,385.94	-	-	-	-	-	2,385.94
Investment In Equity shares								
Titagarh Firema S.p.A	2022-23	-	-	1,272.63	-	-	-	1,272.63
	2021-22	2,996.85	-	-	-	-	-	2,996.85
Receivable from Related Parties								
Titagarh Wagons AFR	2022-23	-	-	-	-	-	-	-
[Net of Rs. 235.93 lacs being provision for doubtful receivables (March 31, 2022 Rs. 235.93 lacs)]	2021-22	-	-	-	-	-	-	-
Other Liabilities								
Titagarh Singapore Pte Limited	2022-23	-	-	-	-	-	-	-
	2021-22	126.26	-	-	-	-	-	126.26
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	16.26	-	-	16.26
Loans Taken								
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
	2021-22	-	-	-	2,000.00	-	-	2,000.00
Loans Given								
Titagarh Firema S.p.A	2022-23	-	-	-	-	-	-	-
	2021-22	1,608.54	-	-	-	-	-	1,608.54
Interest Accrued on Loans								
Titagarh Wagons AFR	2022-23	-	-	-	-	-	-	-
[Net of Rs. 139.97 lacs being provision for doubtful interest accrued on loans (March 31, 2022 Rs. 139.97 lacs)]	2021-22	-	-	-	-	-	-	-
Titagarh Firema S.p.A	2022-23	-	-	-	-	-	-	-
	2021-22	17.58	-	-	-	-	-	17.58
Interest outstanding on Loans								
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	62.78	-	-	62.78
Redemption of OFCD								
Mr. J P Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	84.93	-	84.93
Mr. Umesh Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	28.31	-	28.31
Mrs. Savitri Devi Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	-	49.54	49.54
Mrs. Rashmi Chowdhary	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	21.23	-	21.23
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	713.41	-	-	713.41
Shivaliks Mercantile Private Limited	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	771.44	-	-	771.44
Advances Recoverable in Cash or Kind								
Mr. Anil Kumar Agarwal	2022-23	-	-	-	-	30.00	-	30.00
	2021-22	-	-	-	-	30.00	-	30.00
Mr. Sudipta Mukherjee	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	-	-	15.00	-	15.00
Titagarh Firema S.p.A	2022-23	-	-	166.63	-	-	-	166.63
	2021-22	-	-	-	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Commission payable to non whole time directors								
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67
Mr. Sunirmal Talukdar	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67
Mr. Sushil Kumar Roongta	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67
Mr. Krishan Kumar Jalan	2022-23	-	-	-	-	4.17	-	4.17
	2021-22	-	-	-	-	1.67	-	1.67
Ms. Nayantara Palchoudhri	2022-23	-	-	-	-	4.16	-	4.16
	2021-22	-	-	-	-	1.67	-	1.67
Mr. Manoj Mohanka	2022-23	-	-	-	-	4.16	-	4.16
	2021-22	-	-	-	-	1.67	-	1.67
Security Deposit								
Titagarh Enterprises Limited	2022-23	-	-	-	281.92	-	-	281.92
	2021-22	-	-	-	147.50	-	-	147.50

Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

Investments								
Titagarh Wagons AFR	2022-23	-	-	-	-	-	-	-
[Net of Rs. 4,883.89 Lacs impairment (March 31, 2022: Rs. 4,883.89 Lacs)]	2021-22	-	-	-	-	-	-	-
Titagarh Singapore Pte Limited	2022-23	-	-	-	-	-	-	-
[Net of Rs. 12,743.65 Lacs impairment (March 31, 2022: Rs.12,743.65 Lacs)]	2021-22	-	-	-	-	-	-	-
Titagarh Firema S.p.A	2022-23	-	-	1,272.63	-	-	-	1,272.63
[Net of Rs. 19,318.35 Lacs impairment (March 31, 2022: Rs.14,345.53 Lacs)]	2021-22	2,996.85	-	-	-	-	-	2,996.85
Titagarh Enterprises Limited	2022-23	-	-	-	3,140.55	-	-	3,140.55
	2021-22	-	-	-	2,972.63	-	-	2,972.63
Titagarh Mermec Private Limited	2022-23	-	0.50	-	-	-	-	0.50
	2021-22	-	0.50	-	-	-	-	0.50
Titagarh Industries Limited	2022-23	-	-	-	39.00	-	-	39.00
	2021-22	-	-	-	42.38	-	-	42.38

Notes to Financial Statements as at and for the year ended March 31, 2023

Notes:

a) Terms and conditions of transactions with related parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free (except loans given) and settlement occurs in cash.

b) Compensation of Key managerial Personnel

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	718.15	648.20
Contribution to provident and other funds	46.89	40.07
Share-based payment transactions	-	1.82
	765.04	690.09

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.

44 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, 2023 and March 31, 2022.

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, 2023	-	-	3,179.60	3,179.60
	March 31, 2022	-	-	3,015.06	3,015.06
Derivative Financial Assets	March 31, 2023	-	-	-	-
	March 31, 2022	-	1,323.24	-	1,323.24
Total Financial Assets	March 31, 2023	-	-	3,179.60	3,179.60
	March 31, 2022	-	1,323.24	3,015.06	4,338.30
Derivative Financial Liabilities	March 31, 2023	-	37.87	-	37.87
	March 31, 2022	-	-	-	-
Total Financial Liabilities	March 31, 2023	-	37.87	-	37.87
	March 31, 2022	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2023

(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, 2023 and March 31, 2022 are as shown below:

	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Significant Unobservable Input - Weighted Average Cost of Capital / Discounting Rate *		
Impact of 1% Increase	(319.00)	(187.90)
Impact of 1% Decrease	434.68	250.81
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company #		
Impact of 5% Increase	57.86	83.53
Impact of 5% Decrease	(57.86)	(83.53)

* For FVTPL assets in unquoted equity shares

For FVTPL assets in unquoted equity shares

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

Particulars	Investment in equity unquoted equity shares
Closing Balance as on March 31, 2021	3,127.73
Sale during the period	(295.95)
Re-measurement recognised in Statement of Profit and Loss	183.28
Closing Balance as on March 31, 2022	3,015.06
Re-measurement recognised in Statement of Profit and Loss	164.54
Closing Balance as on March 31, 2023	3,179.60

(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, 2022.

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.

45 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.

Notes to Financial Statements as at and for the year ended March 31, 2023

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, 2023				March 31, 2022			
	JPY	NPR	USD	EURO	JPY	NPR	USD	EURO
Financial Assets								
Trade Receivables	2,249.51	221.80	616.60	2,892.99	2,151.87	316.66	568.23	4,069.73
Cash and Cash Equivalents	-	253.41	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	1,608.54
Other Financial Assets	-	-	-	375.90	-	-	-	393.48
Derivative Assets								
Foreign Exchange Forward Contracts	(2,336.04)	-	-	(3,170.19)	(1,323.24)	-	-	-
Net exposure to Foreign Currency Risk (Assets)	(86.53)	475.21	616.60	98.70	828.63	316.66	568.23	6,071.75
Financial Liabilities								
Trade Payables	989.85	7.32	41.10	1,852.20	-	-	-	2,159.86
Other Financial Liabilities	-	-	17.13	-	-	-	-	126.26
Borrowings	-	-	2,044.51	-	-	-	-	-
Derivative Liabilities								
Foreign Exchange Forward Contracts	-	-	(5,290.36)	-	-	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	989.85	7.32	(3,187.61)	1,852.20	-	-	-	2,286.12
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	(1,076.38)	467.89	3,804.21	(1,753.49)	828.63	316.66	568.23	3,785.63

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, Euro, JPY and NPR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Notes to Financial Statements as at and for the year ended March 31, 2023

	Changes in JPY rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2023	5%	(1,076.38)	(53.82)	5%	467.89	23.39
	-5%		53.82	-5%		(23.39)
March 31, 2022	5%	828.63	41.43	5%	316.66	15.83
	-5%		(41.43)	-5%		(15.83)
	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in EURO 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, 2023	5%	3,804.21	190.21	5%	(1,753.49)	(87.67)
	-5%		(190.21)	-5%		87.67
March 31, 2022	5%	568.23	28.41	5%	3,785.63	189.28
	-5%		(28.41)	-5%		(189.28)

(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, associates, joint ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries, associates, 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, associates, 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 44(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 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, 2023	As at March 31, 2022
Variable Rate Borrowings	24,932.41	11,876.04
Total Borrowings	24,932.41	11,876.04

Notes to Financial Statements as at and for the year ended March 31, 2023

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, 2023	As at March 31, 2022
Interest Rates - Increase by 100 basis points *	(249.32)	(118.76)
Interest Rates - Decrease by 100 basis points*	249.32	118.76

* 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, 2023 and March 31, 2022 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 receivables 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 prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history, forward looking information etc. 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. Further the Company has also applied the simplified approach for expected credit loss based on trade receivable and contract assets which resulted in the default risk being upto 6.81% in respect of various categories of customers, which is not significant and the movement of allowance is given in (c) below.

(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 loss allowance provision of trade receivables, contract assets and other financial assets:

(Rs. in Lacs)

Particulars	Trade Receivable	Other Financial Assets
Opening Balance as at March 31, 2021	372.76	628.98
Provision made during the year ended March 31, 2022	-	-
Provision transferred from Litigation Claim and Contingencies	-	-
Provision adjusted with corresponding receivable balance during the year ended March 31, 2022	(372.76)	(253.08)
Closing Balance as at March 31, 2022	-	375.90
Provision made during the year ended March 31, 2023	102.22	-
Provision adjusted with corresponding receivable balance during the year ended March 31, 2023	-	-
Provision written back during the year ended March 31, 2023	-	-
Closing Balance as at March 31, 2023	102.22	375.90

Notes to Financial Statements as at and for the year ended March 31, 2023

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.

The Company has recorded bad debts of Rs. 165.81 lacs (March 31, 2022: Rs. 1,424.71 lacs), being not realisable from customers.

Movement of Liquidated Damages:

Particulars	(Rs. in Lacs)
Opening Balance as at March 31, 2021	107.31
Provision made during the year ended March 31, 2022	359.85
Provision utilised / reversed during the year ended March 31, 2022	(199.87)
Closing Balance as at March 31, 2022	267.29
Provision made during the year ended March 31, 2023	1,011.00
Provision utilised / reversed during the year ended March 31, 2023	(1,117.56)
Closing Balance as at March 31, 2023	160.73

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:

Particulars	March 31, 2023					March 31, 2022				
	Carrying Amount	Contractual Cash flows	Upto 1 Year	1-3 years	More than 3 years	Carrying Amount	Contractual Cash flows	Upto 1 Year	1-3 years	More than 3 years
Non-derivative Financial Liabilities										
Borrowings (including interest accrued and not due on borrowings) *	24,966.98	26,502.63	20,628.41	3,188.62	2,685.60	13,969.37	14,798.77	9,043.90	5,754.87	-
Trade Payables	32,300.77	32,300.77	32,300.77	-	-	22,959.90	22,959.90	22,959.90	-	-
Lease Liabilities	10,393.61	10,473.11	490.71	1,330.07	8,652.33	5,926.37	9,016.63	766.84	812.38	7,437.41
Other Financial Liabilities	716.56	716.56	716.56	-	-	400.63	400.63	400.63	-	-
Total Financial Liabilities	68,377.92	69,993.07	54,136.45	4,518.69	11,337.93	43,256.27	47,175.93	33,171.27	6,567.25	7,437.41

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

45.1 The Company does not have any material foreseeable losses on long term contracts. Further the net losses on derivative contracts during the year have been recognised in the financial statements in keeping with Company's accounting policy.

Notes to Financial Statements as at and for the year ended March 31, 2023

46 Capital Management

(a) Risk Management

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

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Total Borrowings	24,932.41	13,876.04
Less: Cash and Cash Equivalents	4,079.23	632.91
Net Debt	20,853.18	13,243.13
Equity	96,292.23	86,975.71
Total Capital (Equity + Net Debt)	1,17,145.41	1,00,218.84
Net Debt to Equity Ratio	21.66%	15.23%

(b) Dividends on Equity Shares

	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2023 of Rs. Nil (March 31, 2022 - Rs. Nil) per fully paid share	-	-
Dividend Distribution Tax on above	-	-

Proposed Dividend

The Board of Directors of the Company recommended a dividend of Rs. 0.50/- per Ordinary (Equity) Share of Rs. 2/- each (25%) to the shareholders of the Company for the financial year 2022-23. The dividend recommended by the Board of Directors of the Company is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company. The dividend, if approved by the shareholders at the AGM, will be paid, subject to deduction of tax at source.

47 Debt Reconciliation

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

	(Rs in Lacs)	
Particulars	March 31, 2023	March 31, 2022
Non- current Borrowings	4,962.50	5,286.09
Current Maturities of Long-term Debt	3,286.13	2,705.06
Current Borrowings	16,683.78	5,884.89
Interest Accrued and but not due on borrowings	34.57	93.33
Lease Liabilities	10,393.61	5,926.37
Total	35,360.59	19,895.74

Notes to Financial Statements as at and for the year ended March 31, 2023

(Rs in Lacs)				
Particulars	Non- current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2021	12,003.04	-	148.05	12,151.09
New Leases	-	-	5,940.26	5,940.26
Finance Costs	3,106.14	2,396.84	223.81	5,726.79
Finance cost Capitalised in Inventory	(2,315.71)	-	-	(2,315.71)
Derecognition of equity portion of OFCD	676.82	-	-	676.82
Cash Flows				
Principal Repayment of Leases	-	-	(385.75)	(385.75)
Proceeds from Long-term Borrowings from Banks	-	-	-	-
Proceeds from Loan from Related Party	2,000.00	-	-	2,000.00
Repayment of Long-term Borrowings from Banks	(6,777.99)	-	-	(6,777.99)
Short-term Borrowings - Receipts/(Payments)	-	5,884.89	-	5,884.89
Finance Costs Paid	(701.15)	(2,303.51)	-	(3,004.66)
Debt as at March 31, 2022	7,991.15	5,978.22	5,926.37	19,895.74
New Leases	-	-	4,836.43	4,836.43
Finance Costs	2,979.13	4,520.40	575.14	8,074.67
Finance cost Capitalised in Inventory	(2,364.78)	-	-	(2,364.78)
Liabilities held for sale	-	-	(79.50)	(79.50)
Cash Flows				
Principal Repayment of Leases	-	-	(864.83)	(864.83)
Proceeds from Long-term Borrowings from Banks	4,962.50	-	-	4,962.50
Repayment of Long-term Borrowings from Banks	(2,705.03)	-	-	(2,705.03)
Repayment of Loan from Related Party	(2,000.00)	-	-	(2,000.00)
Short-term Borrowings - Receipts/(Payments)	-	10,798.89	-	10,798.89
Finance Costs Paid	(614.34)	(4,579.16)	-	(5,193.50)
Debt as at March 31, 2023	8,248.63	16,718.35	10,393.61	35,360.59

48 Revenue recognised in relation to contract liability

(Rs. in Lacs)		
	As at March 31, 2023	As at March 31, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	8,370.84	20,202.84

The aggregate amount of the transaction price allocated to the remaining performance obligation, which are partially or fully unsatisfied as at year end is Rs. 929,678.13 lacs (March 31, 2022 : Rs. 283,645.00 lacs) and the entity will recognize this revenue as the contract is completed and / or executed, which is expected to occur over the next 12–30 months.

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

49 Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on January 10, 2022 approved the Scheme for amalgamation ("the Scheme") of Titagarh Bridges and International Private Limited (TBIPL) - a wholly owned subsidiary with the Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2021 as the Appointed Date. The Hon'ble National Company Law Tribunal (NCLT), Kolkata has vide its order dated October 26, 2022 approved the Scheme. In terms of the Scheme, no consideration has been paid and the equity shares and optionally fully convertible debentures held by the Company in TBIPL stands cancelled.

Notes to Financial Statements as at and for the year ended March 31, 2023

The Company has accounted for the above merger in accordance with Appendix C - (Business combinations of entities under common control) of Indian Accounting Standard (Ind AS) 103, Business Combinations, other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 as notified under section 133 of Companies Act, 2013 and relevant clarifications issued by the Institute of Chartered Accountants of India with effect from April 1, 2021 and as also approved in the scheme by NCLT.

The assets and liabilities recognised as a result of the acquisition are as follows:

(Rs. in Lacs)

	As at April 1, 2021
Non-current Assets	
Property, Plant and Equipment	-
Financial assets	
(i) Investments	6,412.92
(ii) Trade Receivables	-
(iii) Others Financial Assets	28.29
Other Non-current Assets	-
Sub total - Non-current Assets	6,441.21
Current Assets	
Inventories	-
Financial assets	
(i) Trade receivables	373.68
(ii) Cash and cash equivalents	194.10
(iii) Other Bank Balances	220.00
(iv) Loans & Deposits	-
(v) Other Financial Assets	5.28
Current Tax Assets (Net)	10.96
Other current assets	1,704.33
Sub total - Current Assets	2,508.35
TOTAL - ASSETS	8,949.56
LIABILITIES	
Non-current Liabilities	
a) Financial Liabilities	
i) Borrowings	6,427.77
b) Deferred Tax Liabilities (Net)	639.23
Sub total - Non-current Liabilities	7,067.00
Current Liabilities	
Financial Liabilities	
(i) Borrowings	-
(ii) Trade payables	6.30
(iii) Others Financial Liabilities	90.87
Other Current liabilities	695.10
Sub total - Current Liabilities	792.27
TOTAL - LIABILITIES	7,859.27
Balance in Statement of Profit and Loss (Total Equity) (a)	(1,106.17)
Investment by TWL as at April 1, 2021	3,383.62
Net Assets Transferred to the Company	(1,187.16)
Less: Share issued / consideration paid	-
Net Amount Transferred to Capital Reserve on April 1, 2021	(1,187.16)

Notes to Financial Statements as at and for the year ended March 31, 2023

- (a) The total equity of TBIPL includes Rs. 1,936.19 lacs as equity component of compound instrument, representing 4% optionally fully convertible debentures issued by TBIPL to the Company during the year ended March 31, 2021, which gets eliminated with corresponding deemed equity investment of Rs.1,936.19 lacs in books of Company, on giving effect of aforesaid amalgamation.

