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

1 Corporate Information

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

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

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

2 Significant Accounting Policies

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

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

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

(ii) Historical Cost Convention

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

– Certain financial assets and liabilities (including derivative instruments

– Defined benefits plan - plan assets

– Share based payments

(iii) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

b) held primarily for the purpose of trading,

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

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

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

All other liabilities are classified as non-current.

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

(iv) Rounding of Amounts

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

2.2 Property, Plant and Equipment

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

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

Depreciation Method, Estimated Useful Lives and Residual Values

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

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

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

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

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

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

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

2.3 Intangible Assets

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

Computer Software

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

Brand and Design and Drawings

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

Amortisation Method and Period

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

Research and Development

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

2.4 Impairment of Non-financial Assets

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

2.5 Inventories

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

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

2.6 Leases

As a Lessee

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

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

(i) Classification

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

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

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

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

(ii) Measurement

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

Debt Instruments

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

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

Equity Instruments

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

(iii) Impairment of Financial Assets

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

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

(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

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

(vi) Income Recognition

Interest Income

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

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

Dividends

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

(vii) Fair Value of Financial Instruments

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

2.8 Investments in Subsidiaries and Joint Venture

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

2.9 Trade Receivables

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

2.10 Trade and Other Payables

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

2.11 Borrowings

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

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

2.12 Other Financial Liabilities

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

2.13 Derivative Instruments

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

2.14 Offsetting Financial Instruments

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

2.15 Financial Guarantee Contracts

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

2.16 Cash and Cash Equivalents

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

2.17 Borrowing Costs

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

2.18 Revenue Recognition

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

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

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

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

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

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

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

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

Sale of Products

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

Revenue from sale of specialized products

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

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

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

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

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

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

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

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

Sale of Services

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

Other Operating Revenues

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

2.19 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

2.20 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

(iii) Other Long-term Employee Benefits

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

(iv) Termination Benefits

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

2.21 Share Based Payments

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

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

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

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

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

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

2.22 Income Taxes

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

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

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

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

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

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

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

2.23 Provisions

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

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

Warranties

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

Liquidated Damages

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

Litigations, Claims and Contingencies

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

Onerous Contract

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

2.24 Contingencies

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

2.25 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

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

(ii) Diluted Earnings Per Equity Share

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

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

2.26 Segment Reporting

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

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

2.27 Business Combinations

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

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

2.28 Governments Grants

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

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

2.29 Dividends

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

2.30 Exceptional items

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

2.31Recent Accounting Pronouncements

Standard issued but not yet effective

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

Ind AS 116 - 'Leases''

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

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

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

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

2.32 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

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

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

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

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

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

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

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

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

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

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

Valuation of Deferred Tax Assets - Notes 2.22 and 16

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

Warranties and Liquidated Damages - Notes 2.23 and 14

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

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

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

Impairment of Investments in Subsidiaries - Notes 2.8 and 4

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

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

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

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

Rs in Lacs

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

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

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

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

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

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

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

3(ii) CAPITAL WORK-IN-PROGRESS

(Rs. In Lacs)

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

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

3(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. In Lacs)

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

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

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

4 Investments (Non-current)

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

4 Investments (Non-current) (Contd.)

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

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

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

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

Notes:

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

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

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

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

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

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

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

5 Trade Receivables (At Amortised Cost)

(Unsecured, considered good unless stated otherwise)

Rs. in Lacs

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

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

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

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

6 Loans (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

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

Notes:

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

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

7 Other Financial Assets

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

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

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

8 Tax Assets(Net)

Rs. in Lacs

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

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

9 Other Assets

(Unsecured, considered Good unless stated otherwise)

Rs. in Lacs

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

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

10 Inventories

(Valued At Lower Of Cost And Net Realisable Value)

Rs. in Lacs

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

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

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

11 Cash and Bank Balances (At Amortised Cost)

Rs. in Lacs

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

Rs. in Lacs

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

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

12 Equity Share Capital

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

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

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

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

b) Shares reserved for issue under Employee Stock Options

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

b) Terms and Rights attached to Equity Shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder Holder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2018: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Private Limited	21,670,165	18.76%	21,670,165	18.76%
Savitri Devi Chowdhary	18,116,035	15.68%	18,116,035	15.68%
Rashmi Chowdhary	12,816,105	11.09%	12,816,105	11.10%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	10,742,012	9.30%	–	–
HDFC Trustee Company Limited - HDFC Prudence Fund	–	–	6,151,556	5.33%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

13 Other Equity
- Reserves & Surplus

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
a)	**Securities Premium Account**		
	Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve can be utilised in accordance with the provisions of Section 52 of the Act.		
	Balance as per the Last Financial Statements	40,596.60	40,462.44
	Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 12(a)]	11.62	37.35
	Transfer from ESOPs Outstanding Account on Exercise	24.56	96.81
		40,632.78	40,596.60
b)	**General Reserve (Refer Note 13.1)**		
	Balance as per the Last Financial Statements	5,411.39	5,411.39
	Movement during the year	–	–
		5,411.39	5,411.39
c)	**Capital Reserve**		
	Balance as per the Last Financial Statements	9.18	9.18
	Movement during the year	–	–
		9.18	9.18
d)	**Employee Stock Options (ESOPs) Outstanding Account (Refer Note 33)**		
	Employee Stock Options Outstanding Account relates to stock options granted by the Company to employees under the Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
	Balance as per the Last Financial Statements	273.87	120.12
	Recognition of Share Based Payment (Refer Note 33)	133.01	288.56
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	(52.93)	(134.81)
		353.95	273.87
e.	**Retained Earnings**		
	Balance as per the Last Financial Statements	40,385.63	41,171.35
	Adjustment on account of Ind AS 115	18.12	–
	Restated balance at April 1, 2018	40,403.75	41,171.35
	Profit / (Loss) for the Year	(8,287.40)	291.54
	Item of Other Comprehensive Income recognised directly in Retained Earnings		
	Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(4.89)	(3.66)
	Transfer from ESOPs Outstanding Account on Options Lapsed	28.37	38.00
	Final Dividend for the Year ended March 31, 2018 [Refer Note 45(b)]	(346.58)	–
	Final Dividend for the Year ended March 31, 2017 [Refer Note 45(b)]	–	(923.58)
	Dividend Distribution Tax on above	(70.55)	(188.02)
		31,722.70	40,385.63
f.	**Share Application Money Pending Allotment**	15.47	–
	Total Other Equity	**78,145.47**	**86,676.67**

13.1 General Reserve: Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14 Provisions

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provisions for Employee Benefits :				
Gratuity [Refer Note 32 (i)]	291.66	275.25	91.96	94.21
Leave Benefits [Refer Note 32 (iii)]	–	–	114.25	102.58
	291.66	275.25	206.21	196.79
Other Provisions:				
Warranties [Refer (a) below for movement]	–	–	187.48	151.27
Liquidated Damages [Refer note 44 (II) (‘c)]	–	–	–	532.64
Litigations, Claims and Contingencies [Refer (a) below for movement]	–	–	358.49	316.97
	–	–	545.97	1,000.88
Total	**291.66**	**275.25**	**752.18**	**1,197.67**

a) Movement of provisions for warranty and Litigation, Claims and Contingencies are as follows:

Rs. in Lacs

	Warranties		Litigation Claims and Contingencies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
At the beginning of the year	**151.27**	**184.06**	**316.97**	**386.69**
Made during the year	296.92	96.25	41.52	10.28
Utilized during the year	(260.71)	(129.04)	–	–
Unused amounts reversed	–	–	–	(80.00)
At the end of the year	**187.48**	**151.27**	**358.49**	**316.97**

Information about individual provisions and significant estimates

Warranties

Provision is made for estimated warranty Claims in respect of products sold which are under warranty at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

15 Current Tax Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax (Net of Advance tax and TDS Rs. 9,642.93 Lacs ; March 31, 2018 Rs. 2,983.54)	106.41	29.56
Total	**106.41**	**29.56**

