TEXMACO RAIL & ENGINEERING LIMITED

Texmaco Rail & Engineering Limited ("**our Company**" or "**the Company**" or "**the Issuer**") was originally incorporated on June 25, 1998 under the Companies Act, 1956 as 'Texmaco Machines Private Limited'. The name of our Company was changed to 'Texmaco Machines Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to 'Texmaco Rail & Engineering Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on April 23, 2010. For further details regarding changes in the name and registered office of our Company, see "History and Other Corporate Matters" on page [•]

Corporate Identity Number: L29261WB1998PLC087404
Registered and Corporate Office: Belgharia, Kolkata – 700 056, West Bengal, India; **Telephone**: +91 33 2569 1500
Contact Person: Neha Singh, Compliance Officer
E-mail: neha.singh@texmaco.in; **Website:** www.texmaco.in

OUR PROMOTERS: TEXMACO INFRASTRUCTURE & HOLDINGS LIMITED AND ZUARI INVESTMENTS LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF TEXMACO RAIL & ENGINEERING LIMITED

ISSUE OF UPTO 4,27,23,283 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH OF THE COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 46.70 PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ 45.70 PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹ 19,951.77 LAKHS ON A RIGHTS BASIS, TO THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY. THE RECORD DATE IS SEPTEMBER 25, 2019. THE ISSUE PRICE OF THE RIGHTS EQUITY SHARES IS 46.7 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE [●].

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to "*Risk Factors*" on page [●].

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited ("**BSE**"), the Calcutta Stock Exchange Limited ("**CSE**") and the National Stock Exchange of India Limited ("**NSE**") (together the "**Stock Exchanges**"). Our Company has received in-principle approval from the BSE, CSE and the NSE for listing the Equity Shares proposed to be issued pursuant to the Issue *vide* their letters dated [●], [●] and [●], respectively. For the purposes of the Issue, BSE is the Designated Stock Exchange. For details of the material contracts and documents available for inspection from the date of the Letter of Offer up to the Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page [●].

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
ICICI Securities Limited ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020 Maharashtra **Telephone:** +91 22 2288 2460 **Fax**: +91 22 2282 6580 **E-mail**: trel.rights@icicisecurities.com **Investor grievance email**: customercare@icicisecurities.com **Website**: www.icicisecurities.com **Contact Person**: Sameer Purohit / Arjun A Mehrotra **SEBI Registration No.**: INM000011179	**Karvy Fintech Private Limited** Karvy Selenium Tower B, Plot 31 & 32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana **Telephone**: +91 40 6716 2222 **Fax**: +91 40 2343 1551 **E-mail**: einward.ris@karvy.com **Investor grievance e-mail**: trel.rights@karvy.com **Website**: www.karvyfintech.com **Contact Person**: Murali Krishna **SEBI Registration No.**: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
September 30, 2019	October 14, 2019	October 29, 2019

TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Letter of Offer, unless the context otherwise requires, the terms defined, and abbreviations expanded herein below shall have the same meaning as stated in this section.

The words and expressions used in this document but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, SEBI ICDR Regulations, the Depositories Act or the rules and regulations made thereunder. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

The following list of capitalised terms used in this document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless the context otherwise indicates, all references to "our Company", "the Company" and "the Issuer" are references to Texmaco Rail & Engineering Limited, a company incorporated in India under the Companies Act, 1956, having its registered office at Belgharia, Kolkata – 700056, West Bengal, India. References to "we", "us" and "our" are references to our Company, together with its subsidiaries and its joint ventures, on a consolidated basis, unless the context indicates otherwise.

Company related and industry related terms

Term	Description
"AGM"	Annual General Meeting
"Articles of Association"	The articles of association of our Company, as amended
"Audit Committee"	The audit committee of our Board, as described in *"Our Management"* on page [•]
"Auditor" / "Statutory Auditor"	The current statutory auditors of our Company, M/s. L. B. Jha & Co., Chartered Accountants
"Board" or "Board of Directors"	Board of Directors of our Company including any committees thereof
"Equity Shares"	Equity Shares of face value of ₹ 1 each of our Company
"Corporate Office"	The corporate office of our Company is Belgharia, Kolkata – 700056, West Bengal, India
"Director(s)"	The director(s) on the Board of our Company, unless otherwise specified.
"Financial Year" / "Fiscal" / "Fiscal Year" / "FY"	Any period of twelve months ended March 31 of that particular year, unless otherwise stated
"Group Companies"	The companies as described in "*Group Companies*" on page [•]
"Independent Director(s)"	Independent director(s) on our Board
"Joint Ventures"	Wabtec Texmaco Rail Private Limited and Touax Texmaco Railcar Leasing Private Limited
"Key Management Personnel"	Key management/managerial personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 and as disclosed in *"Our Management"* on page [•]
"Audited Review Financial Results"	Examination report along with the restated consolidated financial statements (including notes and schedules attached thereto) for the years ended March 31, 2019, March 31, 2018 and March 31, 2017 of our Company, its subsidiaries, its joint ventures.
"MoA"/ "Memorandum of Association"	The memorandum of association of our Company, as amended
"Promoter(s)"	The Promoters of our Company, namely, Texmaco Infrastructure & Holdings Limited and Zuari Investments Limited
"Promoter Group"	Persons and entities constituting the promoter group of our Company in accordance with Regulation 2(1) (zb) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page [•]
"Registered Office"	The registered office of our Company is located at Belgharia, Kolkata – 700056, West Bengal, India
"Restated Consolidated Statements"	Restated Ind AS consolidated financial information of our Company, its subsidiaries and its joint ventures , as at March 31, 2019, March 31, 2018, and March 31, 2017, comprising of the statement of assets and liabilities, the statement of profit and loss