50 The Company has evaluated the impact of the 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 and in the assessment of the management, the exposure is not material.

- 51** (i) Details of benami property held
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder
- (ii) Wilful defaulter
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) Relationship with struck off companies
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iv) Compliance with number of layers of companies
The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) Compliance with approved scheme(s) of arrangements
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year, other than as disclosed in Note 49.
- (vi) Utilisation of borrowed funds and share premium
- (A) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vii) Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (viii) Details of crypto currency or virtual currency
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) Valuation of PPE, intangible asset and investment property
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (x) The Company has one Core investment company (Titagarh Capital Management Services Private Limited) as a part of the group.

Notes to Financial Statements as at and for the year ended March 31, 2023

52 Ratios

	31-03-2023	31-03-2023	31-03-2022	31-03-2022	Change %	Remarks
Current Ratio (times) (Current Assets/Current Liabilities)	-	1.22	-	1.22	-0.33%	
Current Assets	1,32,683.67		84,047.79			
Current Liabilities	1,08,939.71		68,776.83			
Net Debt-equity ratio (times) (Total Debt/Equity)	-	0.22	-	0.15	42.23%	Variation is mainly due to increase in borrowings during the year.
Net Debt	20,853.18		13,243.13			
[Net Debt = Total Debts - Cash & Cash Equivalents]	96,292.23		86,975.71			
Debt service coverage ratio (times) (Earnings available for debt service/Debt service)	-	1.94	-	1.42	35.92%	Variation is mainly due to increase in profitability during the year.
Earnings available for debt service	20,836.81		14,483.14			
[Earning for Debt Service = Net Profit after taxes + Depreciation and Amortization Expense+ Non Cash Items + Finance Costs]						
Debt service	10,763.37		10,168.40			
[Debt service = Finance Costs + Scheduled Principal Repayments including Lease payments]						
Return on equity ratio (%) (Net profit after tax/Shareholders equity)	-	11.28%	-	3.85%	193.30%	Variation is mainly due to increase in profitability during the year.
Net profit after tax	10,336.64		3,348.77			
Average Shareholders equity	91,633.97		87,070.51			
Inventory turnover ratio (in no. of days) (COGS/Average Inventory)	-	65.67	-	86.87	-24.41%	---
COGS	2,15,005.35		1,07,378.32			
Average Inventory	38,680.81		25,555.91			
Trade receivables turnover ratio (in no. of days) (Revenue from Operations/Average Trade Receivables)	-	31.37	-	40.16	-21.90%	----
Revenue from Operations	2,78,052.90		1,49,551.20			
Average Trade Receivables	23,893.73		16,454.02			

Notes to Financial Statements as at and for the year ended March 31, 2023

	31-03-2023	31-03-2023	31-03-2022	31-03-2022	Change %	Remarks
Trade payables turnover ratio (in no. of days) (Purchase/Average Trade Payables) Purchase [Purchase = Purchase of raw materials + Purchase of stores and spares + Other Expenses] Average Trade Payables	- 2,58,338.65 27,630.34	39.04	- 1,36,907.57 18,172.11	48.45	-19.42%	---
Net capital turnover ratio (in no. of days) (Revenue from Operations/Working Capital) Revenue from Operations Working Capital [Working Capital = Current Assets - Current Liabilities]	- 2,78,052.90 23,743.96	31.17	- 1,49,551.20 15,270.96	37.27	-16.37%	----
Net profit ratio (Profit After Tax/Revenue from Operations) Profit After Tax Revenue from Operations	- 10,336.64 2,78,052.90	3.72%	- 3,348.77 1,49,551.20	2.24%	66.02%	Variation is mainly due to increase in turnover and profitability during the year.
Return on capital employed (%) (EBIT/Capital Employed) EBIT [EBIT = Profit before taxes + Finance Costs] Capital Employed [Capital Employed = Total Equity + Non Current Borrowings + Current Borrowings + Deferred Tax Liability]	- 23,951.88 1,22,571.00	19.54%	- 12,000.67 1,02,306.13	11.73%	66.59%	Variation is mainly due to increase in profitability during the year.
Return on Investment (%) (EBIT/Average Total Assets) EBIT [EBIT = Profit before taxes + Finance Costs] Average Assets	- 23,951.88 1,96,618.04	12.18%	- 12,000.67 1,55,138.26	7.74%	57.48%	Variation is mainly due to increase in profitability during the year.

Notes to Financial Statements as at and for the year ended March 31, 2023

- 53 Research and Development expenditure of revenue nature recognised in Profit and Loss during the year amounts to Rs. 301.84 lacs (March 31, 2022 : Rs. 322.96 lacs).
- 54 The board at its meeting held on March 17, 2023 approved change of name of the company to Titagarh Rail Systems Limited to better reflect the current business activities and after shareholders approval obtained on April 27, 2023 the necessary forms have been filed with MCA. The approval for the same has been received and the name change is effective from May 19, 2023.
- 55 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.

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited
(formerly Titagarh Wagons Limited)

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

J P Chowdhary
 Executive Chairman
 DIN: 00313685
 Place: Kolkata
 Dated: May 24, 2023

Umesh Chowdhary
 Vice Chairman and Managing Director
 DIN: 00313652
 Place: Kolkata
 Dated: May 24, 2023

Atul Ravishanker Joshi
 Independent Director
 DIN: 03557435
 Place: Mumbai
 Dated: May 24, 2023

Pramit Agrawal
 Partner
 Membership No. 099903

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

Saurav Singhania
 Group Finance Controller and
 Jt. Chief Financial Officer

Dinesh Arya
 Company Secretary

Place: Kolkata
 Dated: May 24, 2023

Place: Kolkata
 Dated: May 24, 2023

Place: Kolkata
 Dated: May 24, 2023

Place: Kolkata
 Dated: May 24, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Titagarh Rail Systems Limited (Formerly known as 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 its associate company and joint venture (refer Note 1 (a) to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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, its associate company and a joint venture as at March 31, 2023, and of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for 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, its associate company and joint venture 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 the Institute of Chartered Accountants of India 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 16 of the Other Matters section below, other than the unaudited financial information as certified by the Board of Directors authorized personnel and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 46(a) of the consolidated financial statements which describes that the financial information of Titagarh Firema S.p.A, Italy, an associate company of the Group with effect from September 9, 2022, has been considered based on unaudited financial information for the reasons mentioned therein. The consolidated financial statements include the Group's share of loss of Rs. 1,272.63 lacs for the period from September 9, 2022, to March 31, 2023, in respect of the aforesaid associate company, which has resulted in reduction of carrying amount of the investment to Nil as at March 31, 2023. The financial information is unaudited and has 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 the associate company 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 associate company, is based solely on unaudited financial information, which is subject to audit by other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matter with respect to the financial information certified by the Board of Directors authorized personnel.

5. The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Singapore Pte Ltd, a subsidiary of the Holding Company, vide their report dated May 23, 2023:

"We draw attention to Para 4 of Note No 2.1 of Financial Statement which mentions passing of Board Resolution by shareholders of the company on 14th November 2022, for voluntary winding up of Titagarh Singapore PTE Ltd and therefore the financial statements are prepared on the basis of liquidation."

Refer Note 46(b) to the consolidated financial statements in this regard.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition - appropriateness of estimation of contract cost and revenue recognition</p> <p>(Refer to Note 2.19 – “Revenue Recognition”, Refer Note 2.34 – “Critical Estimates and Judgements – Accounting for revenue from contracts wherein group satisfies performance obligation and recognises revenue over time” and Note 22 – “Revenue from operations”)</p> <p>In respect of certain contracts with customers, the Holding Company recognises revenue over a period of time in accordance with its accounting policy. This involves determination of percentage completion of the project and contract margin to be recognised on the project, which are dependent on the actual cost incurred and total budgeted cost, which is cost incurred till date and estimation of future cost to complete the contract.</p> <p>This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the project, and the related assumptions</p> <p>This has been considered as a key audit matter given the significant management judgements involved and complexities in determining costs to complete and the resulting contract margin.</p>	<p>Our audit procedures included the following in respect of Holding Company:</p> <ul style="list-style-type: none"> • Obtained an understanding, evaluated the design, and tested the operating effectiveness of key controls around estimation of contract margin and costs to complete the contracts. • Inquired with the management the status of the contracts, the basis for estimates of cost to complete the contracts and other factors such as consideration of any specific identified risks. • Verified on a sample basis the contract revenue with the underlying contracts and other relevant terms and conditions as appropriate. • Tested on a sample basis the actual costs incurred during the year with supporting documents. • Tested on a sample basis the cost to complete with order placed with vendors, and other relevant supporting documents, as appropriate. • Recomputed the percentage of completion based on the budgeted cost and the total actual cost incurred and the revenue recognized based on the percentage of completion. • Evaluated the adequacy of the disclosures made in the consolidated financial statements. <p>Based on the above procedures performed, management’s estimation of contract cost and revenue recognition is considered 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

7. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. 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 associate company and joint venture 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 of its associate company and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate company and joint venture 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company and joint venture are responsible for assessing the ability of the Group and of its associate company and joint venture 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 and its associate company and joint venture or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and of its associate company and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate company and joint venture.

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

11. 'Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 consolidated 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 associate company and 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 Holding Company and its associate company and joint venture 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 associate company and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other

auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the 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

16. We did not audit the financial information of a subsidiary [refer Note 46(a) to the consolidated financial statements] whose financial information reflect total assets of Rs 1,461.32 lacs and net assets of Rs 1,453.77 lacs as at March 31, 2023 and total net profit after tax from discontinued operations of Rs. 2,277.83 Lacs and total comprehensive income from discontinued operations of Rs. 2,277.83 lacs for the year ended March 31, 2023 and net cash flows amounting to Rs 1,367.31 lacs for the year ended on that date, as considered in the consolidated financial statements. Further, we did not audit the financial information of a subsidiary whose financial information reflects total net loss after tax from discontinued operations of Rs. 4,675.75 lacs for the period April 1, 2022 to September 8, 2022, as considered in the consolidated financial statements. These 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.
17. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. Nil for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of one joint venture whose financial information has not been audited by us. This financial information is unaudited and has 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 this joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid joint venture is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors authorized personnel.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), 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 matter specified in paragraph 3(xxi) of CARO 2020.
19. 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), the 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 as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding 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 Auditor's) 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 associate company and joint venture— Refer Notes 17.1 and 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, 2023— Refer (a) Note 42.1 to the consolidated financial statements in respect of such items as it relates to the Group and (b) the Group's share of net loss in respect of its associate and joint venture.
 - 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.
 - iv. (a) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries or by its associate or joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiaries or its associate or joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiaries or by its associate or joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiaries or its associate or joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - v. The Holding Company and its joint venture has not declared or paid any dividend during the year.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, associate companies and joint venture, is applicable to the Group, associate companies and joint venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable
- 20. The Holding 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. In case of joint venture not being a public company, the provision of Section 197 read with Schedule V to the Act are not applicable.

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

Pramit Agrawal
Partner
Membership Number 099903
UDIN: 23099903BGWLOI7297
Place: Kolkata
Date: May 24, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) on the consolidated financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) (hereinafter referred to as "the Holding Company"). 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 Board of Directors of the Holding Company is 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated 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, 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Pramit Agrawal

Partner

Membership Number: 099903

UDIN : 23099903BGWLOH5929

Place: Kolkata

Date: May 24, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) on the Consolidated Financial Statements as of and for the year ended March 31, 2023

As required by paragraph 3(xxi) of the CARO 2020, we report that we have given below qualification or adverse remarks in our CARO report on the standalone financial statements of the Holding Company:

Sr. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1	Titagarh Rail Systems Limited	L27320WB1997PLC084819	Holding Company	May 24, 20203	(iii)(c) and (ix)(c)

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Pramit Agrawal

Partner

Membership Number 099903

UDIN : 23099903BGWLOI7297

Place: Kolkata

Date: May 24, 2023

CONSOLIDATED BALANCE SHEET as at March 31, 2023

(Rs. in Lacs)

	Notes	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	61,998.03	87,901.56
b) Right-of-Use Assets	4.6	10,191.97	5,991.81
c) Capital Work-in-progress	4.4	1,227.91	1,518.05
d) Investment Properties	4.3	821.24	821.24
e) Intangible Assets (Other than Goodwill)	4.2	164.09	1,869.40
f) Intangible Assets Under Development	4.5	-	4,592.93
g) Equity Accounted Investments	5.2	-	-
h) Financial Assets			
i) Investments	5.1	3,179.80	3,015.26
ii) Other Financial Assets	7	6,060.15	3,818.44
i) Deferred Tax Assets (Net)	18	-	3,792.36
j) Non-current Tax Assets (Net)	8	2,868.68	2,640.77
k) Contract Assets	9	87.38	-
l) Other Non-current Assets	10	3,991.71	1,762.08
Total Non-current Assets		90,590.96	1,17,723.90
Current Assets			
a) Inventories	11	46,137.13	50,385.63
b) Financial Assets			
i) Trade Receivables	6	27,914.49	23,256.63
ii) Cash and Cash Equivalents	12.1	5,540.55	895.85
iii) Bank Balances other than (ii) above	12.2	4,457.79	3,309.76
iv) Other Financial Assets	7	634.22	8,736.86
c) Contract Assets	9	27,080.65	42,650.95
d) Other Current Assets	10	22,380.16	20,931.21
Total Current Assets		1,34,144.99	1,50,166.89
Assets held for sale	4.7	71.13	-
TOTAL - ASSETS		2,24,807.08	2,67,890.79
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	2,391.42	2,391.42
b) Other Equity	14	93,963.75	81,821.40
Total Equity Attributable to Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		96,355.17	84,212.82
Non-controlling Interests	3 (b)	-	14.41
Total Equity		96,355.17	84,227.23
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	4,962.50	49,557.75
ii) Lease Liabilities	4.6	9,945.92	5,665.56
b) Contract Liabilities	20	2,826.72	-
c) Provisions	17.1	343.64	340.93
d) Deferred Tax Liabilities (Net)	18	1,346.36	1,448.60
Total Non-current Liabilities		19,425.14	57,012.84
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	19,969.91	36,495.29
ii) Lease Liabilities	4.6	447.69	260.81
iii) Trade Payables	19	-	-
a) Total Outstanding dues of Micro Enterprise and Small Enterprises		574.92	686.99
b) Total Outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises		31,733.41	43,185.84
iv) Other Financial Liabilities	16	751.13	1,182.39
b) Contract Liabilities	20	53,863.86	33,790.89
c) Other Current Liabilities	21	306.62	680.76
d) Provisions	17.1	772.12	8,778.30
e) Current Tax Liabilities (Net)	17.2	527.61	1,589.45
Total Current Liabilities		1,08,947.27	1,26,650.72
Liabilities held for sale	4.7	79.50	-
TOTAL - LIABILITIES		1,28,451.91	1,83,663.56
TOTAL - EQUITY AND LIABILITIES		2,24,807.08	2,67,890.79

Summary of significant accounting policies

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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 Rail Systems Limited (formerly Titagarh Wagons Limited)

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 24, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 24, 2023

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Dated: May 24, 2023

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated: May 24, 2023

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Dated: May 24, 2023

Saurav Singhania
Group Finance Controller and
Jt. Chief Financial officer
Place: Kolkata
Dated: May 24, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Dated: May 24, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2023

(Rs. in Lacs)

	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Income			
Revenue from Operations	22	2,77,959.04	1,46,750.42
Other Income	23	4,258.30	1,772.84
Total Income		2,82,217.34	1,48,523.26
Expenses			
Cost of Raw Materials and Components Consumed	24	2,16,530.39	1,03,725.80
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	25	(1,536.56)	1,032.25
Employee Benefits Expense	26	5,652.64	4,542.08
Finance Costs	27	8,074.67	5,726.80
Depreciation and Amortisation Expense	28	2,250.35	1,838.34
Other Expenses	29	30,963.52	20,959.00
Total Expenses		2,61,935.01	1,37,824.27
Profit before Share of Net Loss of Joint Venture and Associate Accounted for Using the Equity Method, Exceptional Items and Tax		20,282.33	10,698.99
Share of Net Loss of Joint Venture and Associate Accounted for Using the Equity Method	3 (d)	(1,272.63)	-
Profit before Exceptional Items and Tax		19,009.70	10,698.99
Exceptional Items	-	-	-
Profit before Tax from continuing operations		19,009.70	10,698.99
Tax Expense	30 (A)		
Current Tax		5,305.50	2632.45
Deferred Tax		240.87	286.88
Total Tax Expense		5,546.37	2,919.33
Profit for the Year after Tax from continuing operations		13,463.33	7,779.66
Discontinued operations	46		
Loss from discontinued operations before tax		(891.70)	(7,803.47)
Tax expense of discontinued operations		-	(44.74)
Loss for the Year after Tax from discontinued operations		(891.70)	(7,848.21)
Profit / (Loss) for the Year after Tax		12,571.63	(68.55)
Attributable to:			
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		13,020.37	(32.84)
Non-controlling Interests		(448.74)	(35.71)
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Gain / (Losses) on Defined Benefit Plans		(2.10)	19.50
Tax on above		0.53	(4.91)
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange differences on Translation of Foreign Operations		20.42	1.89
Fair value change of cash flow hedges		(1,361.11)	743.00
Tax on above		342.56	(187.00)
Other Comprehensive Income for the Year (Net of Tax)		(999.70)	572.48
Attributable to:			
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		(999.70)	572.48
Non-controlling Interests		-	-
Total Comprehensive Income for the Year		11,571.93	503.93
Attributable to:			
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		12,020.67	539.64
Non-controlling Interests		(448.74)	(35.71)
Arising from:			
Continuing operations		12,443.21	8,350.25
Discontinued operations		(871.28)	(7,846.32)
Earnings/(Loss) per Equity Share			
[Nominal Value per Share Rs. 2/- (March 31, 2022: Rs 2/-)]	31		
For continuing operations			
Basic (In Rs.)		11.63	6.54
Diluted (In Rs.)		11.63	6.54
For discontinued operations			
Basic (In Rs.)		(0.75)	(6.57)
Diluted (In Rs.)		(0.75)	(6.57)
For continuing and discontinued operations			
Basic (In Rs.)		10.89	(0.03)
Diluted (In Rs.)		10.89	(0.03)
Summary of Significant Accounting Policies	2		
The above consolidated statement of profit & loss should be read in conjunction with the accompanying notes.			