16 Deferred Tax Liabilities (Net)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities		
Arising out of Temporary Differences in Depreciable Assets	4,436.35	4,420.05
Unrealised Gain on FVTPL Equity Investments	332.85	242.25
Gross Deferred Tax Liabilities	**4,769.20**	**4,662.30**
Deferred Tax Assets		
Provision for Doubtful Debts and Advances	913.66	228.71
Provision for Warranties and Liquidated Damages	188.26	186.12
Provision for Litigations, Claims and Contingencies	125.27	–
Provision for Employee Benefits	187.94	164.94
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	15.63	40.46
Carried Forward Business Losses	108.77	370.49
MAT Credit Entitlement	839.85	703.51
Gross Deferred Tax Assets	**2,379.38**	**1,694.23**
Deferred Tax Liabilities (Net)	**2,389.82**	**2,968.07**

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:

	As at April 1, 2017 Deferred tax asset / (Liability)	Credit/(Charge) in Statement of Profit and Loss #	As at March 31, 2018 Deferred tax asset / (Liability)	Credit/(Charge) in Statement of Profit and Loss #	As at March 31, 2019 Deferred tax asset / (Liability)
Arising out of Temporary Differences in Depreciable Assets	(4,282.92)	(137.13)	(4,420.05)	(16.30)	(4,436.35)
Unrealised Gain on FVTPL Equity Investments	(288.34)	46.09	(242.25)	(90.60)	(332.85)
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	(58.79)	58.79	–	–	–
Total Deferred Tax Liabilities	**(4,630.05)**	**(32.25)**	**(4,662.30)**	**(106.90)**	**(4,769.20)**
Provision for Doubtful Debts and Advances	93.84	134.87	228.71	684.95	913.66
Provision for Loss on Onerous Contract	47.72	(47.72)	–	–	
Provision for Warranties and Liquidated Damages	149.83	36.29	186.12	2.14	188.26
Provision for Litigations, Claims and Contingencies	134.34	(134.34)	–	125.27	125.27
Provision for Employee Benefits	142.42	22.52	164.94	23.00	187.94
Expected Credit Loss on Financial Assets	–	–	–		
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	–	40.46	40.46	(24.83)	15.63
Carried Forward Business Losses	–	370.49	370.49	(261.72)	108.77
Unabsorbed Depreciation	18.03	(18.03)	–	–	–
MAT Credit Entitlement	531.64	171.87	703.51	136.34	839.85
Total Deferred Tax Assets	**1,117.82**	**576.41**	**1,694.23**	**685.15**	**2,379.38**
Net Deferred Tax Liabilities (Net)	**(3,512.23)**	**544.16**	**(2,968.07)**	**578.25**	**(2,389.82)**

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 2.62 Lacs (March 31, 2018 Rs. 1.96 Lacs) included in Other Compreshensive Income and impact of IND AS 115 of Rs. (9.73) Lacs (March 31, 2018 Rs. Nil).

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

17 Borrowings - Current (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Secured		
From Banks		
Cash Credits and Working Capital Demand Loans	17,593.04	8,171.68
Buyers' Credit (in foreign currency)	–	1,744.62
Total	**17,593.04**	**9,916.30**

Notes:

(a) Cash Credits, Working Capital Demand Loans and Buyer's Credit (in foreign currency) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

(b) Cash Credits carry interest at Banks's MCLR plus spread ranging from .5 % to 3.35 % p.a (effectively 8.8 % to 11.5 % p.a.) and are repayable on demand.

(c) Working Capital Demand Loans carry interest at Bank's MCLR plus spread ranging from 0.85 % to 2.8% p.a (effectively 8.2 % to 10.5 % p.a.) and are repayable within six months.

(d) Buyer's Credit (in foreign currency) as on March 31, 2018 carry interest rate ranging from 2.42% to 3.21% p.a for USD and from 0.53% to 0.90% p.a. for Euro and are repayable within maximum of six months from the date of drawdown.

(e) Refer Note 44 for information about market risk and liquidity risk on borrowings.

18 Trade Payables (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Trade Payables [refer (a) below]		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	80.12	36.02
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	27,712.28	3,663.93
Total	**27,792.40**	**3,699.95**

(a) Trade Payables include dues to related parties of Rs. 742.50 Lacs (March 31, 2018 Rs. 57.96). Refer Note 42 for details.

(b) Refer Note 44 for information about market risk and liquidity risk on trade payables.

19 Other Financial Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Measured at Fair Value through Profit and Loss		
Derivative Instruments at Fair Value through Profit and Loss:	44.72	115.79
Foreign Exchange Forward Contracts [Refer (a) below]		
Measured at Amortised Cost		
Interest Accrued and Due on Borrowings	201.33	24.01
Investor Education and Protection fund will be credited by following amounts (as and when due)		
Unpaid dividends	18.59	15.03
Others		
Employee Related Liabilities	230.14	131.16
Payable for Purchase of Property, Plant and Equipment	16.58	19.03
Other Liabilities	–	110.99
Total	**511.36**	**416.01**

(a) While the Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

20 Other Liabilities

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Deferred Guarantee Income	–	11.01	–	14.69
Advance from Customer	–	–	6,139.02	10,594.60
Statutory Dues	–	–	180.35	119.74
Other Liabilities	–	–	–	24.52
Total	**–**	**11.01**	**6,319.37**	**10,753.55**

21 Revenue from Operations

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Contract with Customers:		
Sale of products (including excise duty)		
Finished Goods	77,408.18	29,823.15
Raw Materials and Components	11,280.44	992.97
Sales of Service		
Management Fees	–	181.05
Other Operating Revenues		
Scrap Sales	427.30	436.53
Subsidy Income [Refer Note 7(a)]	1,568.59	–
Export Entitlement (Duty Drawback, etc.)	175.94	88.03
Others	150.83	130.32
Total	**91,011.28**	**31,652.05**

Sale of Products includes excise duty collected from customers amounting to Rs. Nil (March 31, 2018: Rs. 411.66 Lacs). Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and total expenses for the year ended March 31, 2019 are not comparable with the previous year.

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 88,688.62 Lacs (March 31, 2018 Rs 30,997.17 Lacs). The details of which are given below:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue recognised at a point in time	68,211.31	22,261.59
Revenue recognised over time	20,477.31	8,735.58
	88,688.62	**30,997.17**

Reconciliation of revenue recognised with contract price:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Contract price	**86,878.47**	**29,819.29**
Adjustment for:		
Liquidated Damages	(389.95)	(474.60)
Escalation	2,200.10	1652.48
Revenue from continuing operation	**88,688.62**	**30,997.17**

Also refer note 47

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

22 Other Income

Rs. in Lacs

		For the year ended March 31, 2019	For the year ended March 31, 2018
22.1	**Interest Income**		
	From Financial Assets at Amortised Cost		
	Bank Deposits	522.61	558.65
	Loan to Subsidiary	225.31	300.60
	Investment in Preference Shares in a Subsidiary	331.45	236.66
	From Income Tax Authorities	105.78	64.91
		1,185.15	**1,160.82**
22.2	**Others Gains / (Losses)**		
	Fair Value Gain on Investment in Equity Securities at FVTPL	416.46	26.22
	Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges *	258.58	124.67
	Gain on Sale of Investments	21.60	–
		696.64	**150.89**
22.3	**Others**		
	Unspent Liabilities / Provisions No Longer Required Written Back	113.45	340.84
	Net Gain on Disposal of Property, Plant and Equipment	–	366.74
	Commission Income on Guarantees, etc. @	210.84	220.50
	Other Non-operating Income	3.17	88.41
		327.46	**1,016.49**
Total		**2,209.25**	**2,328.20**

* Includes unrealised Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges Rs. 44.72 Lacs [March 31, 2018: (Rs.115.79 Lacs)]
@ Includes Commission Income Accrued on Fair Valuation of Financial Guarantees Rs. 25.71 Lacs (March 31, 2018: Rs. 14.69 Lacs)

23 Cost of Raw Materials and Components Consumed

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year	7,907.94	7,513.33
Add: Purchases	73,772.36	16,237.51
	81,680.30	**23,750.84**
Less: Inventories at the end of the year	14,126.93	7,907.94
Cost of Raw Materials and Components Consumed	67,553.37	15,842.90

24 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap

Rs. in Lacs

		For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year			
Finished Goods		1,074.55	2,370.48
Work-in-Progress		3,552.43	4,245.55
Saleable Scrap		127.04	106.88
	(A)	**4,754.02**	**6,722.91**
Inventories at the end of the year			
Finished Goods		828.85	1,074.55
Work-in-Progress		5,203.80	3,552.43
Saleable Scrap		340.58	127.04
	(B)	**6,373.23**	**4,754.02**
Adjustment on account of IND AS 115	**(C)**	**(245.70)**	**–**
(Increase) / Decrease	**(A-B+C)**	**(1,864.91)**	**1,968.89**