Term	Description
	(including other comprehensive income), the statement of changes in equity, the statement of cash flow and the statement of significant accounting policies, read together with the annexures and notes thereto and other restated financial information, prepared in accordance with the applicable provisions of the Companies Act and Ind AS, and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note
"Registrar of Companies"/ "RoC"	The Registrar of Companies, West Bengal at Kolkata
"Bright Power"	Bright Power Projects (India) Private Limited
"Bright Power Scheme of Amalgamation"	Scheme of amalgamation amongst our Company and Texmaco Hitech Private Limited and Bright Power Projects (India) Private Limited and their respective shareholders and creditors
"Kalindee Rail Scheme of Amalgamation"	Scheme of amalgamation amongst our Company and Kalindee Rail Nirman (Engineers) Limited and their respective shareholders and creditors
"Hitech"	Texmaco Hitech Private Limited
"Shareholders"	The holders of the Equity Shares from time to time
"Subsidiaries"	The subsidiaries of our Company, as on the date of this Letter of Offer, namely: (a) Texmaco Transtrak Private Limited (b) Texmaco Defence Systems Private Limited (c) Texrail SA (Pty) Limited (d) Belur Engineering Private Limited (e) Texmaco Rail Systems Private Limited

Conventional / General Terms

Term	Description
"ASBA Circulars"	ASBA Circular 2009, ASBA Circular 2011, ASBA Circular 2012, and ASBA Circular 2013, collectively
"ASBA Circular 2009"	SEBI Circular No. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
"ASBA Circular 2011"	SEBI Circular No. SEBI/CFD/DIL/ 1/2011 dated April 29, 2011
"ASBA Circular 2012"	SEBI Circular No. SEBI/CFD/DIL/13/2012 dated September 25, 2012
"ASBA Circular 2013"	SEBI Circular No. SEBI/CFD/DIL/1/2013 dated January 2, 2013
"Companies Act"	The Companies Act, 2013
"Depositories Act"	The Depositories Act, 1996
"Depository"	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, in this case being NSDL and CDSL
"Depository Participant" / "DP"	A depository participant as defined under the Depositories Act
"ICAI Guidance Note"	The Guidance Note on Reports in Company Prospectuses (revised), 2019, as issued by the ICAI
"Mutual Fund" / "MF"	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
"SEBI Act"	Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	The SEBI (Alternative Investment Fund) Regulations, 2012
"SEBI FPI Regulations"	The SEBI (Foreign Portfolio Investors) Regulations, 2014
"SEBI FVCI Regulations"	The SEBI (Foreign Venture Capital Investors) Regulations, 2000
"SEBI ICDR Regulations"	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Listing Regulations"	The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI Takeover Regulations"	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"SEBI VCF Regulations"	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
"Securities Act"	U.S. Securities Act of 1933

Issue related terms

Term	Description
"Abridged Letter of Offer"	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act