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

For and on behalf of the Board of Directors of Titagarh Rail Systems Limited
(formerly Titagarh Wagons Limited)

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

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Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 24, 2023

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Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 24, 2023

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Independent Director
DIN: 03557435
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Membership No. 099903
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DIN: 01501767
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Dated: May 24, 2023

Saurav Singhania
Group Finance Controller and
Jt. Chief Financial officer
Place: Kolkata
Dated: May 24, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Dated: May 24, 2023

CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2023

(Rs. in Lacs)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax from:		
Continuing Operations	19,009.70	10,698.99
Discontinued Operations	(891.70)	(7,803.47)
Profit before Tax	18,118.00	2,895.52
Adjustments for:		
Depreciation and Amortisation Expense	2,250.35	3,327.48
Finance Cost	8,074.67	9,339.50
Employee Stock Option Expenses	-	16.68
Unrealised Foreign Exchange Fluctuations (Gain)/Loss	(1,464.85)	20.13
Irrecoverable Debts/ Advances Written Off (Net)	2,526.81	2,253.48
Warranty Claims (Net)	-	3,390.93
Net Gain on Disposal of Property, Plant and Equipment	(17.95)	(290.32)
Net Gain on Disposal of Investments	-	(24.27)
Fair Value (Gain)/Loss on Investment in Equity Securities at FVTPL	(164.55)	(183.28)
Share of Loss of a Associates	1,272.63	-
Unspent Liabilities / Provisions No Longer Required Written Back	(335.99)	(14.20)
Other Income for Security Deposit of Leases	(16.55)	(6.77)
Interest Income Classified as Investing Cash Flows	(759.41)	(576.38)
Discontinued operations - non cash portion	(3,481.51)	-
Operating Profit before Changes in Operating Assets and Liabilities	26,001.65	20,148.50
Increase in Trade Payables	12,910.09	3,945.38
Increase in Contract Liabilities	22,899.69	7,211.19
Increase / (Decrease) in other Non-current and Current Financial and Non-financial Liabilities and Provisions	2,276.08	(3,642.47)
Increase in Trade Receivables	(10,280.68)	(5,272.04)
Increase in Inventories	(17,277.43)	(14,182.39)
Increase in Contract Assets	(17,296.90)	(5,248.88)
(Increase) / Decrease in Non-current and Current Financial and Non-financial Assets	(8,545.57)	3,673.46
Cash Generated From Operations	10,686.93	6,632.75
Income Taxes (Paid) / Refund (net)	(6,595.25)	(1,173.86)
Net Cash From Operating Activities	4,091.68	5,458.89
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	(3,674.09)	(10,217.70)
Proceeds from Disposal of Property, Plant and Equipment	23.18	612.89
Proceeds from Sale of non-current Investment	-	320.22
Fixed Deposits Made	(7,125.07)	(10,191.89)
Fixed Deposits Matured	4,053.43	12,079.58
Interest Received	587.38	448.86
Net Cash (Used in) Investing Activities	(6,135.17)	(6,948.04)

CONSOLIDATED STATEMENT OF CASH FLOW STATEMENT for the year ended March 31, 2023

(Rs. in Lacs)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares pursuant to Employee Stock Option Scheme	-	81.13
Transactions with Non-controlling Interests	1,656.84	85.78
Proceeds from Long-term Borrowings	4,962.50	-
Proceeds of Loan from Related Party	-	2,000.00
Repayment of Loan from Related Party	(2,000.00)	-
Repayment of Long-term Borrowings	(2,705.02)	(10,325.53)
Repayment of Lease Liabilities	(864.83)	(385.75)
Receipts/(Payments) of Short-term Borrowings (Net)	10,798.89	9,571.73
Finance Costs Paid	(5,193.50)	(6,295.23)
Dividend Paid (including Dividend Distribution Tax) of earlier years	(2.28)	(2.73)
Net Cash From / (Used in) Financing Activities	6,652.60	(5,270.60)
D. Exchange Differences on Translation of Foreign Currency		
Cash and Cash Equivalents	35.59	(313.78)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	4,644.70	(7,073.53)
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	895.85	7,969.38
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	5,540.55	895.85
E. The above Cash flow includes following related to discontinued operation		
Net Cash Used in Operating Activities	4,061.48	1,623.11
Net Cash Used in Investing Activities	(1,506.92)	(1,384.24)
Net Cash Generated from Financing Activities	12,649.17	(2,747.14)
	15,203.73	(2,508.27)

(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.

(c) Non cash transaction on account of loss of control in subsidiary resulting in such investment of Rs. 1,272.63 lacs being classified as investment in associates have been excluded from the above Consolidated Cash Flow Statement.

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

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 Rail Systems Limited
(formerly Titagarh Wagons Limited)

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 24, 2023

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Place: Mumbai
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Group Finance Controller and
Jt. Chief Financial officer

Dinesh Arya
Company Secretary

Place: Kolkata
Dated: May 24, 2023

Place: Kolkata
Dated: May 24, 2023

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Dated: May 24, 2023

Place: Kolkata
Dated: May 24, 2023

Consolidated Standalone Statement of Changes in Equity for the year ended March 31, 2023

A) Equity Share Capital (Refer Note 13)

(Rs in Lacs)

Particulars	Number in Lacs	Amount
Balance as at April 1, 2021	1,193.87	2,387.75
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	1.84	3.67
Balance as at March 31, 2022	1,195.71	2,391.42
Changes in Equity Share Capital	-	-
Balance as at March 31, 2023	1,195.71	2,391.42

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	Employee Stock Options Outstanding Account	Equity Component of compound financial instruments	Retained Earnings	Foreign Currency Translation Reserve	Hedge Reserve Account		
Balance as at April 1, 2021	40,820.00	5,411.39	7,462.07	166.62	515.69	25,183.98	1,673.71	434.20	81,667.66	81,667.66
Loss for the Year	-	-	-	-	-	(32.84)	-	-	(32.84)	(68.55)
"Other Comprehensive Income (Net of Tax)										
-Remeasurement Losses on Defined Benefit Plans & Exchange Difference and Fair value change of cash flow hedges"										
Total Comprehensive Income for the year	-	-	-	-	-	14.59	1.89	556.00	572.48	572.48
Transaction with Non-controlling Interest	-	-	-	-	-	(18.25)	1.89	556.00	539.64	503.93
Transactions with Owners in their Capacity as Owners:										
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	77.46	-	-	-	-	35.66	-	-	35.66	85.78
Transfer from ESOP's Outstanding Account on Exercise and Lapse	166.91	-	-	(183.29)	-	16.38	-	-	0.00	0.00
Derecognition on Redemption of Debentures (Net of Tax)	-	-	-	-	(515.69)	-	-	-	(515.69)	(515.69)
Recognition of Share Based Payment	-	-	-	16.67	-	-	-	-	16.67	16.67
Transfer Within Equity	-	-	(19.57)	-	-	19.57	-	-	-	-
Balance as at March 31, 2022	41,064.37	5,411.39	7,442.50	-	-	25,237.34	1,675.60	990.20	81,821.40	81,835.81
Profit/(Loss) for the Year	-	-	-	-	-	13,020.37	-	-	13,020.37	12,571.63
"Other Comprehensive Income (Net of Tax)										
-Remeasurement Losses on Defined Benefit Plans & Exchange Difference and Fair value change of cash flow hedges"										
Total Comprehensive Income for the year	-	-	-	-	-	(1.57)	20.42	(1,018.55)	(999.70)	(999.70)
Transaction with Non-controlling Interest	-	-	-	-	-	13,018.80	20.42	(1,018.55)	12,020.67	11,571.93
Transactions with Owners in their Capacity as Owners:										
Transfer Within Equity	-	-	-	-	-	1,568.71	-	-	1,568.71	1,556.86
Derecognition/Release pursuant to Loss of control	-	-	-	-	-	(642.45)	642.45	-	-	-
Balance as at March 31, 2023	41,064.37	5,411.39	7,442.50	-	-	39,182.40	891.44	(28.35)	93,963.75	93,963.75

Consolidated Standalone Statement of Changes in Equity for the year ended March 31, 2023

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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 Rail Systems Limited (formerly Titagarh Wagons Limited)

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

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated: May 24, 2023

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Executive Chairman
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Place: Kolkata
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DIN: 03557435
Place: Mumbai
Dated: May 24, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Dated: May 24, 2023

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

1 Group Background

Titagarh Rail Systems Limited (Formerly 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, E.M. 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 subsidiary (collectively referred to as 'the Group'), its associate 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 May 24th, 2023.

- (a) The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiary company, its associate 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, 2023	March 31, 2022	
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	-	99.24%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

* The Board of Directors of the Parent Company in their meeting have approved the liquidation of TSPL, a wholly owned subsidiary Company, considering that no operations are currently being carried on in the subsidiary. The process for winding up of the subsidiary in compliance with the local rules and regulations at Singapore has already been initiated. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) for the year ended March 31, 2023.

**The Parent Company holds 100% equity in TWA together 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.

Name of the Associate	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2023	March 31, 2022	
Titagarh Firema S.p.A (TFA) (Refer Note 46)	Italy	49.7%	-	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2023	March 31, 2022	
Titagarh Mermec Private Limited	India	50%	50%	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

(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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(iv) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only one joint venture and one associate

Associate

Interests in Associate are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

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 2.6 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Depreciation Method, Estimated Useful Lives and Residual Values

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

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

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 35 / 60 / 65 years
Plant and Equipment's	15 / 20 / 30 years
Railway Sidings	15 / 30 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Computers	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'.

2.4 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

Prototype

The Group had developed prototype for tractors which was capitalised.

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).

Amortisation method and useful lives are reviewed periodically including at each financial year end."

2.5 Investment Properties

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

2.6 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are 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

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

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

To determine the incremental borrowing rate, the Group:

- a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received.
- b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by the companies in the group, which does not have recent third party financing."

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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

- i) the amount of the initial measurement of lease liability
- ii) any lease payment made at or before the commencement date less any lease incentive received
- iii) any initial direct cost and
- iv) restoration costs.

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

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

As a Lessor

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

2.9 Investments (other than Investments in Associate and Joint Venture) 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42(II) details how the Group determines whether there has been a significant increase in credit risk.

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

(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

(vi) Income Recognition

Interest Income

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

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

(vii) Fair Value of Financial Instruments

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

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.11 Trade and Other Payables

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

2.12 Borrowings

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

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

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

2.13 Other Financial Liabilities

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

2.14 Derivative Instruments

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

2.15 Offsetting Financial Instruments

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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

2.16 Financial Guarantee Contracts

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

2.17 Cash and Cash Equivalents

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

2.18 Borrowing Costs

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

2.19 Revenue Recognition

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

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

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

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

Revenue is measured at transaction price (net of variable consideration, if any). The transaction price is 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

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

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

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

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

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

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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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 (Rupees or Rs.), which is the Parent Company's and a subsidiary's functional and the Group's presentation currency.

(ii) Transactions and Balances

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

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

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

2.22 Share Based Payments

Share-based compensation benefits are provided to employees of the Parent Company via the Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited) Employee Stock Option Scheme namely ESOP Scheme 2014.

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

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

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

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

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

2.23 Income Taxes

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

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

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

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

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

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

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

2.24 Provisions

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

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

Warranties

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

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations, 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, being the Board of Directors.

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

2.28 Business Combinations

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

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

2.29 Government Grants

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

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

2.30 Dividends

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

2.31 Exceptional items

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

2.32 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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.

- **Impairment of Trade and Other Receivables — Notes 2.9(iii) and 42(II)(c)**

The risk of uncollectibility of trade receivables and other receivables is primarily estimated based on prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history etc. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically. The Group 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 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. Further, the Group has also applied the simplified approach for expected credit loss on trade receivable and contract assets.

- **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 22**

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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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) 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.

2.35 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Parent Company
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

2.36 Assets (or disposal groups) held for sale

Assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

3 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, 2023							
	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 Rail Systems Limited (Formerly Titagarh Wagons Limited)	99.93%	96,292.22	82.22%	10,336.63	102.04%	(1,020.12)	80.52%	9,316.51
Subsidiaries								
Foreign								
Titagarh Singapore Pte Limited	1.51%	1,453.77	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	-	-	-3.57%	(448.74)	-	-	-3.88%	(448.74)
Adjustment due to consolidation (other than exceptional item)	-1.44%	(1,390.82)	1.75%	220.52	-2.04%	20.42	2.08%	240.94
Exceptional item of Parent Company considered in Discontinued Operations #			36.81%	4,627.55	-	-	39.99%	4,627.55
Discontinued Operations			-7.09%	(891.70)	-	-	-7.71%	(891.70)
Joint Venture/Associate (Investments as per the Equity Method)								
Indian								
Titagarh Mermec Private Limited	-	-	-	-	-	-	-	-
Titagarh Firema S.p.A	-	-	-10.12%	(1,272.63)	-	-	-11.00%	(1,272.63)
TOTAL	100.00%	96,355.17	100.00%	12,571.63	100.00%	(999.70)	100.00%	11,571.93

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Name of the entity	As at/ for the year ended March 31, 2022							
	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 Rail Systems Limited (Formerly Titagarh Wagons Limited)	110.49%	93,064.71	-4885.15%	3,348.77	99.66%	570.59	777.77%	3,919.36
Subsidiaries								
Foreign								
Titagarh Firema S.p.A	2.42%	2,038.09	-	-	-	-	-	-
Titagarh Singapore Pte Limited	-1.22%	(1,030.13)	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	0.02%	14.41	52.09%	(35.71)	-	-	-7.09%	(35.71)
Adjustment due to consolidation (other than exceptional item)	-11.71%	(9,859.85)	489.95%	(335.86)	-	-	-66.65%	(335.86)
Exceptional item of Parent Company considered in Discontinued Operations #			-7005.77%	4,802.46	-	-	953.00%	4,802.46
Discontinued Operations			11448.88%	(7,848.21)	0.34%	1.89	-1557.03%	(7,846.32)
Joint Venture (Investments as per the Equity Method)								
Indian								
Titagarh Mermec	-	-	-	-	-	-	-	-
TOTAL	100.00%	84,227.23	100.00%	(68.55)	100.00%	572.48	100.00%	503.93

Exceptional Loss being accounted for under Discontinued Operations in consolidated financial statements, whereas the share of profit or loss of Parent Company is after considering said loss disclosed as exceptional item.

(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.

Summarised Balance Sheet	(Rs. in Lacs)	
	Titagarh Firema SPA	
	March 31, 2023	March 31, 2022
Current Assets	-	72,911.20
Current Liabilities	-	63,118.84
Net Current Assets / (Liabilities)	-	9,792.36
Non-current Assets	-	36,517.36
Non-current Liabilities	-	44,271.66
Net Non-current Assets	-	(7,754.30)
Net Assets	-	2,038.06
Accumulated NCI	-	14.41

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

(Rs. in Lacs)

Summarised Statement of Profit and Loss	Titagarh Firema SPA	
	March 31, 2023	March 31, 2022
Revenue	14,688.98	63,994.67
Loss for the Year	(4,675.74)	(7,997.36)
Other Comprehensive Income	(137.44)	8.04
Total Comprehensive Loss	(4,813.18)	(7,989.32)
Loss allocated to NCI	(448.74)	(35.71)

* Titagarh Firema SPA was a subsidiary till September 8, 2023 whose corresponding numbers are considered under discontinued operations in the Consolidated Statement of Profit and Loss

Summarised Cash Flows	Titagarh Firema SPA	
	March 31, 2023	March 31, 2022
Cash Flows From Operating Activities	4,061.48	1,624.36
Cash Flows Used in Investing Activities	(1,506.92)	(2,623.87)
Cash Flows Used in Financing Activities	12,649.17	(1,417.02)
Decrease in Cash and Cash Equivalents	15,203.73	(2,416.53)

(C) Transactions with Non-controlling Interests

	March 31, 2023	March 31, 2022
Carrying Amount of Non- controlling Interest transferred/(acquired)	88.15	50.12
Consideration received from Non-controlling Interest	1,656.86	85.78
Excess of Consideration received Recognised in Reserves & Surplus within Equity	(1,568.71)	(35.66)

(d) Interests in Joint Venture and Associate

Joint Venture

The Group has formed a Joint Venture Company 'Titagarh Mermec Private Limited.' on May 17, 2018 for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. However, since incorporation there has not been any business in the joint venture company.

Associate

Pursuant to an investment agreement dated July 20, 2022 signed between the Parent Company, TBIPL (now amalgamated with the Parent Company) and the Government of Italy through its investment agency, (Invitalia) along with a international private equity investor, have together infused fresh equity of Euro 14.5 million (Euro 10 million by Invitalia and Euro 4.5 million by international private equity investor) in Titagarh Firema S.p.A (TFA), a subsidiary of the Parent Company. The above equity infusion resulted in dilution of equity stake of the Parent Company in TFA to 49.70% which along with other terms of the aforesaid agreement led to Parent Company's loss of control in TFA as a subsidiary and is now an associate company with effect from September 9, 2022.