25 Employee Benefits Expense

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages and Bonus	2,244.01	2,172.06
Employee Stock Option Expenses (Refer Note 33)	133.01	288.56
Contribution to Provident and Other Funds [Refer Note 32 (ii)]	178.83	179.81
Gratuity Expense [Refer Note 32 (i)]	61.36	57.78
Staff Welfare Expenses	154.55	174.82
Total	**2,771.76**	**2,873.03**

26 Finance Costs

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc	1,919.38	560.20
Bank charges	470.64	304.25
Total	**2,390.02**	**864.45**

27 Depreciation and Amortisation

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Plant Property & Equipment [Refer Note 3 (i)]	982.67	1,089.82
Amortisation on Intangible Assets [Refer Note 3 (i)]	255.18	207.38
	1,237.85	**1,297.20**

28 Other Expenses

Rs. in Lacs

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Consumption of Stores and Spares		3,632.39		1,602.50
Job Processing and Other Machining Charges (including Contract Labour Charges)		5,694.77		3,108.42
Power and Fuel		2,633.54		1,460.99
Design and Development Expenses		222.11		178.85
Repairs				
Plant and Machinery		390.85		320.01
Buildings		17.81		11.10
Others		12.03		34.06
Rent and Hire charges (Refer Note 34)		309.54		317.47
Rates and Taxes		115.47		83.24
Insurance		71.00		47.75
Security Services		139.71		143.70
Freight and Forwarding Charges [Net of recovery of Rs. 43.72 lacs (March 31, 2018 Rs. 218.16 lacs)]		490.67		612.19
Advertising and Sales Promotion		169.01		161.94
Brokerage and Commission		722.26		44.14
Travelling and Conveyance		448.59		448.17
Legal and Professional Fees		659.84		453.60
Directors Sitting Fees		29.80		30.89
Payment to Auditors				
As Auditors				
Audit Fee	20.00		20.00	
Limited Review	9.00		9.00	
Other Certification Services	3.75		4.34	
Other Services *	–		13.10	
Reimbursement of Expenses	4.55	37.30	1.58	48.02
Warranty Claims	260.71		129.04	–
Less: Adjusted with Provision	260.71	–	129.04	–
Provision for Warranties		296.92		96.25
Liquidated Damages	383.34		513.60	
Less: Adjusted with Provision	383.34	–	374.90	138.70
Provision for Liquidated Damages		–		474.60
Irrecoverable Debts/ Advances Written Off	86.96		35.93	
Less: Adjusted with Provision	42.37	44.59	35.00	0.93
Provision For Doubtful Debts and Advances		354.43		501.58
Net Loss on Disposal of Property, Plant and Equipment		3.35		–
Corporate Social Responsibility Expenses (Refer Note 28.1)		32.19		42.64
Intangible Asset under Development Written off		–		66.00
Miscellaneous Expenses		645.23		528.66
Total		**17,173.40**		**10,956.40**

*Payment to Auditors- Other Services for the year ended March 31, 2018 includes Rs 13.10 lacs paid to the preceding auditors of the Company.

28.1 Corporate Social Responsibility Expenses

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Amount required to be spent during the year	30.73	29.63
(b) Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above (fully paid)	32.19	42.64
Total	**32.19**	**42.64**

29 Income Tax Expense / (Benefit)

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Amount recognised in the Statement of Profit and Loss		
Current Tax	136.34	171.87
Deferred Tax	(585.36)	(542.20)
Total Income Tax Expense Recognised in Profit and Loss	**(449.02)**	**(370.33)**
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit / (Loss) before Tax	(8,736.42)	(78.79)
At India's Statutory Income Tax Rate of 34.944% (March 31, 2018: 34.608%)	(3,052.85)	(27.27)
Adjustments:		
Expenses not allowed as deductions	3,187.75	104.36
Income not taxable	(238.97)	(223.33)
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	(17.98)	(26.00)
Adjustment for change in tax rate	6.84	95.16
Adjustment relating to earlier years	(333.81)	(293.25)
	(449.02)	**(370.33)**

30 Exceptional Item

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment in value of investment of Subsidiary Companies	10,758.43	–
Provision for Doubtful Debt for Financial and Non Financial Assets of Subsidiary Company	1,937.03	–
	12,695.46	–

Exceptional items for year ended March 31, 2019 represent impairment in the value of investment in equity shares of Titagarh Wagons AFR of Rs. 4,883.89 lacs and investment in Titagarh Singapore Pte Ltd of Rs. 5,874.54 lacs which in turn holds equity shares in Titagarh Wagons AFR. Also there is an impairment provision in respect of certain trade and other receivables of Rs. 1,937.03 lacs from Titagarh Wagons AFR.

31 Earnings / Loss Per Equity Share

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	115,500,370	115,411,870
(ii) Number of Equity Shares at the End of the Year	115,527,920	115,500,370
(iii) Weighted Average Number of Equity Shares Outstanding during the year	115,519,885	115,446,869
(iv) Face Value of Each Equity Share (Rs)	2	2
(v) Profit / (Loss) after Tax Available for Equity Shareholders		
Profit / (Loss) for the Year (Rs.in Lacs)	(8,287.40)	291.54
(vi) Basic Earnings per Equity Share (Rs.) [(v)/(iii)]	(7.17)	0.25
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	269,940	485,946
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	115,789,825	115,932,815
(iii) Diluted Earnings per Equity Share (Rs) [(A)(v)/(B(ii)]	(7.17)	0.25

For year ended March 31, 2019, Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.

32 Employee Benefits

(i) Post-employment Defined Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan which is unfunded (except for Titagarh Steels unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The following tables sets forth the particulars in respect of the gratuity plan of the Company.

Rs. in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.01	5.11	28.29	25.47
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.76	5.70	23.30	21.50
Total	**9.77**	**10.81**	**51.59**	**46.97**
Expenses recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	10.57	15.15	(18.08)	(9.53)
Total	**10.57**	**15.15**	**(18.08)**	**(9.53)**
Net Liability recognised in Balance Sheet				
Benefit Liability				
Present Value of Defined Benefit Obligation	118.95	119.52	321.35	306.85
Fair Value of Plan Assets	56.68	56.91	–	
Net Liability	**62.27**	**62.61**	**321.35**	**306.85**

32 Employee Benefits *(Contd.)*

Rs. in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	16.08	27.86	75.88	66.35
Non-Current Liability (Long term)	46.19	34.75	245.47	240.50
	62.27	**62.61**	**321.35**	**306.85**
Changes in the present value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	119.52	135.32	306.85	309.58
Current Service Cost	5.01	5.11	28.29	25.47
Interest Cost	9.08	9.40	23.30	21.50
Past Service Cost	–	–	–	22.68
Benefits Paid	(20.68)	(45.46)	(19.01)	(62.86)
Remeasurements (Gains) / Losses				
Financial assumption changes	4.28	(2.98)	11.87	(14.12)
Demographic assumptions	3.91	–	18.56	–
Experience Variance	(2.17)	18.13	(48.51)	4.60
Closing Defined Benefit Obligation	**118.95**	**119.52**	**321.35**	**306.85**
Changes in the Fair Value of Plan Assets are as follows:				
Fair Value of Plan Assets at the beginning of the year	56.91	53.22		
Return on Plan Assets	(4.55)	3.69		
Investment Income	4.32	–		
Fair Value of Plan Assets at the end of the year	**56.68**	**56.91**		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity profile of the Defined Benefit Obligation				
Weighted average duration of the Defined Benefit Obligation	4 years	4 years	4 years	7 years
Expected benefit payments for the year ending				
Not later than 1 year	72.75	27.87	7.59	66.34
Later than 1 year and not later than 5 years	56.41	92.41	17.45	96.17
Later than 5 year and not later than 10 years	2.15	23.51	13.49	164.22
More than 10 years	0.64	20.16	7.70	247.76
The principal assumptions used in determining gratuity obligation are shown below:				
Discount rate	6.60%	7.60%	7.05%	7.60%
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company expects to contribute Rs.65.44 Lacs (March 31, 2018 Rs.67.49 Lacs) to the funded gratuity plans during the next financial year.

32 Employee Benefits *(Contd.)*

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs. in Lacs)

	Gratuity (Funded)				Gratuity (Unfunded)			
Sensitivity Level	As at March 31, 2019		As at March 31, 2018		As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	(117.09)	120.86	(115.26)	124.09	(307.48)	336.43	(287.24)	328.92
Salary Growth Rate (+/- 1%)	120.86	(117.04)	124.16	(115.12)	336.03	(307.40)	326.74	(288.33)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) Post-employment Defined Contribution Plans:

(A) Superannuation Fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan. The Company has no further obligations under the plan beyond its annual contributions.

(B) Provident Fund

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Provident Fund	145.15	179.27
Superannuation Fund	–	0.54
Total	**145.15**	**179.81**

(iii) Leave Benefits

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was Rs. 114.25 lacs (March 31, 2018: Rs. 102.58 lacs). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Leave provision not expected to be settled within the next 12 months	73.23	74.43

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

(i) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(ii) Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(iii) Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

33 Employee Stock Option Plan (ESOP)

The Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Tranche 1 - First Allotment

a)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	March 4, 2015
	Exercise price	Rs 44.20
	Market price at March 4, 2015	Rs 135.60
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	171,250	44.20	312,500	44.20
Lapsed during the year	12,500	44.20	41,250	44.20
Forfeited during the year	21,250	44.20	11,500	44.20
Exercised during the year	10,000	44.20	88,500	44.20
Outstanding at the end of the year	127,500	44.20	171,250	44.20
Exercisable at the end of the year	127,500	44.20	28,750	44.20

The weighted average fair value of the option as on the grant date is Rs.102.55 (March 31, 2018: Rs. 102.21) and weighted average contractual life of the option as at March 31, 2019 is 3.95 years (March 31, 2018: 3.78 years).

The weighted average fair value of stock options granted was Rs. 130.76 lacs (March 31, 2018: Rs 141.21 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
September 12, 2018	87.20

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

33 Employee Stock Option Plan (ESOP) *(Contd.)*

Tranche 1 - Second Allotment

b) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80
The vesting schedule of the options is as follows:	
At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	115,000	44.20	–	
Granted during the year	–		115,000	44.20
Lapsed during the year	–	–	–	–
Forfeited during the year	–	–	–	–
Exercised during the year	11,500	44.20	–	
Outstanding at the end of the year	103,500	44.20	115,000	44.20
Exercisable at the end of the year	–	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs.89.10 (March 31, 2018: Rs 88.35 Lacs) and weighted average contractual life of the option as at March 31, 2019 is 3.39 years (March 31, 2018: 3.15 years).

The weighted average fair value of stock options granted was Rs.53.75 (March 31, 2018: Rs 33.10 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
June 6, 2018	95.80

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80
The vesting schedule of the options is as follows:	
At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

33 Employee Stock Option Plan (ESOP) *(Contd.)*

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	382,500	44.20	–	–
Granted during the year	–	–	382,500	44.20
Lapsed during the year	1,600	44.20	–	–
Forfeited during the year	69,200	44.20	–	–
Exercised during the year	5,450	44.20	–	–
Outstanding at the end of the year	306,250	44.20	382,500	44.20
Exercisable at the end of the year	–	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs. 89.51 (March 31, 2018: Rs 89.35) and weighted average contractual life of the option as at March 31, 2019 is 3.51 years (March 31, 2018: 3.46).

The weighted average fair value of stock options granted was Rs. 155.82 (March 31, 2018: 91.96 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
June 20, 2018	96.35
September 12, 2018	87.20

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	November 9, 2017
Exercise price	Rs 44.20
Market price at November 9, 2017	Rs 146.75

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	55,000	44.20	–	–
Granted during the year	–	–	55,000	44.20
Lapsed during the year	–	–		
Forfeited during the year	25,000	44.20	–	–
Exercised during the year	600	44.20	–	–
Outstanding at the end of the year	29,400	44.20	55,000	44.20
Exercisable at the end of the year	–	44.20	–	

33 Employee Stock Option Plan (ESOP) *(Contd.)*

The weighted average fair value of the options as on the grant date is Rs. 112.20 (March 31, 2018: Rs 112.07) and weighted average contractual life of the option as at March 31, 2019 is 3.51 years (March 31, 2018: 3.46 years).

The weighted average fair value of stock options granted was Rs. 13.66 (March 31, 2018: Rs 7.50 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
December 12, 2018	74.70

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Company recorded an employee compensation expense of Rs. 133.01 (March 31, 2018 : Rs 288.56 lacs) in the Statement of Profit and loss.

34 Leases

Certain office premises and land are obtained by the Company on operating lease. The lease term is for 1-10 years and renewable for further period on mutual consent. These are cancellable by giving a notice period ranging from one month to three months. Lease agreements have price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases.

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amount of rent and hire expenses included in statement of profit and loss (Note 28) towards operating leases	309.54	317.47

35 Disclosures Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Loans to Subsidiaries :		
(i) Titagarh Wagons AFR		
Balance as at year end [Refer Note 6(b)]	–	2,015.96
Maximum amount outstanding at any time during the year [Titagarh Wagons AFR has utilised the loan for meeting working capital requirements with an average rate of interest 4% p.a [March 31, 2018 : 4% p.a]	2,015.96	2,015.96
(ii) Titagarh Capital Private Limited		
Balance as at year end	490.00	500.00
Maximum amount outstanding at any time during the year [Titagarh Capital Private Limited has utilised the loan for meeting working capital requirements with an average rate of interest 10% [March 31, 2018 : 10%]	1,900.00	2,535.00
(iii) Titagarh Firema S.p.a		
Balance as at year end	–	4,837.33
Maximum amount outstanding at any time during the year [Titagarh Firema S.p.a has utilised the loan for meeting working capital requirements with an average rate of interest 4% [March 31, 2018 : 4%]	4,844.62	4,837.33

36 Commitments

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
a)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	186.2	222.73
b)	Corporate Guarantees given / Standby Letter of Credit Issued	128,615.16	68,136.27
	The above includes following amounts backed by security as under:		
	Pledge of Investments in Tax Free Bonds	–	5,091.93
	Pledge of Investments in Subsidiary Companies (Refer Note 4)	21,212.76	22,171.11
	[Value of Investments in books carried at cost as at March 31, 2019 Rs.17,717.75 Lacs (March 31, 2018 Rs. 15,698.46 Lacs) - Refer Note 4]		
	Pledge of assets as detailed in Note 40	–	14,673.24

c) Titagarh Wagons Limited, the holding company of Cimmco Limited (Cimmco) owns majority of equity and preference shares, directly or indirectly, in Cimmco Limited. Cimmco has been incurring losses over the last few years due to low volume. The Company has given commitment to provide financial support, to the best of its ability, to Cimmco Ltd so as to ensure its business continuity.

37 Contingent Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts		
Disputed claims contested by the Company and pending at various courts/arbitration	1,625.95	1,625.95
Matters under appeal with:		
Sales tax authorities	1,350.81	1,275.95
Income tax authorities	236.12	285.30
Customs and excise authorities	20,716.31	14,444.48
Custom Duty on import of equipments and spare parts under EPCG scheme	1,193.25	1,193.25
	25,122.44	**18,824.93**

In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no further provision for any liability is required in the standalone financial statements.

In respect of above contingent liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

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

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	80.12	36.01
Interest	–	0.01
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
Principal	–	–
Interest	–	–
(iii) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	–	–
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
Principal	645.86	105.21
Interest	2.52	1.09
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.52	2.63

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.

39 List of Subsidiaries and Joint Venture of the Company

The Company has following Subsidiaries and Joint Venture for which the Company prepares Consolidated Financial Statements as per Ind AS 110 "Consolidated Financial Statements". Investment in these subsidiaries and Joint Ventures has been recognised at cost.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion Interest of Ownership	
		March 31 2019	March 31 2018
Titagarh Capital Private Limited (TCPL)	India	100%	100%
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%
Titagarh Wagons AFR (TWA) *	France	100%	100%
Titagarh Firema S.p.A (TFA) **	Italy	100%	90%
Cimmco Limited	India	79.37%	81.41%

*The Company holds 100% equity in TWA together with a wholly owned subsidiary company, TSPL.