Summarised Financial Information for Joint Venture & Associate

The tables below provides summarised financial information for the Joint Venture 'Titagarh Mermec Private Limited' and Associate 'Titagarh Firema S.p.A'. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and Associate and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

		(Rs. in Lacs)		
Summarised Balance Sheet		Titagarh Firema SPA	Titagarh Mermec Private Limited	
		March 31, 2023	March 31, 2023	March 31, 2022
Non-Current Assets				
Property, Plant and Equipments		23,652.15	-	-
Intangible Asset		3,329.73	-	-
Capital Work in Progress		2,864.92	-	-
Intangible Asset under development		900.01	-	-
Other Not Current Assets		862.00	-	-
Deferred Tax Asset		3,999.72	-	-
Total	(A)	35,608.53	-	-
Current Assets				
Inventories		16,526.06	-	-
Financial Assets				
Trade receivables		54,868.32	-	-
Cash and bank balances		34,081.76	0.75	0.76
Loans		5,911.62	-	-
Others		200.76	-	-
Other Non Financial Assets		11,937.27	-	-
Assets classified as held for sale		5,255.63	-	-
Total	(B)	1,28,781.42	0.75	0.76
GRAND TOTAL	(C=A+B)	1,64,389.95	0.75	0.76
Non-current liabilities				
Long term borrowings		40,811.95	-	-
Other Non Current liabilities		15,118.79	-	-
	(D)	55,930.74	-	-
Current Liabilities				
Financial Liabilities				
Short term borrowings		31,742.55	-	-
Trade Payables		25,476.48	2.41	2.41
Other Financial Liabilities		3,669.34	9.63	7.22
Provisions		1,226.32	-	-
Other non-financial liabilities		37,814.62	-	-
Total	(E)	99,929.31	12.04	9.63
GRAND TOTAL	(F=D+E)	1,55,860.05	12.04	9.63
Net Assets	(C-F)	8,529.90	(11.29)	(8.87)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

(Rs. in Lacs)			
Summarised Statement of Profit and Loss	Titagarh Firema SPA		Titagarh Mermec Private Limited
	September 8, 2022 - March 31, 2023	March 31, 2023	March 31, 2022
Income			
Revenue from Operation	28,782.05	-	-
Other Income	1,586.94	-	-
	30,368.99	-	-
Expenses			
Cost of raw materials & components consumed	19,658.68	-	-
Change in Inventory	-	-	-
Capitalised internal construction costs	(2,473.98)	-	-
Employee Benefits Expense	6,987.78	-	-
Finance Costs	2,942.76	-	0.01
Depreciation and amortization expenses	1,033.28	-	-
Other Expenses	6,463.84	2.42	2.41
Total Expenses	34,612.36	2.42	2.42
Loss before taxes	(4,243.37)	(2.42)	(2.42)
Exceptional Item	1,686.32	-	-
Loss before taxes and exceptional item	(5,929.69)	(2.42)	(2.42)
Tax expenses			
Current tax	0.76	-	-
Deferred Tax	(0.76)	-	-
Total tax expenses	-	-	-
Loss for the year	(5,929.69)	(2.42)	(2.42)
Other Comprehensive Income for the period/ year	-	-	-
Total Comprehensive Income for the period/year	(5,929.69)	(2.42)	(2.42)
Group Share in %	49.70	50.00	50.00
Group Share of Loss for the Period/Year	(2,947.06)	(1.21)	(1.21)

(Rs. in Lacs)			
Reconciliation to Carrying Amounts	Titagarh Firema SPA		Titagarh Mermec Private Limited
	September 8, 2022 - March 31, 2023	March 31, 2023	March 31, 2022
Opening Net Assets	-	(8.87)	(6.45)
Loss for the Year	(5,929.69)	(2.42)	(2.42)
Issue of Equity Share Capital	-	-	-
Less: Conversion to Subsidiary	-	-	-
Closing Net Assets	(5,929.69)	(11.29)	(8.87)
Group Share in %	49.70	50.00	50.00
Cost of Investments (A)	1,272.63	-	-
Group Share of Loss for the Period/Year (B)	1,272.63	-	-
Acquire of balance share (C)	-	-	-
Carrying Amount (A- B-C)	-	-	-

The Group has no contingent liability and capital commitments relating to its interest in aforesaid joint ventures.

Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

4.1 Property, Plant and Equipment

(Rs. in Lacs)

	Freehold Land	Leasehold Land	Leasehold Improvement	Buildings	Plant and Equipment	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2021	34,232.43	20,059.70	70.94	23,799.99	17,506.24	663.85	409.32	386.73	163.35	355.87	282.83	97,931.25
Additions	-	-	-	2,559.83	4,982.00	-	105.20	10.02	57.37	63.21	29.22	7,806.85
Disposals	-	-	-	136.67	-	205.95	-	-	-	-	9.69	352.31
Reclassification	-	-	-	-	(469.12)	-	-	-	-	-	-	(469.12)
Exchange Differences on Consolidation	(180.71)	-	-	(280.72)	(166.02)	-	-	-	-	-	-	(607.45)
As at March 31, 2022	34,051.72	20,059.70	70.94	25,962.43	21,853.10	457.90	514.52	396.75	220.72	419.08	302.36	1,04,309.22
Additions	-	814.08	-	106.13	1,264.66	-	257.90	5.92	22.34	97.12	96.22	2,664.37
Disposals	3.19	-	-	-	-	51.91	-	-	-	-	10.82	65.92
Transfer to Discontinued Operations	(10,630.73)	-	-	(15,338.53)	(9,436.95)	-	-	-	-	-	-	(35,406.21)
As at March 31, 2023	23,417.80	20,873.78	70.94	10,730.03	13,680.81	405.99	772.42	402.67	243.06	516.20	387.76	71,501.46
Accumulated Depreciation												
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
Charge for the year	-	166.35	12.24	261.12	588.39	-	15.35	37.42	10.42	51.00	32.84	1,175.13
Transfer to Discontinued Operations	-	-	-	337.78	440.98	-	-	-	-	-	-	778.76
Disposals	-	-	-	14.66	-	9.70	-	-	-	-	5.37	29.73
Exchange Differences on Consolidation	-	-	-	(53.25)	(91.21)	-	-	-	-	-	-	(144.46)
As at March 31, 2022	-	1,165.43	70.61	4,429.02	9,700.86	27.43	152.43	245.85	132.30	324.86	156.51	16,405.30
Charge for the year	-	172.76	-	301.26	711.99	-	21.67	38.56	24.66	57.85	38.29	1,367.04
Disposals	-	-	-	-	-	6.56	-	-	-	-	8.79	15.35
Transfer to Discontinued Operations	-	-	-	(3,027.40)	(5,228.52)	-	-	-	-	-	-	(8,255.92)
As at March 31, 2023	-	1,338.19	70.61	1,702.88	5,184.33	20.87	174.10	284.41	156.96	382.71	186.01	9,501.07
Impairment												
As at March 31, 2021	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Net Carrying Amount												
As at March 31, 2022	34,051.72	18,894.27	0.33	21,533.41	12,149.88	430.47	362.09	150.90	88.42	94.22	145.85	87,901.56
As at March 31, 2023	23,417.80	19,535.59	0.33	9,027.15	8,494.12	385.12	598.32	118.26	86.10	133.49	201.75	61,998.03

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

- Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
- Refer Note 15 for information on Property, Plant and Equipment pledged as security by the Group.
- Assets pledged as security for term loans availed by an erstwhile Subsidiary Company, now an associate w.e.f September 9, 2022.

The Parent Company has provided pari pasu security of its land at Bharatpur (Gross book value of Rs. 16,964.87 Lacs) against a term loan of Euro. 50 million and overdraft facility of Euro 30 million sanctioned by Bank of Baroda to Titagarh Firema S.p.A, an Associate of the Parent Company (w.e.f September 9, 2022). Refer Note 41.

Represents 368 Railway Wagons sub leased to Indian Railways. As per Arbitration Award dated July 3, 2019, use of said wagons have been restricted by Indian Railway and Indian Railway has been instructed to give the possession back to the Parent Company, being the sole and beneficial owner of said wagons. The realisable value of 368 wagons as per management estimate is estimated to be more than the book value of Rs. 385.12 Lacs.

4.2 Intangible Assets (Rs. in Lacs)

	Other Intangible Assets				
	Computer Software	Brand	Design and Drawings	Prototype	Total
Gross Carrying Amount					
As at March 31, 2021	4,575.25	227.79	1,556.46	880.39	7,239.89
Additions	119.81	-	-	-	119.81
Others including Exchange Differences on Consolidation	(67.28)	-	-	-	(67.28)
As at March 31, 2022	4,627.78	227.79	1,556.46	880.39	7,292.42
Additions	24.52	-	31.19	-	55.71
Transfer to Discontinued Operations	(3,922.80)	-	-	-	(3,922.80)
As at March 31, 2023	729.50	227.79	1,587.65	880.39	3,425.33
Accumulated Amortisation					
As at March 31, 2021	2,005.88	170.83	1,309.13	396.17	3,882.01
Charge for the year	96.73	56.96	213.13	-	366.82
Transfer to Discontinued Operations	710.38	-	-	-	710.38
Others including Exchange Differences on Consolidation	(42.95)	-	-	-	(42.95)
As at March 31, 2022	2,770.04	227.79	1,522.26	396.17	4,916.26
Charge for the year	121.15	-	22.68	-	143.83
Transfer to Discontinued Operations	(2,305.61)	-	-	-	(2,305.61)
As at March 31, 2023	585.58	227.79	1,544.94	396.17	2,754.48
Impairment					
As at March 31, 2021	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2022	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2023	22.54	-	-	484.22	506.76
Net Carrying Amount					
As at March 31, 2022	1,835.20	-	34.20	-	1,869.40
As at March 31, 2023	121.38	-	42.71	-	164.09

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

4.3 Investment Properties

(Rs. in Lacs)
Freehold Land

Carrying Amount as at March 31, 2021	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2022	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2023	821.24

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, 2023, fair valuation of the two properties is estimated to be Rs. 1,139.54 Lacs (March 31, 2022: Rs. 1,053.34 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2023 and March 31, 2022 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Market Rate for Land owned by the Group	5% Increase (Decrease) in the Market Rate would result in Increase (Decrease) in fair value by Rs. 57.01 Lacs (March 31, 2022: Rs. 52.67 Lacs)

4.4 Capital Work-in-Progress

(Rs. in Lacs)

(i) Movement in Capital work in progress	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,518.05	1,622.89
Additions during the year	2,589.97	5,708.29
Capitalised during the year	(1,362.06)	(6,271.97)
Reclassification	-	458.84
Transferred to Discontinued Operation	(1,518.05)	-
Balance at the end of the year	1,227.91	1,518.05

In current year, Capital work in progress primarily includes construction of new office and sheds and ongoing installation of new machineries etc. in the factories located in West Bengal of the Parent Company.

(ii) Age analysis of Capital work in progress

(Rs. in Lacs)

As on March 31, 2023	Amounts in Capital work-in-progress for				
	Less than one year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Projects in progress	1,227.91	-	-	-	1,227.91
Total	1,227.91	-	-	-	1,227.91

(a) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

(Rs. in Lacs)

As on March 31, 2022	Amounts in Capital work-in-progress for				
	Less than one year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Projects in progress	1,518.05	-	-	-	1,518.05
Total	1,518.05	-	-	-	1,518.05

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

4.5 Intangible Assets Under Development

(Rs. in Lacs)

(i) Movement in Capital work in progress	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	4,592.93	2,509.41
Additions during the year	-	3,322.80
Capitalised during the year	-	(1,239.28)
Transferred to Discontinued Operation	(4,592.93)	-
Balance at the end of the year	-	4,592.93

(ii) Age analysis of Intangible Assets Under Development

(Rs. in Lacs)

As on March 31, 2023	Amounts in Intangible assets under development for				
	Less than one year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Projects in progress (Designs)	-	-	-	-	-
Total	-	-	-	-	-

(Rs. in Lacs)

As on March 31, 2022	Amounts in Intangible assets under development for				
	Less than one year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) Projects in progress (Designs)	3,337.87	1,255.06	-	-	4,592.93
Total	3,337.87	1,255.06	-	-	4,592.93

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

4.6 Right-of-use assets and leases

(Rs. in Lacs)

The Group leasing arrangement includes land having a fixed lease term of 10 years. During the year, office space taken on lease in earlier years has been transferred to Assets held for sale. Refer Note 4.7.

(i) Amount recognised in balance sheet

Right-of-use assets	Land	Building	Total
Gross Carrying Amount			
As at March 31, 2021	-	162.14	162.14
Additions	6,136.05	-	6,136.05
Disposals	-	-	-
As at March 31, 2022	6,136.05	162.14	6,298.19
Additions	5,010.77	-	5,010.77
Assets included in a disposal group classified as held for sale	-	162.14	162.14
As at March 31, 2023	11,146.82	-	11,146.82
Accumulated Depreciation & Impairment			
As at March 31, 2021	-	9.99	9.99
Charge for the year	255.88	40.51	296.39
Disposals	-	-	-
As at March 31, 2022	255.88	50.50	306.38
Charge for the year	698.97	40.51	739.48
Assets included in a disposal group classified as held for sale	-	91.01	91.01
As at March 31, 2023	954.85	-	954.85
Net Carrying Amount			
As at March 31, 2022	5,880.17	111.64	5,991.81
As at March 31, 2023	10,191.97	-	10,191.97

Lease liabilities	Non Current	Current	Total
March 31, 2022	5,665.56	260.81	5,926.37
March 31, 2023	9,945.92	447.69	10,393.61

(ii) Amount recognised in statement of Profit and Loss

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

(Rs. in Lacs)

Lease liabilities	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right of use assets (Refer Note no 28)	739.48	296.39
Expenses relating to short term leases (included in other expenses, Refer Note 29)	102.57	433.79
Interest expense (included in finance costs) (Refer Note 27)	575.14	223.81
Total	1,417.19	953.99

(iii) The total cash outflow for leases for the year was Rs. 864.83 Lacs (March 31, 2022: Rs. 385.75 Lacs).

(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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

4.7 Asset held for sale

(Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
Office space at Hyderabad	71.13	-
Total	71.13	-

Liabilities held for sale

(Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
Office space at Hyderabad	79.50	-
Total	79.50	-

Note:

The Board of directors of the Parent Company in its meeting held on March 18, 2023 decided to incorporate a new company in India in a joint venture with Titagarh Firema SpA, (TFA) Italy to acquire the Parent Company's Design Centre in Hyderabad to support the Passengers Rail System. The new company with the proposed name: Titagarh Firema Engineering Services Pvt. Ltd. will carry on the business of research, engineering and design related services. Parent Company Board has approved a maximum investment of Rs. 5 crores in the Joint Venture Company with 51% of the equity to be held by TFA and 49% by Titagarh, India. Accordingly, the assets and liabilities relating to the design centre in Hyderabad has been disclosed as assets held for sale. The Parent Company expects its completion by June 30, 2023.

5.1 Investments (Non-current)

	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	As at March 31, 2023	As at March 31, 2022
	2023	2022		(Rs. in Lacs)	(Rs. in Lacs)
Investments in Equity Instruments					
In Others (Quoted) (at FVTPL) (a)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
In Others (Unquoted) (at FVTPL) * (a)					
Titagarh Enterprises Limited	49,32,960	49,32,960	10	3,140.55	2,972.63
Titagarh Industries Limited	56,850	56,850	10	39.00	42.38
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
Total				3,179.80	3,015.26
Aggregate book value of quoted investments				0.05	0.05
Aggregate book value of unquoted investments				3,179.75	3,015.21
Market value of quoted investments				0.05	0.05

Quotation not available since suspended due to penal reason.

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.)	Amount Pledged March 31, 2023	Amount Pledged March 31, 2022
	2023	2022		(Rs. in Lacs)	(Rs. in Lacs)
Titagarh Enterprises Limited	49,32,960	49,32,960	10	493.29	493.29
Titagarh Industries Limited	56,850	56,850	10	5.69	5.69
				498.98	498.98

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

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, 2023

(b) The Parent Company has investment of 7,000,500 equity shares of Titagarh Wagons AFR, a subsidiary of the Parent Company which is under liquidation, hence not consolidated. Refer Note 1(a).

5.2. Equity Accounted Investments

	No of Shares/Units As at March 31,		Face value per share/ unit (Rs.)	As at March 31, 2023	As at March 31, 2022
	2023	2022		(Rs. in Lacs)	(Rs. in Lacs)
Titagarh Firema S.p.A.	1,64,00,000	-	EURO 1	1,272.63	-
Less: Share of loss of Associate				(1,272.63)	-
Titagarh Mermec Private Limited	5,000	5,000	10	0.50	0.50
Less: Share of loss of Joint Venture				(0.50)	(0.50)
				-	-

Refer Note 3(d) for details of the Joint Venture and Associate

6 Trade Receivables (At Amortised Cost) (Rs. in Lacs)

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Receivables				
Trade receivables from contract with customers	-	-	26,866.86	23,982.19
Trade receivables from contract with customers – related parties (Refer Note 40)	-	-	1,310.58	-
Less: Loss allowance [Refer Note 42(II) (c)]	-	-	102.22	251.31
Less: Liquidated Damages [Refer note 42(II) (c)]	-	-	160.73	474.25
Total receivables	-	-	27,914.49	23,256.63
Break-up of security details				
Trade receivables considered good – secured	-	-	28,177.44	23,730.88
Trade receivables considered good – unsecured	-	-	-	251.31
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables – credit impaired	-	-	-	-
Total	-	-	28,177.44	23,982.19
Less: Loss Allowances [Refer Note 42 (II) (c)]	-	-	102.22	251.31
Less: Liquidated Damages [Refer note 42 (II) (c)]	-	-	160.73	474.25
Total trade receivables	-	-	27,914.49	23,256.63

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Trade Receivable Ageing Schedule

(Rs. in Lacs)

Particulars	Outstanding as at March 31, 2023					Total
	Less than 6 months	6 months - 1 year	1-2 Year	2-3 Year	More than 3 Year	
Undisputed Trade receivables						
Considered Good	24,364.13	671.50	2,342.38	70.43	-	27,448.44
Disputed Trade Receivables						
Considered Good	-	-	-	-	729.00	729.00
Total	24,364.13	671.50	2,342.38	70.43	729.00	28,177.44
Not Due						-
Total						28,177.44

Particulars	Outstanding as at March 31, 2022					Total
	Less than 6 months	6 months - 1 year	1-2 Year	2-3 Year	More than 3 Year	
Undisputed Trade receivables						
Considered Good	17,289.29	566.39	90.87	277.51	39.16	18,263.22
Disputed Trade Receivables						
Considered Good	-	-	-	568.24	112.39	680.63
Total	17,289.29	566.39	90.87	845.75	151.55	18,943.85
Not Due						5,038.34
Total						23,982.19

- Liquidated damages has been adjusted with trade receivable in accordance with the requirement of IND AS 115.
- 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.
- There are no outstanding receivables due from directors or other officers of the Company.