**The Company holds 100% equity in TFA together with a wholly owned subsidiary company, TSPL.

Particulars		Proportion of Ownership/Interest	
Name of the Joint Venture	Country of Incorporation	March 31 2019	March 31 2018
Titagarh Mermec Private Limited #	India	50%	–
Matiere Titagarh Bridges Pvt Ltd.	India	50%	50%

A new Company Titagarh Mermec Private Limited. has been incorporated with equal stakes of Titagarh Wagons Limited and Mermec S.p.A, Italy for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways, however as on March 31, 2019 payment towards equity investment is yet to be made by the Company.

40 Assets Pledged as Security for Working Capital Loans Availed by the Subsidiaries Companies

The foreign subsidiaries of the Company has been sanctioned with a working capital facility, Term Loan facility and Derivative facility aggregating to Rs 21,057.35 lacs (Euro 27.1 million) [March 31, 2018: Rs 17,736.88 Lacs (Euro 22.00 million)] which is secured by the following assets of the Company:

Share of Titagarh Singapore Pte Limited and Titagarh Wagon AFR.

The total working capital facility that has been drawn out of the above sanctioned facility as on March 31, 2019 is Rs 12,685.69 lacs (Euro 16.32 million) [March 31, 2018 is Rs 13,705.77 Lacs (Euro 17.00 million)]

41 Segment Information

The Company's Board of Directors , being the chief operating decision maker examines the Company's performance on the basis of its business and has identified following reportable segments:-

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Specialised Equipments & Bridges - Consists of bailey / other modular bridges, nuclear biological shelters and other defence related products

c) Shipbuilding - Consists of manufacturing of barges, research vessels and other fabrication of blocks

d) Others - Consists of miscellaneous business like heavy earth moving machineries, etc which comprises of less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with Profit or Loss in the Standalone Financial Statements . Also, the Company's borrowings (include finance costs) , income taxes ,investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment Assets and Liabilities are measured in the same way as in the standalone financial statements. These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information about operating segments

For the year ended March 31, 2019

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from operations					
Segment revenue (external)	**70,499.41**	**7,352.70**	**13,151.65**	**7.52**	**91,011.28**
Segment profit	**1,689.25**	**981.91**	**3,195.69**	**(28.19)**	**5,838.66**
Unallocated (income) / expenses					
Finance Costs					1,919.39
Interest Income					(1,185.15)
Depreciation and Amortisation Expense					52.89
Other Corporate Income					(1,034.33)
Other Corporate Expenses					14,822.28
Profit / (Loss) before taxes					**(8,736.42)**
Tax expenses / (Credit)					(449.02)
Profit / (Loss) for the year					**(8,287.40)**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	938.36	60.14	186.46	52.89	1,237.85
Provision for Doubtful Debts and Advances	316.96	37.47	–	354.43	
Unspent liabilities / provisions no longer required written back	–	–	–	113.45	113.45
Segment assets	**75,698.12**	**4,792.26**	**7,672.36**	**660.24**	**88,822.98**
Unallocated assets					
Investments					30,165.08
Cash and cash equivalents					168.85
Other bank balances					1,651.37
Tax Assets (Net)					2,802.39
Other unallocated assets					12,601.60
Total assets					**136,212.27**
Segment liabilities	**31,977.62**	**1,664.53**	**1,093.40**	**89.79**	**34,825.34**
Unallocated liabilities					
Deferred Tax Liabilities (Net)					2,389.82
Borrowings					17,593.04
Current Tax Liabilities					106.41
Other unallocated liabilities					841.63
Total liabilities					**55,756.24**

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

For the year ended March 31, 2018

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**23,260.62**	**4,150.84**	**3,516.72**	**723.87**	**31,652.05**
Segment Profit	**18.83**	**619.93**	**549.08**	**248.84**	**1,436.68**
Unallocated (Income) / Expenses					
Finance Costs					864.45
Interest Income					(1,160.82)
Depreciation and Amortisation Expense					372.47
Other Corporate Income					(1,167.38)
Other Corporate Expenses					2,606.75
Profit / (Loss) before Taxes					**(78.79)**
Tax Expenses / (Credit)					(370.33)
Profit / (Loss) for the Year					**291.54**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	874.73	3.83	46.17	–	924.73
Provision for Doubtful Debts and Advances	361.15	107.57	27.24	2.10	498.06
Segment Assets	**47,843.20**	**7,252.16**	**6,121.34**	**605.34**	**61,822.04**
Unallocated Assets					
Investments					38,356.86
Cash and Cash Equivalents					272.84
Other Bank Balances					1,244.48
Tax Assets (Net)					2,644.45
Other Unallocated Assets					13,913.38
Total Assets					**118,254.05**
Segment Liabilities	**6,026.56**	**2,259.30**	**7,182.45**	**327.68**	**15,795.99**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					2,968.07
Borrowings					9,916.30
Current Tax Liabilities					29.56
Other Unallocated Liabilities					557.45
Total Liabilities					**29,267.37**

Entity-wide Disclosures:

(a) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:-

The following table shows the distribution of the Company's sales by geographical market:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
India	84,484.80	26,594.82
Rest of the World	6,526.48	5,057.23
Total	**91,011.28**	**31,652.05**

Non-current operating assets

(b) All non-current assets (excluding Financial Assets) of the Company are located in India

(c) Total revenue from external customers includes sales to Indian Railways of Rs 39,189.66 lacs (March 31, 2018: Rs 6,313.74 lacs) and to GATX India Pvt Ltd of Rs. 13,538.55 lacs (March 31, 2018 : Rs 4,341.73 lacs) which represents more than 10% of the total revenue from external customers of the Company.

42 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related Parties where control exists:

Subsidiary Companies:	Titagarh Singapore Pte Limited Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) Titagarh Wagons AFR Cimmco Limited Titagarh Capital Private Limited
Joint Venture Company:	Matiere Titagarh Bridges Pvt Ltd Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f May 17, 2018)

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

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Dharmendar Nath Davar - Independent Director Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Ramsebak Bandyopadhyay - Independent Director (w.e.f August 10, 2017) Mr. Atul Ravishanker Joshi - Independent Director (w.e.f January 24, 2018) Mr. Sunirmal Talukdar - Independent Director (upto October 13, 2018) Mr. Sudipta Mukherjee - Director (Whole-Time Director) Mr. Anil Agarwal - Chief Financial Officer Mr. Dinesh Arya - Company Secretary
Close member of the family of KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close family members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Tecalemit Industries Limited (since merged with Traco International Investment Private Limited)

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

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Sale of Products							
Cimmco Limited	2018-19 2017-18	8,236.26 1,949.02	– –	– –	– –	– –	8,236.26 1,949.02
Titagarh Wagons AFR	2018-19 2017-18	– 2,019.12	– –	– –	 –	 –	 2,019.12
Management Fees							
Titagarh Wagons AFR	2018-19 2017-18	– 181.05	– –	– –	 –	 –	 181.05
Rent Income							
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	– –	3.54 3.00	– –	– –	– –	3.54 3.00
Interest Income on Loans to Subsidiaries							
Titagarh Wagons AFR	2018-19 2017-18	58.15 75.44	– –	– –	– –	– –	58.15 75.44
Titagarh Firema S.p.A	2018-19 2017-18	101.26 25.07	– –	– –	– –	– –	101.26 25.07
Titagarh Capital Pvt. Ltd.	2018-19 2017-18	65.90 200.09	– –	– –	– –	– –	65.90 200.09
Corporate Guarantee Commission							
Titagarh Singapore Pte Limited	2018-19 2017-18	58.77 134.76	– –	– –	– –	– –	58.77 134.76
Titagarh Wagons AFR	2018-19 2017-18	8.34 21.26	– –	– –	– –	– –	8.34 21.26
Cimmco Limited	2018-19 2017-18	25.89 –	– –	– —	– –	– –	25.89 –
Titagarh Firema S.p.A	2018-19 2017-18	92.14 49.78	– –	– –	– –	– –	92.14 49.78
Purchase of Raw Materials and Components							
Cimmco Limited	2018-19 2017-18	2,426.87 119.06	– –	– –	– –	– –	2,426.87 119.06
Titagarh Wagons AFR	2018-19 2017-18	– –	– –	– –	– –	– –	– – –
Titagarh Industries Limited	2018-19 2017-18	– –	– –	– 28.86	 –	 –	 28.86
Job Processing and Other Machining Charges (including Contract Labour Charges)							
Cimmco Limited	2018-19 2017-18	– 344.21	– –	— –	– –	– –	– 344.21

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Reimbursement of Expenses received							
Cimmco Limited	2018-19	29.86	–	–	–	–	29.86
	2017-18	367.40	–	–	–	–	367.40
Titagarh Enterprises Limited	2018-19	–		24.88	–		24.88
	2017-18	–		15.34	–	–	15.34
Titagarh Singapore Pte Limited	2018-19	–	–	–	–	–	–
	2017-18	54.90	–	–	–	–	54.90
Titagarh Firema S.p.A	2018-19	157.92	–	–	–	–	157.92
	2017-18	498.22	–	–	–	–	498.22
Liquidated damage paid to							
Cimmco Limited	2018-19	68.00	–	–	–	–	68.00
	2017-18	–	–	–	–	–	–
Rent paid to							
Titagarh Enterprises Limited	2018-19	–		246.76	–	–	246.76
	2017-18	–		228.40	–	–	228.40
Warranty Claims from							
Titagarh Wagons AFR	2018-19	241.09	–	–	–	–	241.09
	2017-18	–	–	–	–	–	–
Dividend paid to							
Ms. Savitri Devi Chowdhary	2018-19	–	–	–	–	54.35	54.35
	2017-18	–	–	–	–	144.93	144.93
Ms. Rashmi Chowdhary	2018-19	–	–	–	38.45	–	38.45
	2017-18	–	–	–	102.53	–	102.53
Mr. J P Chowdhary	2018-19	–	–	–	0.47	–	0.47
	2017-18	–	–	–	1.25	–	1.25
Mr. Umesh Chowdhary	2018-19	–	–	–	0.23	–	0.23
	2017-18	–	–	–	0.62	–	0.62
Ms. Vinita Bajoria	2018-19	–	–	–	–	*	*
	2017-18	–	–	–	–	*	*
Ms. Sumita Kandoi	2018-19	–	–	–	–	*	*
	2017-18	–	–	–	–	*	*
Mr. Anil Agarwal	2018-19	–	–	–	0.08	–	0.08
	2017-18	–	–	–	0.10	–	0.10
Mr. Dinesh Arya	2018-19	–	–	–	0.04	–	0.04
	2017-18	–	–	–	0.05	–	0.05
Mr. Sudipta Mukherjee	2018-19	–	–	–	0.04	–	0.04
	2017-18	–	–	–	0.10	–	0.10
Titagarh Capital Management Services Private Limited	2018-19	–	–	65.01	–		65.01
	2017-18	–	–	173.36	–		173.36
Bimla Devi Kajaria	2018-19	–	–	–	–	0.01	0.01
	2017-18	–	–	–	–	0.01	0.01

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

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]							
Mr. J P Chowdhary	2018-19 2017-18	– –	– –	– –	257.28 257.28	– –	257.28 257.28
Mr. Umesh Chowdhary	2018-19 2017-18	– –	– –	– –	257.28 257.28	– –	257.28 257.28
Ms. Vinita Bajoria	2018-19 2017-18	– –	– –	– –	– –	27.64 27.64	27.64 27.64
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	– –	46.51 52.34	– –	46.51 52.34
Mr. Dinesh Arya	2018-19 2017-18	– –	– –	– –	25.59 26.32	– –	25.59 26.32
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –	– –	36.14 40.73	– –	36.14 40.73
Employee Stock Option Expense							
Mr. Anil Kumar Agarwal	2018-19 2017-18	– –	– –		20.25 24.06	– –	20.25 24.06
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –		20.25 24.06	– –	20.25 24.06
Mr. Dinesh Arya	2018-19 2017-18	– –	– –		11.44 13.23	– –	11.44 13.23
*Amounts are below the rounding off norm adopted by the Company.							
Sitting Fees to Directors							
Mr. Dharmendar Nath Davar	2018-19 2017-18	– –	– –	– –	4.50 7.60	– –	4.50 7.60
Mr. Manoj Mohanka	2018-19 2017-18	– –	– –	– –	8.50 8.40	– –	8.50 8.40
Mr. Atul Ravishanker Joshi	2018-19 2017-18	– –	– –	– –	5.30 1.20	– –	5.30 1.20
Mr. Ramsebak Bandyopadhyay	2018-19 2017-18	– –	– –	– –	7.90 4.40	– –	7.90 4.40
Mrs. Rashmi Chowdhary	2018-19 2017-18	– –	– –	– –	1.20 2.00	– –	1.20 2.00
Mr. Sunirmal Talukdar	2018-19 2017-18	– –	– –	– –	2.40 7.68	– –	2.40 7.68
Purchase of Property, Plant and Equipment / Intangible Assets							
Cimmco Limited	2018-19 2017-18	25.67 20.12	– –	– –	– –	– –	25.67 20.12

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Sale of Property, Plant and Equipment							
Cimmco Limited	2018-19	–	–	–	–	–	–
	2017-18	5.88	–	–	–	–	5.88
Loans given							
Titagarh Capital Private Limited	2018-19	1,900.00	–	–	–	–	1,900.00
	2017-18	3,000.00	–	–	–	–	3,000.00
Titagarh Firema S.p.A	2018-19	–	–	–	–	–	–
	2017-18	4,723.20	–	–	–	–	4,723.20
Security Deposit Given							
Titagarh Enterprises Limited	2018-19	–		57.10	–	–	57.10
	2017-18	–		57.10	–	–	57.10
Investments made							
Titagarh Singapore Pte. Ltd.	2018-19	–	–	–	–	–	–
	2017-18	1,684.51	–	–	–	–	1,684.51
Titagarh Wagons AFR #	2018-19	2,019.29	–	–	–	–	2,019.29
	2017-18	–	–	–	–	–	–
Matiere Titagarh Bridges Pvt Ltd	2018-19	–	–	–	–	–	–
	2017-18	–	74.99	–	–		74.99
# Loan of Euro 25.01 Lacs given to Titagarh Wagons AFR is converted into equity shares of Titagarh Wagons AFR in December 2018.							
Loans Refunded							
Titagarh Capital Private Limited	2018-19	1,910.00	–	–	–	–	1,910.00
	2017-18	3,535.00	–	–	–	–	3,535.00
Titagarh Firema S.p.A	2018-19	4,837.33	–	–	–	–	4,837.33
	2017-18	–	–	–	–	–	–
Titagarh Wagons AFR *	2018-19	2,019.29	–	–	–	–	2,019.29
	2017-18	–	–	–	–	–	–
* Loan of Euro 25.01 Lacs given to Titagarh Wagons AFR is converted into equity shares of Titagarh Wagons AFR in December 2018.							
Corporate Guarantees / Standby Letter of Credit / Put Options Given							
Titagarh Singapore Pte. Ltd.	2018-19	–	–	–	–	–	–
	2017-18	11,231.11	–	–	–		11,231.11
Titagarh Firema S.p.a	2018-19	77,702.40	–	–	–		77,702.40
	2017-18	–	–	–	–	–	–
Cimmco Limited (Refer Note 36)	2018-19	3,500.00	–	–	–	–	3,500.00
	2017-18	19,000.00	–	–	–	–	19,000.00

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Corporate Guarantees / Standby Letter of Credit / Put Options Released							
Titagarh Wagons AFR	2018-19	161.24	–	–	–	–	161.24
	2017-18	4,069.86	–	–	–	–	4,069.86
Titagarh Firema S.p.a	2018-19	10,642.13	–	–	–	–	10,642.13
	2017-18	–	–	–	–	–	–
Titagarh Singapore Pte. Ltd.	2018-19	9,123.04	–	–	–		9,123.04
	2017-18	–	–	–	–	–	–
Cimmco Limited	2018-19	2,000.00	–	–	–		2,000.00
	2017-18	–	–	–	–	–	–
Balances outstanding as at the year end							
Trade Receivables							
Titagarh Wagons AFR	2018-19	1,522.64	–	–	–	–	1,522.64
	2017-18	1,765.95	–	–	–	–	1,765.95
Cimmco Limited	2018-19	4,916.48	–	–	–	–	4,916.48
	2017-18	608.71	–	–	–	–	608.71
Trade Payables							
Titagarh Wagons AFR	2018-19	31.73	–	–	–	–	31.73
	2017-18	37.20	–	–	–	–	37.20
Titagarh Enterprises Limited	2018-19	–		20.57	–	–	20.57
	2017-18	–		20.55	–	–	20.55
Cimmco Limited	2018-19	690.20	–	–			690.20
	2017-18	–	–	–	–	–	–
Titagarh Industries Limited	2018-19	–	–	–	–	–	–
	2017-18	–		0.21	–	–	0.21
Loans to Related Parties							
Titagarh Wagons AFR	2018-19	–	–	–	–	–	–
	2017-18	2,015.96	–	–	–	–	2,015.96
Titagarh Capital Private Limited	2018-19	490.00	–	–	–	–	490.00
	2017-18	500.00	–	–	–	–	500.00
Titagarh Firema S.p.a	2018-19	–	–	–	–	–	–
	2017-18	4,837.33	–	–	–	–	4,837.33
Interest Accrued on Loans							
Titagarh Wagons AFR	2018-19	139.97	–	–	–	–	139.97
	2017-18	87.57	–	–	–	–	87.57
Titagarh Capital Private Limited	2018-19	7.67	–	–	–	–	7.67
	2017-18	42.02	–	–	–	–	42.02
Titagarh Firema S.p.a	2018-19	7.77	–	–	–	–	7.77
	2017-18	25.26	–	–	–	–	25.26