7 Other Financial Assets

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security Deposits*	363.37	185.65	164.86	4,556.14
Measured at Fair Value through OCI #				
Derivative Assets	-	-	-	1,323.24
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months @	5,373.26	3,451.93	-	-
Interest Accrued on:				
Fixed Deposits with Banks	323.52	180.86	259.35	250.16
Claims Receivable [Refer (a) below]	-	-	76.16	2,361.23
Other Receivable	-	-	-	227.10
Charges Recoverable	-	-	133.85	18.99
Total	6,060.15	3,818.44	634.22	8,736.86

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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

- * Includes security deposit given to related parties Rs. 281.92 Lacs (March 31, 2022: Rs. 147.50 Lacs) (Refer Note 40)
- # 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.
- (a) Claim Receivables for the current year represents amount receivable for Insurance claims and the claim receivable for previous year represents amount receivable from Indian Railway in relation to differential sub lease rentals.

8 Tax Assets (Net) (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance Tax (Including Tax Deducted at Source) (Net of provision for tax Rs. 23,541.63 Lacs ; March 31, 2022 Rs. 21,018.28 Lacs)	2,868.68	2,640.77	-	-
	2,868.68	2,640.77	-	-

9 Contract Assets (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Retention money held by Customers	87.38	-	-	-
Contract assets relating to unbilled revenue	-	-	27,080.65	42,650.95
	87.38	-	27,080.65	42,650.95

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

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital Advances	3,248.16	1,170.22	-	-
Security Deposits	545.62	451.47	-	-
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	196.63	45.00
Considered Good - Others	-	-	10,813.19	6,923.43
Considered Doubtful - Others	-	-	200.71	209.98
	-	-	11,210.53	7,178.41
Less: Provision for Doubtful Advances - To Others	-	-	200.71	209.98
	-	-	11,009.82	6,968.43
Balances with Government Authorities	-	-	10,527.81	12,191.05
Prepaid Expenses	197.93	140.39	842.53	1,771.73
Total	3,991.71	1,762.08	22,380.16	20,931.21

- a) Represents Rs. 166.63 Lacs (March 31, 2022: Rs. Nil) recoverable from associate company and Rs. 30.00 Lacs (March 31, 2022: Rs. 45.00 Lacs) recoverable from Directors of the Parent Company. Also Refer Note 40.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

11 Inventories (Rs. in Lacs) (Valued at Lower of Cost and Net Realisable Value)

	As at March 31, 2023	As at March 31, 2022
Raw materials and components [Includes Goods in transit Rs. 2,301.15 lacs (March 31, 2022: Rs 1,030.04 lacs)]	36,488.73	42,411.60
Work-in-progress	6,996.43	5,765.44
Saleable Scrap	1,067.12	761.55
Stores and Spares	1,584.85	1,447.04
Total	46,137.13	50,385.63

- (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. 2,842.71 Lacs (March 31, 2022: Rs 4,038.71 Lacs)
- (c) Value of inventories above is stated after provisions (net of reversal) Rs. 641.65 Lacs (March 31, 2022: Rs. 706.45 Lacs) for write-downs to net realisable value and provision for slow-moving and obsolete items of raw materials and stores and spares, resulting in net reversal of Rs. 64.79 Lacs during the year (March 31, 2022: charge of Rs. 291.77 Lacs).

12 Cash and Bank Balances (Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
12.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	5,521.61	635.76
Cash on hand (including Cheques in hand of Rs. Nil (March 31, 2022: Rs. 238.46 Lacs))	18.94	260.09
	5,540.55	895.85
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	12.17	14.45
On Unpaid Fractional Share Entitlement Accounts	8.59	8.59
Bank deposits with maturity of more than three months but less than twelve months @	4,437.03	3,286.72
	4,457.79	3,309.76
Total	9,998.34	4,205.61

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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

13 Equity Share Capital		(Rs. in Lacs)	
	As at March 31, 2023		As at March 31, 2022
	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, 2022: Rs. 2/-) each	12,905.00	25,810.00	12,905.00 25,810.00
Preference shares of Rs. 10 /- each (March 31, 2022: 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/- each (March 31, 2022: Rs. 2/-) each, fully paid-up	1,195.71	2,391.42	1,195.71 2,391.42
	1,195.71	2,391.42	1,195.71 2,391.42

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

	2022-23		2021-22	
	No. of shares in lacs	(Rs. In Lacs)	No. of shares in lacs	(Rs. In Lacs)
Equity Shares				
Outstanding at the Beginning of the Year	1,195.71	2,391.42	1,193.87	2,387.75
Shares Issued Pursuant to the Employee Stock Option Scheme @	-	-	1.84	3.67
Outstanding at the end of the Year	1,195.71	2,391.42	1,195.71	2,391.42

@ During the year, Nil equity shares (March 31, 2022: 183,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Parent Company under the Employee Stock Option (ESOP) Scheme (Refer Note 34).

b) Terms and rights attached to Equity Shares

The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2022: 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.

c) 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, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 2 (March 31, 2022: Rs. 2) each fully paid				
Titagarh Capital Management Services Private Limited	2,40,71,588	20.13%	2,40,71,588	20.13%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	15.22%	1,82,01,875	15.22%
Rashmi Chowdhary	1,28,16,105	10.72%	1,28,16,105	10.72%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	-	-	88,94,149	7.44%
HDFC Large and Midcap Fund	73,44,149	6.14%	-	-

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

e) Details of Shareholding of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Titagarh Capital Management Services Private Limited #	2,40,71,588	20.13%	2,40,71,588	20.13%	0.00%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	15.22%	1,82,01,875	15.22%	0.00%
Jagdish Prasad Chowdhary	70,700	0.06%	70,700	0.06%	0.00%
Umesh Chowdhary	77,530	0.06%	77,530	0.06%	0.00%
Rashmi Chowdhary	1,28,16,105	10.72%	1,28,16,105	10.72%	0.00%
Sumita Kandoi	5,751	0.00%	5,751	0.00%	0.00%
Vinita Bajoria	28,351	0.02%	7,351	0.01%	0.01%
Bimla Devi Kajaria	4,500	0.00%	10,000	0.01%	-0.01%
Gaurav Kajaria	-	0.00%	7,583	0.01%	-0.01%
Titagarh Logistics Infrastructures Private Limited	19,08,487	1.60%	12,35,000	1.03%	0.57%

In the previous year Titagarh Capital Management Services Private Limited (PAN: AACCT5853F) ('TCMSPL') has acquired 134,722 and 111,777 equity shares of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited) ('the Parent Company') on March 30, 2022 and March 31, 2022 respectively through market purchase from public category shareholder(s). However, the said shares were not credited into TCMSPL's demat account till March 31, 2022, and also did not appear in the BENPOS of the Parent Company as at March 31, 2022 from the Depositories and furnished by the Parent Company's Registrar. Therefore, the aforesaid 246,499 shares (representing 0.21% of the Parent Company's paid-up share capital) could not be taken as held by TCMSPL in the shareholding pattern as on March 31, 2022. However, the said 246,499 shares have been considered and included above.

14 Other Equity

(Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
Reserves and Surplus		
A. Securities Premium Account		
Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
Balance at the beginning of the year	41,064.37	40,820.00
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(a)]	-	77.46
Transfer from ESOPs Outstanding Account on Exercise and Lapse	-	166.91
Balance at the end of the year	41,064.37	41,064.37
B. General Reserve (Refer Note 14.1)		
Balance at the beginning of the year	5,411.39	5,411.39
Movement during the year	-	-
Balance at the end of the year	5,411.39	5,411.39
C. Capital Reserve		
Balance at the beginning of the year	7,442.50	7,462.07
Movement during the year	-	(19.57)
Balance at the end of the year	7,442.50	7,442.50

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

14 Other Equity (Contd.)

(Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
D. 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 at the beginning of the year	-	166.62
Recognition of Share Based Payment (Refer Note 34)	-	16.67
Transfer from ESOPs Outstanding Account on Exercise and Lapse	-	(183.29)
Balance at the end of the year	-	-
E. Retained Earnings		
Balance at the beginning of the year	25,237.34	25,183.98
Profit/(Loss) for the Year	13,020.37	(32.84)
Add: Appropriations		
Transactions with Non-controlling Interests	1,568.71	35.66
Transfer from ESOPs Outstanding Account on Options Lapsed	-	16.38
Item of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(1.57)	14.59
Transfer within other equity [Refer (C) and (G)]	(642.45)	19.57
Net surplus in the statement of profit and loss	39,182.40	25,237.34
F. Equity Component of compound financial instruments (Refer Note 14.2)		
Balance at the beginning of the year	-	515.69
Equity Component of Compound Financial Instruments derecognised during the year (net of deferred tax)	-	(515.69)
Balance at the end of the year	-	-
- Other Reserves		
G. 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 at the beginning of the year	1,675.60	1,673.71
Exchange Differences on Translation of Foreign Operations during the year	20.42	1.89
Transfer within other equity [Refer (E) above]	642.45	-
Transfer to Discontinued Operations	(1,447.03)	-
Balance at the end of the year	891.44	1,675.60
H. Cash Flow hedge Reserve (Refer Note 14.3 and 14.4)		
Balance at the beginning of the year	990.20	434.20
Changes in fair value recognised during the year	(1,361.11)	743.00
Tax impact on above	342.56	(187.00)
Balance at the end of the year	(28.35)	990.20
Total Other Equity (A+B+C+D+E+F+G+H)	93,963.75	81,821.40

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

14.1 General Reserve :- Under the erstwhile Indian Companies Act, 1956, a general reserve was created in the books of the Parent Company through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Parent Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14.2 Equity Component of compound financial instruments :- During the previous year, the Optionally Fully Convertible Debentures (OFCD) had been redeemed fully and accordingly the equity component thereof has been derecognised, net of tax thereon.

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 consolidated statement of profit and loss amounted to Rs. Nil (March 31, 2022: Rs. Nil).

The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the consolidated statement of profit and loss as below:

- within the next one year: gain Rs. (28.35) Lacs (March 31, 2022: Rs. 990.20 Lacs)
- later than one year: gain Rs. Nil Lacs (March 31, 2022: Rs. Nil)

15 Borrowings (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Secured				
Term Loan from Banks [Refer (a) below]	4,962.50	39,620.88	3,286.13	4,720.40
Cash Credits & Working Capital Demand Loan from Banks [Refer (b) below]	-	-	14,639.27	31,245.77
Buyers Credit	-	-	2,044.51	-
Unsecured				
Term Loan from Banks [Refer (c) below]	-	7,936.87	-	529.12
Loan from Related Party	-	2,000.00	-	-
Total	4,962.50	49,557.75	19,969.91	36,495.29

Secured Borrowings

a) Term Loan from Banks

i) In case of Parent Company:

- A) Term Loan of Rs. 4962.50 Lacs (March 31, 2022: Rs. NIL) carrying interest @ 9.05 % p.a. (March 31, 2022: NIL % p.a.) linked to 1 year MCLR has been availed during the year and is repayable in 16 equal quarterly installments from April 2024 to January 2028. Above term loan was secured by way of first charge over land at Gwalior district, Madhya Pradesh owned by the Company. Charge is yet to be created over such land.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

- B) Term Loan of Rs. 3,286.13 lacs (March 31, 2022: Rs. 5,991.15 Lacs) carries interest @ 7% to 10.23% p.a (March 31, 2022: 7% to 8.75% p.a.) 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 charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on the Company's current assets relating to Bharatpur Plant.

ii) In case of Titagarh Firema S.p.A (TFA)

Term Loan from Bank of Baroda (UK Branch) of Rs. Nil (March 31, 2022: Rs. 38,350.13 Lacs) was sanctioned in the year 2018-19 and was fully drawn. Due to the Covid crisis and its consequent impact on the cash flows of the Company, it had applied to the Bank for a one time restructuring of the loan which interalia included rescheduling the principle repayments which as per the the original repayment terms were expected to start from September 2018. The restructuring proposal of the Company was approved by the Bank in the month of December and the outcome of the same on the principal repayments, interest rate and the overall security is as under:

Repayment Schedule		(In Euro)
Year	Original	Revised
2021-22	1,05,00,000.00	42,50,000.00
2022-23	1,40,00,000.00	20,00,000.00
2023-24	1,25,00,000.00	40,00,000.00
2024-25	1,05,00,000.00	60,00,000.00
2025-26	22,50,000.00	80,00,000.00
2026-27	2,50,000.00	1,35,00,000.00
2027-28	-	1,22,50,000.00
	5,00,00,000.00	5,00,00,000.00

Original Security - The facility is secured by First pari-passu Charge on the entire fixed assets (movable and immovable) and current assets of the Company.

Revised Security - Same as above and additionally the parent company has provided a pari-passu charge over the land at Bharatpur and the promoters of the Group (Mr Umesh Chowdhary) has provided charge over residential property at Mumbai and his personal guarantee.

Original Interest Rate - Euribor plus 265 bps

Revised Interest Rate - Euribor plus 295 bps

b) Cash Credits, Working Capital Demand Loan and Buyers Credit from Banks:

i) In case of Parent Company:

- A) Cash Credits and Working Capital Demand Loans of Rs. 14,639.27 Lacs (March 31, 2022: Rs. 5,884.89 Lacs) are secured by first charge on the Company's current assets, movable fixed asset both present and future and further creating charge on immovable properties of the company by deposit of title deeds except immovable properties at Bharatpur, Rajasthan, Gwalior and Bhind district, Madhya Pradesh. The above facilities has also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari-passu with consortium member banks.
- B) Cash Credits is repayable on demand and carry an interest rate ranging between 8.70% to 13.60% p.a. (March 31, 2022: 8.95% to 12.35%) linked with MCLR.
- C) Working Capital Demand Loans carry interest ranging from 5% to 13% p.a. (March 31, 2022: 5.25% to 8.95% p.a.) and are repayable on demand.
- D) Buyers Credit carry an interest rate of 5.20% p.a. (March 31, 2022: NIL % p.a.) and is linked to Secured Overnight Financing Rate (SOFR). The same is repayable by May 2, 2023.

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. Nil (March 31, 2022: Rs. 25,360.88 Lacs). The facility is secured similar to the Long term borrowing (Secured) from BOB. The short term loan bears interest rate of Euribor + 300 bps and is repayable on demand.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Unsecured Borrowings

c) Term Loan from Banks

In case of Titagarh Firema S.P.A (TFA):

Term Loan of Rs. Nil (March 31, 2022: Rs. 8,465.99 Lacs) 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.

Repayment Schedule	(In Euro)
Year	Original
upto 1 year	6,25,000
1 - 2 year	25,00,000
2 - 3 year	25,00,000
3 - 4 year	43,75,000
	1,00,00,000

d) **Financial Covenant** - In case of TFA, The Term loan agreements with the banks stipulates certain key financial ratios that needs to be complied with as on 31st March 2022, all of which are not met. The Company has already applied for the waiver for testing of the said financial covenants which are not met with the respective banks. We have been informed by the banks that they have taken up our proposal with their competent authority on priority. Considering the ongoing discussions and email correspondences with the banks, the management is hopeful of receiving such waivers shortly, and moreover in the absence of a specific request by the banks for an immediate repayment of the debt exposure, the company continues to report the term loan repayable after one year as non-current in line with the terms of the existing loan agreements. Refer note 46 for certain breach of covenants.

(e) Loan from Related Party

In case of the erstwhile Titagarh Bridges & International Private Limited (TBIPL) (since merged with the Parent Company):

Loan from related party carry an interest rate of 9.5% p.a. (March 31, 2022: 9.5% p.a) and is repayable after five years from the date of grant of loan with the condition that the Company has the right to pre-pay the full amount at any time, after the lock-in of 3 months from the date of grant of loan. The said loan has been prepaid during the year.

(f) Optionally Fully Convertible Debenture measured at FVTPL:

TBIPL (now merged with the Parent Company) had issued OFCD's to its promoters in the year 2019-2020 which was unsecured, unlisted and non-transferable. The tenure of OFCD was 7 years from the date of allotment. The OFCDs were convertible 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 interest was payable on annual basis on every March 31. Pursuant to the conversion, OFCD shall rank pari passu with existing Equity Shares. If OFCD holder does not choose the option of conversion, then the OFCD will be compulsorily redeemed by the company on the expiry of seven years from the date of allotment. During the previous year, these OFCD's were redeemed.

(g) As at March 31, 2023, the register of charges of the Parent Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified for entities which got amalgamated into the Parent Company pursuant to National Company Law tribunal Orders in earlier years. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. Further, certain charges wherein the outstanding loans have been repaid and the Parent Company has also filed the related Form 17 for satisfaction of Charge in respect thereof in earlier years, but the same has not been updated in the MCA records. The Parent Company is following up these matters and is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders. Further in case of new term loan obtained during the year, the Parent Company is yet to file charges with MCA.

h) In case of Parent Company, Term Loans obtained in earlier years have been applied for the purpose for which it has been obtained. Term loan from a bank of Rs. 4,962.50 lacs which was disbursed on March 31, 2023 to the Parent Company is lying in cash credit account pending utilisation at year end.

i) Refer Note 42 for information about market risk and liquidity risk on borrowings.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

16 Other Financial Liabilities

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Measured at Amortised Cost				
Derivative Liabilities #	-	-	37.87	-
Measured at Amortised Cost				
Interest accrued and not due on Borrowings	-	-	34.57	93.33
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividends	-	-	12.17	14.45
Unpaid fractional share	-	-	8.59	8.59
Others				
Employee Related Liabilities	-	-	498.15	923.87
Payable for Purchase of Property, Plant and Equipment	-	-	159.78	125.89
Other Liabilities	-	-	-	16.26
Total	-	-	751.13	1,182.39

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.