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Receivable from Related Parties							
Titagarh Wagons AFR	2018-19	235.93	–	–	–	–	235.93
	2017-18	234.03	–	–	–	–	234.03
Titagarh Singapore Pte. Ltd.	2018-19	11.47	–	–	–	–	11.47
	2017-18	153.97	–	–	–	–	153.97
Titagarh Firema S.p.a	2018-19	187.06	–	–	–	–	187.06
	2017-18	335.79	–	–	–	–	335.79
Matiere Titagarh Bridges Pvt Ltd	2018-19	–	1.96	–	–	–	1.96
	2017-18	–	72.66	–	–	–	72.66
Cimmco Limited	2018-19	9.64	–	–	–	–	9.64
	2017-18	–	–	–	–	–	–
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	2018-19	–	–	–	34.50	–	34.50
	2017-18	–	–	–	34.50	–	34.50
Advances from Customers							
Titagarh Wagons AFR	2018-19	–	–	–	–	–	–
	2017-18	243.31	–	–	–	–	243.31
Matiere Titagarh Bridges Pvt Ltd	2018-19	–	41.05	–	–	–	41.05
	2017-18	–	41.05	–	–	–	41.05
Employee Related Liabilities							
Mr. J P Chowdhary	2018-19	–	–	–	12.10	–	12.10
	2017-18	–	–	–			
Mr. Umesh Chowdhary	2018-19	–	–	–	12.14	–	12.14
	2017-18	–	–	–	–	–	–
Ms. Vinita Bajoria	2018-19	–	–	–		1.56	1.56
	2017-18	–	–	–	–	–	–
Mr. Anil Kumar Agarwal	2018-19	–	–	–	1.88	–	1.88
	2017-18	–	–	–	–	–	–
Mr. Dinesh Arya	2018-19	–	–	–	1.23	–	1.23
	2017-18	–	–	–	–	–	–
Mr. Sudipta Mukherjee	2018-19	–	–	–	1.99	–	1.99
	2017-18	–	–	–	–	–	–
Security Deposit							
Titagarh Enterprises Limited	2018-19	–	–	114.20	–	–	114.20
	2017-18	–	–	57.10	–	–	57.10

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

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

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Investments							
Titagarh Wagons AFR [Refer Note (a) below]	2018-19 2017-18	4,883.89 2,864.60	– –	– –			4,883.89 2,864.60
Titagarh Singapore Pte. Ltd. [Refer Note (a) below]	2018-19 2017-18	6,959.32 12,833.86	– –	– –			6,959.32 12,833.86
Titagarh Firema S.p.a	2018-19 2017-18	127.75 127.75	– –	– –			127.75 127.75
Cimmco Limited	2018-19 2017-18	10,302.15 10,171.25	– –	– –			10,302.15 10,171.25
Titagarh Capital Private Limited	2018-19 2017-18	4,042.57 4,042.57	– –	– –			4,042.57 4,042.57
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	– –	75.49 75.49	– –	– –		75.49 75.49
Titagarh Enterprises Limited	2018-19 2017-18	– –		2,752.97 2,339.42	– –		2,752.97 2,339.42
Tecalemit Industries Limited	2018-19 2017-18	– –		24.22 22.82	– –		24.22 22.82
Titagarh Industries Limited	2018-19 2017-18	– –		31.02 30.83	– –		31.02 30.83
Commitments - Corporate Guarantees / Standby Letter of Credit / Put Options Outstanding [Also Refer Note 36 (b), (c) and 40)							
Titagarh Wagons AFR	2018-19 2017-18	3,263.50 3,547.38	– –	– –		– –	3,263.50 3,547.38
Titagarh Singapore Pte. Ltd.	2018-19 2017-18	25,149.26 34,946.77	– –	– –		– –	25,149.26 34,946.77
Titagarh Firema S.p.a	2018-19 2017-18	77,702.40 10,642.13	– –	– –		– –	77,702.40 10,642.13
Cimmco Limited	2018-19 2017-18	22,500.00 21,000.00	– –	– –		– –	22,500.00 21,000.00

Notes:

a) **Terms and conditions of transactions with related parties**

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free (except loans given) and settlement occurs in cash. The Company has recorded impairment of receivables amounting to Rs. 12,695.46 relating to investment / other receivable pertaining to subsidiary company Titagarh Wagons AFR (Refer Note -30) . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) **Compensation of Key managerial Personnel**

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	581.11	591.02
Contribution to provident and other funds	41.69	42.93
Share-based payment transactions	51.94	61.35
	674.74	**695.30**

The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

43 Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2019 and March 31, 2018.

Rs. in Lacs

		Level 2	Level 3	Total
Quantitative disclosures fair value measurement hierarchy for Assets:	**Date of Valuation**			
Assets measured at Fair Value:				
Investments	March 31, 2019	–	5,338.30	5,338.30
	March 31, 2018	–	2,421.84	2,421.84
Total Financial Assets		**–**	**7,760.14**	**7,760.14**
Quantitative disclosures Fair Value measurement hierarchy for Liabilities:				
Liabilities measured at Fair Value:				
Liability for Derivatives	March 31, 2019	44.72	–	44.72
	March 31, 2018	115.79	–	115.79
Total Financial Liabilities		**160.51**	**–**	**160.51**

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy - (FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Rs. in Lacs

	March 31, 2019	March 31, 2018
Significant Unobservable Input - Weighted Average Cost of Capital		
Impact of 1% Increase	245.06	195.58
Impact of 1% Decrease	336.59	268.61
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company		
Impact of 5% Increase	68.59	70.94
Impact of 5% Decrease	68.59	70.94

43 Fair Values (Contd.)

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

Rs. in Lacs

	Investment in unquoted equity shares
Closing Balance as on March 31, 2017	**2,395.62**
Re-measurement recognised in Statement of Profit and Loss	26.22
Closing Balance as on March 31, 2018	**2,421.84**
Addition during the period	2,500.00
Re-measurement recognised in Statement of Profit and Loss	416.46
Closing Balance as on March 31, 2019	**5,338.30**

(v) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

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

(a) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(c) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

44 Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise short-term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company and also reviews these risks and related risk management policy, which are summarised below.

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk and other price risk, such as equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, loan to foreign subsidiaries, other receivables etc.

(i) Foreign currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, borrowings and loans to subsidiaries. Such foreign currency exposures are primarily hedged by the Company through use of foreign exchange forward contracts. The Company has a treasury team which continuously monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company, and any additional remedial measures to be taken.