17.1 Provisions

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	343.64	340.93	125.43	102.37
Leave Benefits [Refer Note 32(iii)]	-	-	136.09	1,100.77
	343.64	340.93	261.52	1,203.14
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	283.40	1,420.83
Litigation, Claims and Contingencies [Refer (a) below for movement] & [37 (i)]	-	-	227.20	5,369.15
Other Provisions [Refer (b) below for movement]	-	-	-	785.18
	-	-	510.60	7,575.16
Total	343.64	340.93	772.12	8,778.30

a) Movement of provisions for warranties and Litigation, Claims and Contingencies are as follows:

	Warranties		Litigations, Claims and Contingencies	
	2022-23	2021-22	2022-23	2021-22
At the Beginning of the Year	1,420.83	2,110.49	5,369.15	2,073.34
Made during the Year*	57.81	49.60	-	3,295.81
Unused amounts reversed/ utilized during the year (Net) *	(49.60)	(739.26)	(124.16)	-
Transfer to Discontinued Operations	(1,145.64)	-	(5,017.79)	-
At the End of the Year	283.40	1,420.83	227.20	5,369.15

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

b) Movement of Other Provisions are as follows:

	Other Provision	
	2022-23	2021-22
At the Beginning of the Year	785.18	502.88
Made during the Year*	-	282.30
Transfer to Discontinued Operations	(785.18)	-
At the End of the Year	-	785.18

*includes adjustment of exchange fluctuation on consolidation of Rs. Nil (March 31, 2022 Rs. (134.17) Lacs).

Information about individual provisions and significant estimates:

Warranties

Provision is made for estimated warranty Claims in respect of products sold which are under warranty at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

17.2 Current Tax Liabilities

	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (Net of Advance tax and TDS Rs. 4,800.78 Lacs; March 31, 2022 Rs. 1,049.95 Lacs)	527.61	1,589.45
Total	527.61	1,589.45

18 Deferred Tax Assets / (Liabilities)

	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Arising out of temporary differences in depreciable assets and non-depreciable assets	9,006.28	7,924.71
Unrealised Gain on Fair value through Profit & Loss (FVTPL) Securities *	404.91	498.74
Fair valuation of Derivative Assets	-	333.03
Others	-	30.41
Gross Deferred Tax Liabilities (A)	9,411.19	8,786.89
Deferred Tax Assets		
Provision for fall in value of Investments	4,967.00	5,329.68
Provision for Doubtful Debts, Advances and Claims Receivable	170.85	147.46
Provision for Warranties and Liquidated Damages	40.45	3,890.04
Provision for Litigations, Claims and Contingencies	57.18	106.78
Provision for Employee Benefits	183.95	165.14
Lease Liabilities	2,635.87	1,491.55
Fair valuation of derivative assets	9.53	-

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

18 Deferred Tax Assets / (Liabilities) (Contd)

(Rs. in Lacs)

		As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets	(B)	8,064.83	11,130.65
Net Deferred Tax Liabilities	(A-B)	1,346.36	(2,343.76)
Reflected in the Consolidated Balance Sheet as:			
Deferred Tax Assets		-	3,792.36
Deferred Tax Liabilities		1,346.36	1,448.60
Net Deferred Tax Liabilities		1,346.36	(2,343.76)

The movement in deferred tax assets and liabilities during the year ended March 31, 2023 and March 31, 2022:

	As at April 1, 2021 Deferred tax Asset / (Liability)	Adjustment in Other Equity *	(Credit) / Charge in Statement of Profit and Loss #	As at March 31, 2022 Deferred tax Asset/ (Liability)	Transfer to Discontinued Operations	(Credit) / Charge in Statement of Profit and Loss #	As at March 31, 2023 Deferred tax Asset / (Liability)
Arising out of temporary differences in depreciable assets and non-depreciable assets	(6,582.45)		1,342.26	(7,924.71)	-	1,081.57	(9,006.28)
Unrealised Gain on FVTPL Securities	(572.95)	-173.44	99.23	(498.74)	-	(93.83)	(404.91)
Fair valuation of Derivative Assets	(146.03)		187.00	(333.03)	-	(333.03)	-
Others	(104.72)		(74.31)	(30.41)	(30.41)	-	-
Total Deferred Tax Liabilities	(7,406.15)	(173.44)	1,554.18	(8,786.89)	(30.41)	654.71	(9,411.19)
Provision for fall in value of Investments	5,525.55		(195.87)	5,329.68	-	(362.68)	4,967.00
Provision for Doubtful Debts and Advances	302.95		(155.49)	147.46	-	23.39	170.85
Provision for Warranties & Liquidated Damages	3,914.77		(24.73)	3,890.04	(3,822.75)	(26.84)	40.45
Provision for Litigation, Claims & Contingencies	88.43		18.35	106.78	-	(49.60)	57.18
Provision for Employee Benefits	173.40		(8.26)	165.14	-	18.81	183.95
Lease Liabilities	37.26		1,454.29	1,491.55	-	1,144.32	2,635.87
Carried Forward Business Losses	3.57		(3.57)	-	-	-	-
Fair valuation of derivative assets	-		-	-	-	9.53	9.53
Total Deferred Tax Assets	10,045.93	-	1,084.72	11,130.65	(3,822.75)	756.93	8,064.83
Deferred Tax Asset / (Liabilities) (Net)	2,639.78	(173.44)	(469.46)	2,343.76	(3,792.34)	102.22	(1,346.36)

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 0.53 Lacs [March 31, 2022 Rs. (4.91) Lacs] and income tax impact on Fair value change of cash flow hedges amounting to Rs. 342.56 Lacs [March 31, 2022 Rs. (187.00) Lacs] included in Other Comprehensive Income and income tax impact on exchange difference on consolidation of Rs. Nil [March 31, 2022 Rs. (64.86) Lacs] included in foreign currency translation reserve.

Deferred tax asset against capital loss for provision for fall in value of Investment has been recognised to the extent of identifiable capital gains against which corresponding deferred tax liability is recognised.

19 Trade Payables (At Amortised Cost)

(Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	574.92	686.99
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	31,733.41	43,185.84
Total	32,308.33	43,872.83

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Trade Payables Ageing Schedule

(Rs. in Lacs)

Particulars	Outstanding as at March 31, 2023				
	Less than 1 year	1-2 Year	2-3 Year	More than 3 Year	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	286.10	-	-	-	286.10
Others	18,430.71	113.52	-	-	18,544.23
Disputed Trade Payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	18,716.81	113.52	-	-	18,830.33
Not Due					
Micro enterprises and small enterprises					288.82
Others					10,070.56
Unbilled					
Micro enterprises and small enterprises					-
Others					3,118.62
Total	18,716.81	113.52	-	-	32,308.33

Particulars	Outstanding as at March 31, 2022				
	Less than 1 year	1-2 Year	2-3 Year	More than 3 Year	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	457.65	-	-	-	457.65
Others	23,660.16	1,286.94	115.16	352.93	25,415.19
Disputed Trade Payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	24,117.81	1,286.94	115.16	352.93	25,872.84
Not Due					
Micro enterprises and small enterprises					229.34
Others					11,715.27
Unbilled					
Micro enterprises and small enterprises					-
Others					6,055.38
Total	24,117.81	1,286.94	115.16	352.93	43,872.83

(a) Trade Payables include dues to related parties of Rs. 409.74 Lacs (March 31, 2022: Rs.Nil). Refer Note 40 for details.

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

20 Contract Liabilities

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advances from Customers	2,826.72	-	53,581.30	33,696.01
Revenue in Excess of Billing	-	-	282.56	94.88
	2,826.72	-	53,863.86	33,790.89

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

21 Other Liabilities (Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Statutory Dues	-	-	306.62	680.76
	-	-	306.62	680.76

22 Revenue from Operations (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Contract with Customers:-		
Sale of Products		
Finished Goods	2,62,285.34	1,36,038.32
Raw Materials and Components	13,246.11	8,168.38
Other Operating Revenues		
Scrap Sales	2,171.09	2,543.72
Others	256.50	-
Total	2,77,959.04	1,46,750.42

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 275,531.45 Lacs (March 31, 2021 Rs 144,206.70 Lacs). The details of which are given below:-

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised at a point in time	2,15,541.67	1,20,598.90
Revenue recognised over time	59,989.78	23,607.80
	2,75,531.45	1,44,206.70

Reconciliation of revenue recognised with contract price:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract price	2,65,568.27	1,35,006.97
Adjustment for:		
Liquidated Damages	(1,011.00)	(359.85)
Escalation	10,974.18	9,559.58
Revenue from operation	2,75,531.45	1,44,206.70

23 Other Income (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
23.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	564.49	525.73
Others ##	194.92	50.65
	759.41	576.38

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

23 Other Income		(Rs. in Lacs)
	For the year ended March 31, 2023	For the year ended March 31, 2022
23.2 Others		
Net Foreign Exchange Fluctuations and Fair Value (Gain)/		
Loss on Derivatives Not Designated as Hedges #	2,695.33	-
Unspent Liabilities / Provisions No Longer Required Written Back	335.99	14.20
Net Gain on Sale of Investments	-	24.27
Net Gain on Disposal of Property, Plant and Equipment	17.95	290.32
Insurance Claim Received	76.99	684.28
Other Non-operating Income*	208.08	0.11
	3,334.34	1,013.18
23.3 Other Gains / (Losses)		
Fair Value Gain / (Loss) on Investment - FVTPL	164.55	183.28
	164.55	183.28
Total	4,258.30	1,772.84

* Mainly comprises of Rs. 123.03 lacs recovery against bad-debt and Rs. 40.00 lacs recovery against settlement of an old case.

Foreign Exchange Fluctuations includes Rs. 1,343.87 Lacs (March 31, 2022: Rs. Nil) on account of cancellation of forward contracts during the year.

Interest income - Others for the current year represents interest income from supplier for early payment of related outstandings.

24 Cost of Raw Materials and Components Consumed		(Rs. in Lacs)
	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the Beginning of the Year	23,250.46	10,952.26
Add: Purchases	2,29,768.66	1,16,024.00
	2,53,019.12	1,26,976.26
Less: Inventories at the End of the Year	36,488.73	23,250.46
Cost of Raw Materials and Components Consumed	2,16,530.39	1,03,725.80

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

25 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Finished Goods	-	-
Work-in-Progress	6,996.43	5,765.44
Saleable Scrap	1,067.12	761.55
(A)	8,063.55	6,526.99
Inventories at the beginning of the year		
Finished Goods	-	883.85
Work-in-Progress	5,765.44	5,980.09
Saleable Scrap	761.55	695.30
(B)	6,526.99	7,559.24
(Increase) / Decrease (B-A)	(1,536.56)	1,032.25

26 Employee Benefits Expense (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages and Bonus	5,063.45	4,022.76
Employee Stock Options Expense (Refer Note 34)	-	16.68
Contribution to Provident & Other Funds [Refer Note 32(ii) and 47]	275.55	229.56
Gratuity Expense [Refer Note 32(i)]	76.92	70.47
Staff Welfare Expenses	236.72	202.61
Total	5,652.64	4,542.08

27 Finance Costs (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.	5,893.32	4,470.38
Interest & Finance Charge on Lease Liabilities	575.14	223.81
Other Borrowing Costs (Bank Charges, etc.)	1,606.21	1,032.61
Total	8,074.67	5,726.80

Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs. 2,364.79 Lacs (March 31, 2022: Rs. 2,315.71 Lacs) representing cost of financing component @ 9% against long term advance from customer

28 Depreciation and Amortisation Expense (Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Property, Plant and Equipments (Refer Note 4.1)	1,367.04	1,175.13
Depreciation of Right-of-use Assets (Refer Note 4.6)	739.48	296.39
Amortisation of Intangible Assets (Refer Note 4.2)	143.83	366.82
Total	2,250.35	1,838.34

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

29 Other Expenses

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of Stores and Spares	8,717.23	4,996.13
Job Processing and Other Machining Charges (including Contract Labour Charges)	9,454.35	5,539.68
Power and Fuel	4,370.01	3,325.90
Design and Development Expenses	46.69	223.82
Repairs		
Plant and Machinery	279.07	188.28
Buildings	236.42	113.07
Others	165.49	78.25
Rent and Hire Charges	102.57	433.79
Rates and Taxes	226.45	256.74
Insurance	232.27	188.25
Security Services	169.91	171.56
Advertising and Sales Promotion	170.45	86.17
Brokerage and Commission	138.50	93.53
Travelling and Conveyance	937.41	420.81
Legal and Professional Fees	890.83	655.02
Commission to non-whole time directors	25.00	10.00
Directors Sitting Fees	55.40	66.60
Payment to Auditors:		
As Auditors		
Audit Fee	59.00	48.00
Limited Review	21.00	12.00
Other Certification Services	7.75	8.50
Reimbursement of Expenses	6.35	2.98
Warranty Claims (net)	65.65	(8.18)
Less: Adjusted with Provision	49.60	-
Irrecoverable debts/ advances/ other receivables written off	2,536.08	3,062.32
Less: Adjusted with Provision	9.27	808.84
Provision for Doubtful Debts and Advances	102.22	-
Foreign Exchange Fluctuations (Refer Note 29.2)	-	353.81
Corporate Social Responsibility Expenses (Refer Note 29.1)	45.37	7.68
Miscellaneous Expenses	1,960.92	1,433.13
Total	30,963.52	20,959.00

29.1 Corporate Social Responsibility Expenses

(Rs. in Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(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)	45.37	7.68
Total	45.37	7.68

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

29.2 Foreign Exchange Fluctuations is net of gain of Rs. Nil (March 31, 2022: Rs. 127.20 Lacs) on account of cancellation of forward contracts during the year.

30 Income Tax Expense / (Benefit)	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Amount Recognised in the Statement of Profit and Loss		
Current Tax	5,305.50	2,632.45
Deferred Tax	240.87	286.88
Total Income Tax Expense Recognised in Profit and Loss	5,546.37	2,919.33
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit /(Loss) before Tax	18,118.00	2,895.52
At India's Statutory Income Tax Rate of 25.168% (March 31, 2022: 25.168%)	4,559.94	728.74
Adjustments:		
Non-deductible Income / (Expenses) for Tax Purposes		
Expenses not allowed as deductions	58.83	118.06
Deferred tax not recognised on capital losses #	1,349.67	1,341.76
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	136.09	81.03
Derecognition of Optionally Fully convertible debentures	-	(170.34)
Impact of Brought Forward Loss	-	(24.41)
Impact of Discontinued Operations	(558.16)	844.49
	5,546.37	2,919.33

Refer Note 18

31 Earnings/(Loss) Per Equity Share	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Basic and Diluted		
(i) Number of Equity Shares at the Beginning of the Year	11,95,71,089	11,93,87,589
(ii) Number of Equity Shares at the End of the Year	11,95,71,089	11,95,71,089
(iii) Weighted Average Number of Equity Shares Outstanding during the year	11,95,71,089	11,94,91,175
(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)	13,912.07	7,815.37
From Discontinuing Operation (Rs.in Lacs)	(891.70)	(7,848.21)
From Continuing and Discontinuing Operation (Rs.in Lacs)	13,020.37	(32.84)
(vi) Basic and Diluted Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)] #		
From Continuing Operation	11.63	6.54
From Discontinuing Operation	(0.75)	(6.57)
From Continuing and Discontinuing Operation	10.89	(0.03)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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 India). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The following tables sets forth the particulars in respect of the gratuity plan.

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	7.57	7.65	42.41	36.84
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.58	2.74	22.36	23.24
Total	12.15	10.39	64.77	60.08
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(3.76)	36.63	5.86	(56.13)
Total	(3.76)	36.63	5.86	(56.13)
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	111.92	123.07	403.81	366.89
Fair value of Plan Assets	46.66	46.66	-	-
Net Liability	65.26	76.41	403.81	366.89
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	-	-	125.43	102.37
Non-Current Liability (Long term)	65.26	76.41	278.38	264.52
	65.26	76.41	403.81	366.89
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	123.07	96.30	366.89	408.16
Current Service Cost	7.57	7.65	42.41	36.84
Interest Cost	7.38	5.30	22.36	23.25
Benefits Paid	(19.54)	(20.24)	(33.71)	(45.23)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	(4.48)	(1.26)	(17.24)	(2.11)
Demographic Assumptions	-	(0.03)	-	(1.53)
Experience Variance	(2.08)	35.35	23.10	(52.49)
Closing Defined Benefit Obligation	111.92	123.07	403.81	366.89

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

32 Employee Benefits: (Contd.)

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	46.66	46.67		
Return on Plan Assets	(2.80)	(2.57)		
Investment Income	2.80	2.56		
Fair Value of Plan Assets at the end of the year	46.66	46.66		
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 India	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	3 years	3 years	3 years	4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	30.49	42.64	125.43	102.37
Later than 1 year and not later than 5 years	80.08	74.72	243.44	216.99
Later than 5 year and not later than 10 years	26.46	25.31	123.98	107.99
More than 10 years	5.88	6.58	45.99	45.49
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	7.25%	6.00%	7.25%	6.10%
Rate of increase in Salary	6.50%	6.50%	5.00%	5.00%

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. 71.76 Lacs (March 31, 2022 Rs.82.84 Lacs) to the funded gratuity plans during the next financial year.

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs. in Lacs)

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2023		As at March 31, 2022		As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	115.44	108.59	126.94	119.43	418.68	389.95	381.25	353.54
Salary Growth Rate (- / + 1%)	108.53	115.43	119.41	126.88	390.95	417.28	354.47	379.93

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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:

	(Rs.in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident Fund (refer note 47)	247.85	205.85
ESI	27.70	23.71
Total	275.55	229.56

(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.136.09 Lacs (March 31, 2022: Rs.1,100.77 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, 2023	As at March 31, 2022
Leave provision not expected to be settled within the next 12 months	91.86	420.20

(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. 301.84 Lacs (March 31, 2022: Rs.322.96 Lacs)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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	May 19, 2017
Exercise price	Rs. 44.20
Market price at May 19, 2017	Rs. 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
	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	-	-	57,500	44.20
Exercised during the year	-	-	57,500	44.20
Outstanding at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.Nil (March 31, 2022: Rs Nil) and weighted average contractual life of the option as at March 31, 2023 is Nil years (March 31, 2022: Nil years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2022: Nil years). The weighted average fair value of stock options granted was Rs.Nil (March 31, 2022: Rs Nil).