43 Fair Values (Contd.)

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

Rs in Lacs

	March 31, 2019			March 31, 2018	
Particulars	NPR	USD	EURO	USD	EURO
Financial Assets					
Trade Receivables	35.51	1,206.58	1,371.00	–	1,706.06
Other Financial Assets		–	582.00	–	7,681.15
Derivative Assets					
Foreign Exchange Forward Contracts	–	(603.48)	–	(4,424.56)	(9,685.68)
Net exposure to Foreign Currency Risk (Assets)	**35.51**	**603.10**	**1,953.00**	**(4,424.56)**	**(298.47)**
Financial Liabilities					
Borrowings	–	–	–	1,031.66	712.97
Trade Payables	–	1,033.39	552.15	552.14	50.42
Derivative Liabilities					
Foreign Exchange Forward Contracts	–	(1,031.21)	(197.21)	(2,998.41)	(923.39)
Net Exposure to Foreign Currency Risk (Liabilities)	**–**	**2.18**	**354.94**	**(1,414.61)**	**(160.00)**
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	**35.51**	**600.92**	**1,598.06**	**(3,009.95)**	**(138.47)**

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, NPR and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Rs in Lacs

	Changes in Euro rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
March 31, 2019	5% -5%	1,598.06	79.90 (79.90)	5% -5%	600.92	30.05 (30.05)
March 31, 2018	5% -5%	(138.47)	(6.92) 6.92	5% -5%	(3,009.95)	(150.50) 150.50

	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
March 31, 2019	5% -5%	35.51 –	1.78 (1.78)
March 31, 2018	5% -5%	– –	– –

(ii) Equity price risks

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company only invests in the equity shares of the subsidiaries, joint ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries, joint ventures and group companies based on the respective business plan of each of the companies. Reports on the investment portfolio along with the financial performance of the subsidiaries, joint ventures and group companies are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

The Company's investment in quoted equity instruments (other than subsidiaries) is not material. For sensitivity analysis of Company's investments in equity instruments, Refer Note 43(ii).

43 Fair Values (Contd.)

(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Company continously monitor the situation and takes remedial actions if required.

The Company's investments in bonds and term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Variable Rate Borrowings	17,593.04	8,171.68
Fixed Rate Borrowings	–	1,744.62
Total Borrowings	17,593.04	9,916.30

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Rs. in Lacs

	Impact on Profit before Tax	
	March 31, 2019	March 31, 2018
Interest Rates - Increase by 100 basis points *	(175.93)	(81.72)
Interest Rates - Decrease by 100 basis points*	175.93	81.72

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks and investments in tax free bonds). The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2019 and March 31, 2018 is their carrying amounts except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 36(b).

(a) Trade and Other Receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivable are non-interest bearing. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.The Company uses specific identification method in determining the allowance for credit losses of trade receivable considering historical credit loss experience and is adjusted for forward looking information.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc is managed by the Company's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Company's policy.

(c) Reconciliation of Impairment Provision

(Rs. in Lacs)

Particulars	Loan and Deposits	Other Financial Assets	Trade Receivable
Opening Balance as at March 31, 2017	**38.13**	**–**	**55.00**
Provision made during the year ended March 31, 2018	3.50	24.48	464.88
Provision written back during the year ended March 31, 2018	–	(35.00)	
Closing Balance as at March 31, 2018	**41.63**	**24.48**	**484.88**
Provision made during the year ended March 31, 2019	–	375.90	1,815.50
Provision written back during the year ended March 31, 2019	–	–	42.37
Closing Balance as at March 31, 2019	**41.63**	**400.38**	**2,258.01**

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss rates. The Company uses judgement in making these assumptions based on the Company's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.

Movement of Liquidated Damages:

Particulars	Liquidated
Opening Balance as at March 31, 2017	**432.94**
Provision made during the year ended March 31, 2018	474.60
Provision utilized during the year ended March 31, 2018	(374.90)
Opening Balance as at March 31, 2018	**532.64**
Provision made during the year ended March 31, 2019	389.95
Provision utilized during the year ended March 31, 2019	(383.84)
Closing Balance as at March 31, 2019	**538.75**

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits , which carry no market risk. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial Liabilities

Maturity profile of all financial liabilities is as under:

Rs. in Lacs

Maturing within one Year	As at March 31, 2019	As at March 31, 2018
Non-derivative Financial Liabilities		
Borrowings	17,593.04	9,916.30
Trade Payables	27,792.40	3,699.95
Other Financial Liabilities @	466.64	312.06
Derivative Financial Liabilities		
Foreign Exchange Forward Contracts	44.72	115.79
Total Financial Liabilities	**45,896.80**	**14,044.10**

@ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

45 Capital Management

(a) Risk Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Total Borrowings	17,593.04	9,916.30
Less: Cash and Cash Equivalents	168.85	272.84
Net Debt	**17,424.19**	**9,643.46**
Equity	**80,456.03**	**88,986.68**
Total Capital (Equity + Net Debt)	**97,880.22**	**98,630.14**
Net Debt to Equity Ratio	**21.66%**	**10.84%**

(b) Dividends on Equity Shares

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2018 of Rs. 0.30 (March 31, 2017 - Rs. 0.80) per fully paid share	346.58	923.58
Dividend Distribution Tax on above	70.55	188.02
Proposed Dividend Not recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of final dividend of Rs. 0.30 (March 31, 2018- Rs. 0.30) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	346.58	346.50
Dividend Distribution Tax on above	70.56	70.55

46 Debt Reconciliation

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

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Current Borrowings	17,593.04	9,916.30
Interest Accrued	201.33	24.01
Total	**17,794.37**	**9,940.31**

Rs. in Lacs

	For the year ended March 31, 2019
Debt as at March 31, 2017 (including interest accrued)	**4,339.05**
Finance Costs	864.45
Cash Flows	
Cash on hand	5,569.02
Finance Costs Paid	(842.87)
Non-cash Transactions	
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	10.66
Debt as at March 31, 2018 (including interest accrued)	9,940.31
Finance Costs	2,390.02
Cash Flows	
Short-term Borrowings - Receipts/(Payments)	7,676.74
Finance Costs Paid	(2,212.70)
Debt as at March 31, 2019 (including interest accrued)	**17,794.37**

47 Change in accounting policy

Effective April 1, 2018, the Company has adopted IND AS 115 “Revenue from Contracts with Customers” using the modified retrospective approach which is applied to contracts that were not completed as of April 1, 2018. The comparatives for the year ended March 31, 2018 have not been restated and accordingly the results for the year ended March 31, 2019 are not comparable with the above periods reported. As a result of adoption of the new standard, an amount of Rs 18.12 lacs (net of tax), has been adjusted against retained earnings as on April 1, 2018. Further, the change in the timing of revenue recognition for certain contracts has following impact on Statement of Profit and Loss for the year ended March 31, 2019 :

Rs. in Lacs

	Year ended March 31, 2019
Increase/(Decrease) in Revenue from Operations	4,363.34
Decrease/(Increase) in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap.	(3,852.09)
(Increase) / Decrease in Loss before tax	511.25
(Increase) / Decrease in Tax expense	(178.65)
(Increase) / Decrease in Loss for the period and Total comprehensive income	332.60
(Increase) / Decrease in Loss Per Equity Share (of Rs 10/- each) (Not Annualised) - Basic and Diluted (Rs.)	0.29
Also refer note 21 “Revenue from operation” and note 5 “Trade receivable”.	

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

48 Assets and liabilities related to contract with customers

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Contract Assets		
Unbilled Revenue	6,244.68	4,827.92
Total Contract assets	6,244.68	4,827.92
Contract Liabilities		
Advance from customers	6,139.02	10,594.60
Total Contract liabilities	**6,139.02**	**10,594.60**

Revenue recognised in relation to contract liability

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period	9,743.96	2,224.09

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

49 Research and Development expenditure of revenue nature recognised in Profit and Loss during the year amounts to Rs. 21.17 Lacs (March 31, 2018 : 37.87 Lacs).

50 The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

51 The Board of Directors at its meeting held on May 29, 2019 (adjourned to May 30, 2019) approved a draft scheme (the Scheme) for merger of its two subsidiary companies namely Cimmco Limited and Titagarh Capital Private Limited (TCPL), and also Titagarh Enterprises Limited, a promoter group entity with the Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2019 as the Appointed Date, subject to such approvals as may be necessary including the SEBI/Stock Exchanges and sanction by the Hon'ble National Company Law Tribunal. Upon the Scheme becoming effective, the Company shall issue 13 (thirteen) equity shares of Rs. 2/- each fully paid up by the Company for every 24 (twenty four) equity share of Rs. 10/- each fully paid up held by the shareholders of the Cimmco Limited, issue 11(eleven) equity shares of Rs. 2/- each fully paid up by the Company for every 13 (thirteen) equity share of Rs. 10/- each fully paid up held by the shareholders of the Titagarh Enterprises Limited on the record date (defined in the Scheme) to be determined in due course. TCPL being a wholly owned subsidiary of the Company, no consideration is payable and the equity and preferences shares held by the Company in TCPL shall stand cancelled.

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

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

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

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

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

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

Dinesh Arya
Company Secretary