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, 2022				
August 10, 2021				86.53
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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Tranche 2 - First 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	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)
Outstanding at the beginning of the year	-	-	1,47,000	44.20
Lapsed during the year	-	-	18,000	44.20
Forfeited during the year	-	-	3,000	44.20
Exercised during the year	-	-	1,26,000	44.20
Outstanding at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.Nil (March 31, 2022: Rs Nil) and weighted average contractual life of the option as at March 31, 2023 is Nil years (March 31, 2022: Nil years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2022: Nil years). The weighted average fair value of stock options granted was Rs.Nil (March 31, 2022: Rs. Nil).

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, 2022	
August 10, 2021	86.53
November 13, 2021	93.29

	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

Disclosures are restricted to Tranche 1 - Second Allotment and Tranche 2 - First Allotment as the other tranches have lapsed and expired in the earlier periods.

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

During the year ended the Parent Company recorded an employee compensation expense of Rs. Nil (March 31, 2022: Rs.16.68 Lacs) in the Statement of Profit and loss.

The Board of Directors of the Parent Company at its meeting held on March 21, 2023 approved the Employee Stock Option Scheme titled "Titagarh Employees Stock Options Scheme, 2023" for the employees of the Parent Company and its subsidiary and associates. Subsequently, on March 28, 2023, the shareholders, by way of postal ballot approved the said Scheme.

- 35** There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties.

36 Commitments	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital accounts and not provided for [net of advances Rs. Nil (March 31, 2022: Rs. Nil)]	9,149.45	1,258.98

37 Contingent Liabilities	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
(i) Claims against the Group not acknowledged as debt		
Disputed claims contested by the Group and pending at various courts/arbitration*	3,200.30	3,277.12
Matters under appeal with:		
Sales tax authorities	2,520.09	2,522.97
Income tax authorities	4,950.99	5,368.90
Customs and Excise Authorities	13,849.99	13,868.42
Goods and service tax Authorities	168.88	168.88
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,190.54
	25,880.79	26,396.83

* Includes Rs.1,360.45 Lacs (March 31, 2022: 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, 2022: 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

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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.

38 Information relating to Micro and Small Enterprises (MSEs):	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	525.74	686.99
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.55	0.84
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,064.15	2,142.63
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	42.74	25.96
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	49.18	47.63
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act		

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. There are no MSME payable for purchase of Property, Plant & Equipment.

39 Segment Information

During the year, the Group has revisited its operating segments based on the recent changes in the overall business landscape and accordingly the Company's products have been identified by the chief operating decision maker, being the Board of Directors, as "Freight Rail Systems" and "Passenger Rail Systems"

- Freight Rail Systems** - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment's for Defence, Bridge Girders etc.
- Passenger Rail Systems** - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the consolidated statement of profit and loss.

Segment Assets and Liabilities are measured in the same way as in the consolidated financial statements.

These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Information about operating segments

For the year ended March 31, 2023

(Rs. in Lacs)

	Freight Rail Systems	Passenger Rail Systems	Total
Revenue from operations			
Segment Revenue (External)	2,25,093.47	52,865.57	2,77,959.04
Segment Profit/(Loss) (a)	23,570.94	2,198.13	25,769.07
Unallocated (income) / expenses			
Finance Costs			5,144.25
Interest Income			(564.55)
Interest Expense - Net (b)			4,579.70
Depreciation and Amortisation Expense			272.94
Other Corporate Income			(2,924.00)
Other Corporate Expenses			4,830.73
Unallocable expenditure net of income (c)			2,179.67
Profit before Taxes (a-b-c)			19,009.70
Tax Expenses /(Credit)			5,546.37
Profit for the year			13,463.33
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	1,578.41	399.00	1,977.41
Unspent Liabilities / Provisions No Longer Required Written Back	(319.30)	-	(319.30)
Segment Assets	1,17,946.10	61,689.58	1,79,635.68
Unallocated Assets			
Investments			3,179.80
Cash and Cash Equivalents			5,540.55
Other Bank Balances			4,457.79
Non-current / Current Tax Assets (Net)			29,949.33
Deferred Tax Assets (Net)			-
Other Unallocated Assets			2,043.93
Total Assets			2,24,807.08
Segment Liabilities	63,270.33	36,407.46	99,677.79
Unallocated Liabilities			
Borrowings			24,932.41
Current Tax Liabilities (Net)			527.61
Deferred Tax Liabilities (Net)			1,346.36
Other Unallocated Liabilities			1,967.74
Total Liabilities			1,28,451.91

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Information about operating segments

For the year ended March 31, 2022

(Rs. in Lacs)

	Freight Rail Systems	Passenger Rail Systems	Total
Revenue from Operations			
Segment Revenue (External)	1,27,307.51	19,442.91	1,46,750.42
Segment Profit/(Loss) (a)	17,302.47	614.03	17,916.50
Unallocated (Income) / Expenses			
Finance Costs			3,702.39
Interest Income			(1,271.27)
Interest Expense - Net (b)			2,431.12
Depreciation and Amortisation Expense			275.38
Other Corporate Income			(524.19)
Other Corporate Expenses			5,035.20
Unallocable expenditure net of income (c)			4,786.39
Profit before Taxes (a-b-c)			10,698.99
Tax Expenses (Credit)			2,919.33
Profit for the year			7,779.66
Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	1,306.06	256.90	1,562.96
Unspent Liabilities / Provisions No Longer Required Written Back	(3.59)		(3.59)
Segment Assets	81,729.87	1,46,729.78	2,28,459.65
Unallocated Assets			
Investments			3,015.26
Cash and Cash Equivalents			895.85
Other Bank Balances			3,309.76
Non-current / Current Tax Assets (Net)			45,291.72
Deferred Tax Assets (Net)			3,792.36
Other Unallocated Assets			(16,873.81)
Total Assets			2,67,890.79
Segment Liabilities	33,160.78	57,868.53	91,029.31
Unallocated Liabilities			
Borrowings			86,053.04
Current Tax Liabilities (Net)			1,589.45
Deferred Tax Liabilities (Net)			1,448.60
Other Unallocated Liabilities			3,543.16
Total Liabilities			1,83,663.56

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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:-

	For the year ended March 31, 2023	For the year ended March 31, 2022
India	2,77,655.71	1,46,750.42
Rest of the World	303.33	-
Total	2,77,959.04	1,46,750.42

- (b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

	For the year ended March 31, 2023	For the year ended March 31, 2022
India	81,263.63	74,372.86
Rest of the World	-	36,517.34
Total	81,263.63	1,10,890.20

- (c) Total revenue from external customers includes sales to Indian Railways of Rs. 172,441.14 Lacs (March 31, 2022: Rs. 86,292.93 Lacs) and Maharashtra Metro Railway Corporation Rs 52,462.98 Lacs (March 31, 2022: Rs 18,442.21 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

Related parties:

Subsidiary Company:	Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (upto September 8, 2022)
Associate Company:	Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (w.e.f September 9, 2022)
Joint Venture Company:	Titagarh Mermec Private Limited

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

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman
	Mr. Umesh Chowdhary – Vice Chairman & Managing Director
	Mr. Anil Kumar Agarwal - Director (Finance), Chief Business & Risk Officer and Chief Financial Officer
	Mr. Saurav Singhania- Group Finance Controller & Joint Chief Financial Officer (w.e.f November 18, 2022)
	Mr. Sudipta Mukherjee - Director (Whole-Time Director) (upto March 17, 2023)
	Mr. Saket Kandoi - Director (Whole-Time Director) (w.e.f March 17, 2023)
	Mrs. Rashmi Chowdhary - Non-Executive Director
	Mr. Prithish Chowdhary - Non Executive Director (upto August 12, 2022)
	Mr. Prithish Chowdhary - Director (Marketing & Business Development) (w.e.f August 13, 2022)
	Mr. Manoj Mohanka - Independent Director
	Mr. Atul Ravishanker Joshi - Independent Director
	Mr. Sunirmal Talukdar - Independent Director
	Mr. Sushil Kumar Roongta - Independent Director
	Mr. Krishan Kumar Jalan - Independent Director
	Ms. Nayantara Palchoudhuri - Independent Director

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

	Mr. Dinesh Arya - Company Secretary (w.e.f March 17, 2023)
	Mr. Ravi Mundhra - Company Secretary (upto March 17, 2023)
	Mr. Sumit Jaiswal - Company Secretary (upto August 12, 2022)
Close Family Members of the KMPs:	Mrs. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary
	Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary
	Mrs. Sumita Kandoi, Daughter of Mr. J P Chowdhary
Enterprises over which KMP/ Shareholders/	Titagarh Capital Management Services Private Limited
Close Family Members have significant	Titagarh Enterprises Limited
influence:	Titagarh Industries Limited
	Shivaliks Mercantile Private Limited
	Nicco Eastern 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	Associate	Enterprise over which KMPs/ shareholders/ Close Family Members of the KMP's have significant influence	KMP's	Relatives of KMP's	Total
In relation to the Consolidated Statement of Profit and Loss							
Sale of Products							
Titagarh Firema S.p.A	2022-23	-	209.47	-	-	-	209.47
	2021-22	-	-	-	-	-	-
Purchase of Raw Materials and Components							
Titagarh Firema S.p.A	2022-23	-	2,807.86	-	-	-	2,807.86
	2021-22	-	-	-	-	-	-
Nicco Eastern Private Limited	2022-23	-	-	104.05	-	-	104.05
	2021-22	-	-	-	-	-	-
Reimbursement of Expenses Received							
Titagarh Enterprises Limited	2022-23	-	-	30.57	-	-	30.57
	2021-22	-	-	-	-	-	-
Payment for Lease Rental							
Titagarh Enterprises Limited	2022-23	-	-	864.83	-	-	864.83
	2021-22	-	-	675.86	-	-	675.86
Interest expense on Loan							
Titagarh Enterprises Limited	2022-23	-	-	128.32	-	-	128.32
	2021-22	-	-	69.75	-	-	69.75
Interest Expense on 4% Optionally Fully Convertible Debentures (OFCD)							
Mr. J P Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	6.65	-	6.65

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMPs/ shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
Mr. Umesh Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	2.22	-	2.22
Ms. Savitri Devi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	3.88	3.88
Ms. Rashmi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	1.66	-	1.66
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	55.85	-	-	55.85
Shivaliks Mercantile Private Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	60.39	-	-	60.39
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]							
Mr. J P Chowdhary	2022-23	-	-	-	257.28	-	257.28
	2021-22	-	-	-	257.28	-	257.28
Mr. Umesh Chowdhary	2022-23	-	-	-	257.28	-	257.28
	2021-22	-	-	-	257.28	-	257.28
Mr. Pritish Chowdhary	2022-23	-	-	-	32.83	-	32.83
	2021-22	-	-	-	-	-	-
Mr. Saket Kandoi	2022-23	-	-	-	1.95	-	1.95
	2021-22	-	-	-	-	-	-
Mr. Anil Agarwal	2022-23	-	-	-	104.98	-	104.98
	2021-22	-	-	-	83.69	-	83.69
Mr. Dinesh Arya	2022-23	-	-	-	2.95	-	2.95
	2021-22	-	-	-	-	-	-
Mr. Sudipta Mukherjee	2022-23	-	-	-	58.96	-	58.96
	2021-22	-	-	-	65.42	-	65.42
Mr. Saurav Singhanian	2022-23	-	-	-	26.54	-	26.54
	2021-22	-	-	-	12.00	-	12.00
Mr. Sumit Jaiswal	2022-23	-	-	-	3.13	-	3.13
	2021-22	-	-	-	12.60	-	12.60
Mr. Ravi Prakash Mundhra	2022-23	-	-	-	19.14	-	19.14
	2021-22	-	-	-	-	-	-

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMPs/ shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
Employee Stock Option Expense							
Mr. Anil Kumar Agarwal	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	0.91	-	0.91
Mr. Sudipta Mukherjee	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	0.91	-	0.91
Commission to non-whole time directors							
Mr. Sunirmal Talukdar	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Manoj Mohanka	2022-23	-	-	-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Sushil Kumar Roongta	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Ms. Nayantara Palchoudhuri	2022-23	-	-	-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Mr. Krishna Kumar Jalan	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Sitting Fees to Directors							
Mr. Manoj Mohanka	2022-23	-	-	-	11.80	-	11.80
	2021-22	-	-	-	12.60	-	12.60
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	10.00	-	10.00
	2021-22	-	-	-	14.40	-	14.40
Mrs. Rashmi Chowdhary	2022-23	-	-	-	3.20	-	3.20
	2021-22	-	-	-	3.20	-	3.20
Mr. Sunirmal Talukdar	2022-23	-	-	-	12.00	-	12.00
	2021-22	-	-	-	16.00	-	16.00
Ms. Nayantara Palchoudhuri	2022-23	-	-	-	5.00	-	5.00
	2021-22	-	-	-	5.00	-	5.00
Mr. Krishan Kumar Jalan	2022-23	-	-	-	5.00	-	5.00
	2021-22	-	-	-	5.00	-	5.00
Mr. Sushil Kumar Roongta	2022-23	-	-	-	7.00	-	7.00
	2021-22	-	-	-	6.40	-	6.40
Mr. Prithish Chowdhary	2022-23	-	-	-	1.40	-	1.40
	2021-22	-	-	-	4.00	-	4.00

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMPs/ shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
In relation to the Consolidated Balance Sheet							
Loan Taken							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	2,000.00	-	-	2,000.00
Repayment of Loan							
Titagarh Enterprises Limited	2022-23	-	-	2,000.00	-	-	2,000.00
	2021-22	-	-	-	-	-	-
Security Deposit Paid							
Titagarh Enterprises Limited	2022-23	-	-	293.98	-	-	293.98
	2021-22	-	-	338.10	-	-	338.10
Balances Outstanding as at the Year end							
Trade Receivables							
Titagarh Firema S.p.A	2022-23	-	1,274.51	-	-	-	1,274.51
	2021-22	-	-	-	-	-	-
Titagarh Enterprises Limited	2022-23	-	-	36.07	-	-	36.07
	2021-22	-	-	-	-	-	-
Trade Payables							
Nicco Eastern Private Limited	2022-23	-	-	9.93	-	-	9.93
	2021-22	-	-	-	-	-	-
Titagarh Enterprises Limited	2022-23	-	-	399.81	-	-	399.81
	2021-22	-	-	-	-	-	-
Capital Advance							
Titagarh Firema S.p.A	2022-23	-	2,387.31	-	-	-	2,387.31
	2021-22	-	-	-	-	-	-
Investment In Equity shares							
Titagarh Firema S.p.A	2022-23	-	1,272.63	-	-	-	1,272.63
	2021-22	-	-	-	-	-	-
Other Liabilities							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	16.26	-	-	16.26
Loans Taken							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	2,000.00	-	-	2,000.00

Notes to Financial Statements as at and for the year ended March 31, 2023

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	Associate	Enterprise over which KMPs/ shareholders/ Close Family Members of the KMPs have significant influence	KMP	Relatives of KMP	Total
Interest outstanding on Loans							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	62.78	-	-	62.78
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	2022-23	-	-	-	30.00	-	30.00
	2021-22	-	-	-	30.00	-	30.00
Mr. Sudipta Mukherjee	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	15.00	-	15.00
Titagarh Firema S.p.A	2022-23	-	166.63	-	-	-	166.63
	2021-22	-	-	-	-	-	-
Redemption of OFCD							
Mr. J P Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	84.93	-	84.93
Mr. Umesh Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	28.31	-	28.31
Mrs. Savitri Devi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	49.54	49.54
Mrs. Rashmi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	21.23	-	21.23
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	713.41	-	-	713.41
Shivaliks Mercantile Private Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	771.44	-	-	771.44
Commission payable to non whole time directors							
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Sunirmal Talukdar	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Sushil Kumar Roongta	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Krishan Kumar Jalan	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67

Notes to Financial Statements as at and for the year ended March 31, 2023

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below:

Nature of transactions	Year	Joint ventures	Associate	Enterprise over which KMPs/ shareholders/ Close Family Members of the KMPs have significant influence	KMP	(Rs. in Lacs)	
						Relatives of KMP	Total
Ms. Nayantara Palchoudhri	2022-23	-	-	-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Mr. Manoj Mohanka	2022-23	-	-	-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Investments							
Titagarh Firema S.p.A	2022-23	-	-	-	-	-	-
(Net of Loss: Rs.1,272.63 Lacs)	2021-22	-	-	-	-	-	-
Titagarh Mermec Private Limited	2022-23	-	-	-	-	-	-
(Net of Loss: Rs.0.50 Lacs)	2021-22	-	-	-	-	-	-
Security Deposit							
Titagarh Enterprises Limited	2022-23	-		281.92	-	-	281.92
	2021-22	-		147.50	-	-	147.50

Notes

a) Terms and Conditions of Transactions with Related Parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales/ services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash.

b) Compensation of Key Managerial Personnel

	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	718.15	648.20
Contribution to provident and other funds	46.89	40.07
Share-based payment transactions	-	1.82
	765.04	690.09

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.

Notes to Financial Statements as at and for the year ended March 31, 2023

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, 2023 and March 31, 2022.

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, 2023	-	-	3,179.60	3,179.60
	March 31, 2022	-	-	3,015.06	3,015.06
Derivative financial Assets	March 31, 2023	-	-	-	-
	March 31, 2022	-	1,323.24	-	1,323.24
Total Financial Assets	March 31, 2023	-	-	3,179.60	3,179.60
	March 31, 2022	-	1,323.24	3,015.06	4,338.30
Derivative financial Liabilities	March 31, 2023	-	37.87	-	37.87
	March 31, 2022	-	-	-	-
Total Financial Liabilities	March 31, 2023	-	37.87	-	37.87
	March 31, 2022	-	-	-	-

(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, 2023 and March 31, 2022 are as shown below:

(Rs. in Lacs)		
	For the year ended March 31, 2023	For the year ended March 31, 2022
Significant Unobservable Input - Weighted Average Cost of Capital / Discounting Rate *		
Impact of 1% Increase	(319.00)	(187.90)
Impact of 1% Decrease	434.68	250.81
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company #		
Impact of 5% Increase	57.86	83.53
Impact of 5% Decrease	(57.86)	(83.53)

* For FVTPL assets in unquoted equity shares

For FVTPL assets in unquoted equity shares

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

Particulars	Investment in equity shares
Closing Balance as on March 31, 2021	3,127.72
Sale during the period	(295.95)
Re-measurement recognised in Consolidated Statement of Profit and Loss	183.29
Closing Balance as on March 31, 2022	3,015.06
Sale during the period	-
Re-measurement recognised in Consolidated Statement of Profit and Loss	164.54
Closing Balance as on March 31, 2023	3,179.60

(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, 2022.

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 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 short-term 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 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:

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, 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

(Rs. in Lacs)

Particulars	March 31, 2023			
	NPR	USD	EURO	JPY
Financial Assets				
Trade Receivables	221.80	616.60	2,892.99	2,249.51
Other Financial Assets	-	-	375.90	-
Cash & Cash Equivalents	253.41	-	-	-
Derivative Assets				
Foreign exchange forward contracts	-	-	(3,170.19)	(2,336.04)
Net exposure to Foreign Currency Risk (Assets)	475.21	616.60	98.70	(86.53)
Financial Liabilities				
Trade Payables	7.32	41.10	1,852.20	989.85
Other Financial Liabilities	-	17.13	-	-
Borrowings	-	2,044.51	-	-
Derivative Liabilities				
Foreign Exchange Forward Contracts	-	(5,290.36)	-	-
Net exposure to Foreign Currency Risk (Liabilities)	7.32	(3,187.62)	1,852.20	989.85
Net exposure to Foreign Currency Risk (Assets less Liabilities)	467.89	3,804.22	(1,753.50)	(1,076.38)

(Rs. in Lacs)

Particulars	March 31, 2022			
	NPR	USD	EURO	JPY
Financial Assets				
Trade Receivables	316.66	568.23	2,274.07	2,151.87
Cash & Cash Equivalents	-	-	-	-
Derivative Assets				
Foreign exchange forward contracts	-	-	-	1,323.24
Net exposure to Foreign Currency Risk (Assets)	316.66	568.23	2,274.07	3,475.11
Financial Liabilities				
Trade Payables	-	-	686.88	-
Net exposure to Foreign Currency Risk (Liabilities)	-	-	686.88	-
Net exposure to Foreign Currency Risk (Assets less Liabilities)	316.66	568.23	1,587.19	3,475.11

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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, 2023	5%	(1,753.50)	(87.68)	5%	3,804.22	190.21
	-5%		87.68	-5%		(190.21)
March 31, 2022	5%	1,587.19	79.36	5%	568.23	28.41
	-5%		(79.36)	-5%		(28.41)
	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, 2023	5%	467.89	23.39	5%	(1,076.38)	(53.82)
	-5%		(23.39)	-5%		53.82
March 31, 2022	5%	316.66	15.83	5%	3,475.11	173.76
	-5%		(15.83)	-5%		(173.76)

(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 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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

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, 2023	As at March 31, 2022
Variable Rate Borrowings	24,932.41	84,053.04
Fixed Rate Borrowings	-	2,000.00
Total Borrowings	24,932.41	86,053.04

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, 2023	As at March 31, 2022
Interest Rates - Increase by 100 basis points *	(249.32)	(840.53)
Interest Rates - Decrease by 100 basis points *	249.32	840.53

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023 and March 31, 2022 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 receivable considering prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history, forward looking information etc. 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. Further the Group has also applied the simplified approach for expected credit loss based on trade receivable and contract assets which resulted in the default risk being upto 6.81% in respect of various categories of customers, which is not significant and the movement of allowance is given in (c) below

(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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

(c) Reconciliation of Impairment Provision

(Rs. in Lacs)

Particulars	Trade Receivable	Other Financial Assets
Opening Balance as at March 31, 2021	628.35	253.08
Provision adjusted with corresponding receivable balance during the year ended March 31, 2022	(377.04)	(253.08)
Closing Balance as at March 31, 2022	251.31	-
Provision made during the year ended March 31, 2022	102.22	-
Transfer to Discontinued Operation	(251.31)	-
Closing Balance as at March 31, 2023	102.22	-

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss 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.

The Group has recorded bad debts of Rs. 165.81 lacs (March 31, 2022: Rs. 1,424.71 lacs), being not realisable from customers.

Movement of Liquidated Damages:

Particulars	(Rs. in Lacs)
Opening Balance as at March 31, 2021	317.79
Provision made during the year ended March 31, 2022	359.85
Provision utilized / reversed during the year ended March 31, 2022	(203.39)
Opening Balance as at March 31, 2022	474.25
Provision made during the year ended March 31, 2023	1,011.00
Provision utilized / reversed during the year ended March 31, 2023	(1,117.56)
Transfer to Discontinued Operation	(206.96)
Closing Balance as at March 31, 2023	160.73

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.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under:

(Rs. in Lacs)					
As at March 31, 2023	Carrying Amount	Contractual Cash flows	Upto 1 Year	2-3 years	More than 3 years
Non-derivative Financial Liabilities					
Borrowings (including interest accrued and not due on borrowings) *	24,966.98	26,502.63	20,628.41	3,188.62	2,685.60
Lease Liabilities	10,393.61	10,473.11	490.71	1,330.07	8,652.33
Trade Payables	32,308.33	32,308.33	32,308.33	-	-
Other Financial Liabilities	716.56	716.56	716.56	-	-
	68,385.48	70,000.63	54,144.01	4,518.69	11,337.93
As at March 31, 2022					
Non-derivative Financial Liabilities					
Borrowings (including interest accrued and not due on borrowings) *	86146.37	92,748.86	38,026.53	18,575.18	36,147.15
Lease Liabilities	5926.37	9,016.63	766.84	812.38	7,437.41
Trade Payables	43872.83	43,872.83	43,872.83	-	-
Other Financial Liabilities	1089.06	1,089.06	1,089.06	-	-
	1,37,034.63	1,46,727.38	83,755.26	19,387.56	43,584.56

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

42.1 The Group does not have any material foreseeable losses on long term contracts. Further the net losses on derivative contracts during the year have been recognised in the financial statements in keeping with Group's accounting policy.

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, 2023

The following table summarises the capital of the Group:

	(Rs. in Lacs)	
	As at March 31, 2023	As at March 31, 2022
Total Borrowings	24,932.41	86,053.04
Less: Cash and Cash Equivalents	5,540.55	895.85
Net Debt	19,391.86	85,157.19
Equity	96,355.17	84,212.82
Total Capital (Equity + Net Debt)	1,15,747.03	1,69,370.01
Net Debt to Equity Ratio	20.13%	101.12%

	(Rs. in Lacs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(b) Dividends on Equity Shares		
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2022 of Rs. Nil (March 31, 2021 of Rs. Nil) per fully paid share	-	-
Dividend Distribution Tax on above	-	-

Proposed Dividend

The Board of Directors recommended a dividend of Rs. 0.50/- per Ordinary (Equity) Share of Rs. 2/- each (25%) to the shareholders of the Company for the FY2022-23. The dividend recommended by the Board of Directors of the Company is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company. The dividend, if approved by the shareholders at the AGM, will be paid, subject to deduction of tax at source.

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, 2023	March 31, 2022
Non- current Borrowings	4,962.50	49,557.75
Current Maturities of Long-term Debt	3,286.13	5,249.52
Current Borrowings	16,683.78	31,245.77
Interest accrued on Borrowings	34.57	93.33
Lease Liabilities	10,393.61	5,926.37
Total	35,360.59	92,072.74

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

				(Rs. in Lacs)
Particulars	Non- current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2021	62,874.18	21,695.06	148.05	84,717.29
New Leases	-	-	5940.26	5,940.26
Finance Costs	4,296.30	4,819.39	223.81	9,339.50
Less: Finance cost Capitalised in Inventory	(2,315.71)	-	-	(2,315.71)
Cash Flows				
Principal repayment of Leases	-	-	(385.75)	(385.75)
Proceeds from Long-term Borrowings from Banks	2,000.00	-	-	2,000.00
Repayment of Long-term Borrowings from Banks	(10,325.53)	-	-	(10,325.53)
Short-term Borrowings - Receipts/(Payments)	-	9,571.73	-	9,571.73
Finance Costs Paid	(1,548.15)	(4,747.08)	-	(6,295.23)
Non-cash Transactions				
Unrealised Foreign Exchange Fluctuation				
Loss on Borrowings	(850.64)	-	-	(850.64)
Derecognition of Equity Portion of OFCD (net)	676.82	-	-	676.82
Debt as at March 31, 2022	54,807.27	31,339.10	5,926.37	92,072.74
New Leases	-	-	4,836.43	4,836.43
Finance Costs	2,979.13	4,520.40	575.14	8,074.67
Less: Finance cost Capitalised in Inventory	(2,364.79)	-	-	(2,364.79)
Liabilities held for sale	-	-	(79.50)	(79.50)
Cash Flows				
Principal repayment of Leases	-	-	(864.83)	(864.83)
Proceeds from Long-term Borrowings from Banks	4,962.50	-	-	4,962.50
Repayment of Long-term Borrowings from Banks	(2,705.02)	-	-	(2,705.02)
Repayment of Long from Related Party	(2,000.00)	-	-	(2,000.00)
Short-term Borrowings - Receipts/(Payments)	-	10,798.89	-	10,798.89
Finance Costs Paid	(614.34)	(4,579.16)	-	(5,193.50)
Non-cash Transactions				
Transfer to Discontinued Operation	(46,816.12)	(25,360.88)	-	(72,177.00)
Debt as at March 31, 2023	8,248.63	16,718.35	10,393.61	35,360.59

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

45 Revenue recognised in relation to contract liability

(Rs. in Lacs)

	As at March 31, 2023	As at March 31, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	8,370.84	20,202.84

The aggregate amount of the transaction price allocated to the remaining performance obligation, which are partially or fully unsatisfied as at year end is Rs.929,678.13 Lacs (March 31, 2022: Rs.283,645.00 Lacs) and the entity will recognise this revenue as the contract is completed and / or executed, which is expected to occur over the next 12-30 months.

Trade receivables in respect of contract with customers has been included in Note-6

46 Discontinued Operations:

- (a) Pursuant to an investment agreement dated July 20, 2022 signed between the Parent Company, TBIPL (now amalgamated with the Parent Company) and the Government of Italy through its investment agency, (Invitalia) along with an international private equity investor, have together infused fresh equity of Euro 14.5 million (Euro 10 million by Invitalia and Euro 4.5 million by international private equity investor) in Titagarh Firema S.p.A (TFA), a subsidiary of the Parent Company. The above equity infusion resulted in dilution of equity stake of the Parent Company in TFA to 49.70% which along with other terms of the aforesaid agreement led to Parent Company's loss of control in TFA as a subsidiary and is now an associate company with effect from September 9, 2022. Accordingly, the financial performance of TFA upto September 8, 2022 has been disclosed as discontinued operations (including previous year) which comprises of loss from operations and net gain on loss of control as under:

Particulars	Year/Period Ended September 8, 2022	Year/Period Ended March 31, 2022
Loss from operations after tax [net of intercompany elimination of Rs.207.93 Lacs (March 31, 2022: Rs.169.17 Lacs)]	(4,467.81)	(7,828.20)
Gain on loss of control (refer below)	719.73	-
Net Loss from Discontinued operations in respect of TFA	(3,748.08)	(7,828.20)
Break up of Gain on loss of control of TFA		
Net Assets of TFA as on September 8, 2022 (net of elimination of loss for the period)	(1,653.75)	
Foreign Currency Translation Reserve accumulated till date of subsidiary (i.e, September 8, 2022) being released to statement of profit and loss	1,447.03	
Non controlling Interest till September 8, 2022 being discharges / released	(346.18)	
Carrying value of investments in TFA	1,272.63	
Gain on loss of control of TFA	719.73	

On September 8, 2022, the accounting for the loss of control of TFA for the period April 1, 2022 to September 8, 2022, is done as per audited financial statement / information. The carrying value of the investments in TFA as on the September 9, 2022 was Rs. 1,272.63 lacs.

The financial statements / information of TFA for the period September 9, 2022 to March 31, 2023 have been considered based on management accounts provided by TFA and the proportionate share of loss of TFA under equity method in accordance with Ind AS 28 has resulted in reduction in the net value of investment in TFA in the books of the Parent Company. As a result, the net value of investment in TFA in the books of the Parent Company has reduced to Nil as on March 31, 2023. While the audit and approval of financial statement of TFA for the year ended March 31, 2023, will be completed in due course alongwith the audit as per local laws and regulations followed by Italian companies, however considering that the carrying value of said investments as on March 31, 2023 has already been reduced to Nil, no significant impact is envisaged due to this in the financial statements of the Parent Company.

- (b) In continued efforts to simplify the corporate structure, based on approval of the Board of Directors of the Parent Company, voluntary winding up of Titagarh Singapore Pte Ltd (TSPL) in compliance with the local rules and regulations at Singapore has already been initiated. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) for the year ended March 31, 2023 and the previous year has been disclosed as discontinued operations.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

Accordingly, following note has been referred to by the auditors of TSPL in their report:

The shareholders (Titagarh Wagons Limited) of the company passed a Board resolution to voluntary wind up the company. In view of the same the accounts of the company are not prepared on Going Concern basis and has been prepared on Liquidation Basis (Fair Value)

(c) The results of discontinued operations (without elimination) in respect of TFA and TSPL are set out below:

Particulars	(Rs. in Lacs)			
	September 8, 2022	March 31, 2023	March 31, 2022	March 31, 2022
	Titagarh Firema S.p.A	Titagarh Singapore Pte Ltd	Titagarh Firema S.p.A	Titagarh Singapore Pte Ltd
Income				
Revenue from Operations	14,688.98	-	63,994.67	-
Other Income	621.07	108.78	1,810.72	-
Total Income	15,310.05	108.78	65,805.39	-
Expenses				
Cost of Raw Materials and Components Consumed	6,362.50	-	34,014.43	-
Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap	-	-	(2,829.33)	-
Employee Benefits Expense	5,422.27	-	17,808.85	-
Finance Costs	1,694.19	0.78	3,629.39	1.43
Depreciation and Amortisation Expense	650.72	-	1,489.14	-
Other Expenses	5,856.11	135.77	18,332.09	18.58
Total Expenses	19,985.79	136.55	72,444.57	20.01
Profit before exceptional items & tax from discontinued operation	(4,675.74)	(27.77)	(6,639.18)	(20.01)
Exceptional Items	-	(2,305.60)	1,313.44	-
Profit / (Loss) before Tax	(4,675.74)	2,277.83	(7,952.62)	(20.01)
Tax Expense:				
Current Tax	29.30	-	118.92	-
Deferred Tax	(29.30)	-	(74.18)	-
Total Tax Expense	-	-	44.74	-
Profit / (Loss) after tax from discontinued operations	(4,675.74)	2,277.83	(7,997.38)	(20.01)
Other Comprehensive Income				
Item that will be Reclassified to Profit or Loss in Subsequent Periods:				
Exchange Differences on Translation of Foreign Operations	(137.44)	206.07	8.04	(6.15)
Income tax relating to above	-	-	-	-
Other Comprehensive Income for the Year (Net of Tax)	(137.44)	206.07	8.04	(6.15)
Total Comprehensive Income for the Year from discontinued operations	(4,813.18)	2,483.90	(7,989.34)	(26.16)

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

(d) Discontinued operations comprises the following:

	(Rs. in Lacs)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Net Loss from Discontinued operations in respect of TFA after tax	(3,748.08)	(7,828.20)
Profit from Discontinued operations after tax pertaining to Titagarh Wagons AFR, France (Refer Note i below)	2,761.78	-
Profit / (Loss) from Discontinued operations after tax pertaining to TSPL (Refer Note b above)	94.60	(20.01)
	(891.70)	(7,848.21)

- (i) amounts awarded in favour of the Parent Company and its subsidiary amounting to Rs 1,158.02 lacs by the Commercial Court of Paris with respect to its claims relating to Titagarh Wagons AFR (France) and also reversal of provisions amounting to Rs 1,603.76 lacs relating to the same entity (disclosed as discontinued operations in earlier years) which are no longer deemed necessary.

47 The Parent 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, the exposure is not material.

48 (i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) Utilisation of borrowed funds and share premium

(A) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(B) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Note to Consolidated Financial Statements as at and for the year ended March 31, 2023

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(x) The Group has one Core investment company (Titagarh Capital Management Services Private Limited) as a part of the group.

49 The Board of Parent Company at its meeting held on March 17, 2023 approved change of name of the Parent Company to Titagarh Rail Systems Limited to better reflect the current business activities and after shareholders approval obtained on April 27, 2023 the necessary forms have been filed with MCA. The approval for the same has been received and the name change is effective from May 19, 2023.

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 Parent 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.

**For Price Waterhouse & Co
Chartered Accountants LLP**
 Firm Registration No.: 304026E/E-300009
 Chartered Accountants
Pramit Agrawal
 Partner
 Membership No. 099903

Place: Kolkata
 Dated: May 24, 2023

J P Chowdhary
 Executive Chairman
 DIN: 00313685
 Place: Kolkata
 Dated: May 24, 2023

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

Place: Kolkata
 Dated: May 24, 2023

For and on behalf of the Board of Directors of Titagarh Rail Systems Limited
 (formerly Titagarh Wagons Limited)

Umesh Chowdhary
 Vice Chairman and Managing Director
 DIN: 00313652
 Place: Kolkata
 Dated: May 24, 2023

Saurav Singhania
 Group Finance Controller and
 Jt. Chief Financial Officer

Place: Kolkata
 Dated: May 24, 2023

Atul Ravishanker Joshi
 Independent Director
 DIN: 03557435
 Place: Mumbai
 Dated: May 24, 2023

Dinesh Arya
 Company Secretary

Place: Kolkata
 Dated: May 24, 2023

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"AAPKA VIKAAAS HAMAARA PRAYAAS"

is TITAGARH's pledge to contribute to society by way of Corporate Social Responsibility



Titagarh Rail Systems Limited ("Titagarh") took up its corporate social responsibility long before it become mandatory by law and continues endeavour to make significant contributions to its social footprint. Titagarh believes that Corporate Social Responsibility (CSR) enables the underprivileged section of the society also to participate in overall development of the nation.



TITAGARH RAIL SYSTEMS LIMITED

(formerly TITAGARH WAGONS LIMITED)

CIN: L27320WB1997PLC084819

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