Term	Description
"Allot"/ "Allotted" / "Allotment"	Unless the context requires, the allotment of Rights Equity Shares pursuant to the Issue
"Allotment Date"	Date on which Allotment shall be made
"Allottee(s)"	Persons to whom the Rights Equity Shares shall be issued pursuant to the Issue
"Applicant(s)" / "Investor(s)"	Eligible Equity Shareholders and/or Renouncees who are entitled to apply or have applied for Rights Equity Shares under the Issue, as the case maybe
"Application"	Unless the context otherwise requires, refers to an application for Allotment of Rights Equity Shares in this Issue
"Application Money"	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue
"Application Supported by Blocked Amount" / "ASBA"	The application (whether physical or electronic) used by an ASBA investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account
"ASBA Account"	Account maintained by an ASBA Investor with a SCSB which will be blocked by such SCSB to the extent of the amount payable on application in the ASBA Account
"ASBA Investor(s)"	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who are holding our Equity Shares in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/ or additional Rights Equity Shares in in dematerialized form; who have not renounced their Rights Entitlements in full or in part; who are not Renouncees; and who are applying through blocking of funds in a bank account maintained with SCSBs.
"Bankers to the Company"	Axis Bank Limited, HDFC Bank Limited, ICICI Bank Limited, IDFC First Bank Limited, IndusInd Bank Limited State Bank of India and Yes Bank Limited
"Bankers to the Issue"	IndusInd Bank Limited
"Composite Application Form"/ "CAF"	The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
"Consolidated Certificate"	In case of holding of Equity Shares in physical form, the certificate that we would issue for the Equity Shares Allotted to one folio
"Controlling Branches"/ "Controlling Branches of the SCSBs"	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
"Designated Branches"	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time
"Designated Stock Exchange"	BSE
"Equity Shareholder(s)"	The holders of Equity Shares of our Company
"Eligible Equity Shareholder(s)"	The holders of Equity Shares as on the Record Date i.e. September 23, 2019.
"ESOP Scheme"	The employee stock option scheme instituted by our Company in 2018, namely, Texmaco Employee Stock Option
"Investor(s)"	Eligible Equity Shareholders and/or Renouncees applying in the Issue
"Issue"/ "Rights Issue"	Issue of up to 4,27,23,283Equity Shares of face value of ₹ 1 for cash at a price of ₹ 46.70 per Equity Share aggregating up to ₹19,951.77 Lakhs on a rights basis of 19 Rights Equity Shares for every 100 Equity Shares held as on the Record Date, i.e., September 25, 2019 to the Eligible Equity Shareholders
"Issue Closing Date"	October 29, 2019
"Issue Opening Date"	September 30, 2019
"Issue Price"	₹ 46.70 per Equity Share
"Issue Proceeds" / "Gross Proceeds"	Gross proceeds of the Issue
"Issue Size"	Amount not exceeding ₹ 19,951.77
"Lead Manager"	ICICI Securities Limited
"Letter of Offer"	This letter of offer dated [•] filed with the Stock Exchanges and SEBI
"Listing Agreement"	The uniform listing agreement entered into between the Company and the Stock Exchanges
"Monitoring Agency"	IndusInd Bank Limited
"Net Proceeds"	The Issue Proceeds less the Issue related expenses. For further details, see "*Objects of the Issue*" on page [•] of this Letter of Offer
"Non-ASBA Investor"	Investors other than ASBA Investors who apply in the Issue otherwise than through

Term	Description
	the ASBA process
"Non-Institutional Investors"	Non-institutional investor(s), as defined under Regulation 2(1)(jj) of SEBI ICDR Regulations
"QIBs" / "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
"Record Date"	Designated date for the purpose of determining the Shareholders eligible to apply for Rights Equity Shares in the Issue, that is, September 25, 2019
"Refund Bank"	IndusInd Bank Limited
"Registrar to the Issue" / "Registrar and Transfer Agent"	Karvy Fintech Private Limited
"Renouncees"	Any person who has / have acquired Rights Entitlements from the Eligible Equity Shareholders
"Retail Individual Investors"	Individual Investors who have applied for Rights Equity Shares for an amount not more than ₹ 2,00,000 (including HUFs applying through their Karta)
"Rights Entitlement"	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to, in proportion to the number of Equity Share(s) held by the Eligible Equity Shareholder as on the Record Date
"Rights Equity Share(s)"	Equity Shares of our Company to be Allotted pursuant to the Issue
"SAF(s)"	Split Application Form(s)
"SCSB(s)"	A Self Certified Syndicate Bank, registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time
"Stock Exchanges"	BSE, CSE and NSE, where the Equity Shares are presently listed
"Wilful Defaulter"	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations
"Working Day"	All days on which commercial banks in Mumbai are open for business

Abbreviations

Term	Description
"₹" / "Rs." / "Rupees"/ "INR"	Indian Rupees
"AIF"	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
"BSE"	BSE Limited
"Calendar Year"	The 12-month period ending December 31
"CDSL"	Central Depository Services (India) Limited
"CSE"	Calcutta Stock Exchange Limited
"DIN"	Director Identification Number
"DIPP"	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
"DP ID"	Depository Participant Identification
"EBITDA"	Earnings before interest (net), taxes, depreciation and amortisation
"EGM"	Extraordinary General Meeting
"EPS"	Earnings Per Share
"FDI"	Foreign Direct Investment
"FDI Policy"	Consolidated Foreign Direct Investment Policy notified by the DIPP vide circular no. D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017
"FEMA Act" / "FEMA"	Foreign Exchange Management Act, 1999, including the regulations framed thereunder
"FEMA Regulations"	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
"FIs"	Financial Institutions
"FPI(s)"	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India
"FVCI"	Foreign Venture Capital Investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered

Term	Description
	with SEBI under applicable laws in India
“GDP”	Gross Domestic Product
“GoI”	Government of India
“GST”	Goods and Service Tax
“HUF”	Hindu Undivided Family
“IFRS”	International Financial Reporting Standards
“IFSC”	Indian Financial System Code
“Indian GAAP”	Generally accepted accounting principles followed in India, as notified under the Companies (Accounting Standard) Rules 2014, as amended
“Ind AS”	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended
“ISIN”	International Securities Identification Number
“IT”	Information Technology
“MCLR”	Marginal Cost of Fund Based Lending Rate
“MICR”	Magnetic Ink Character Recognition
“NACH”	National Automated Clearing House
“NAV”	Net Asset Value
“NBFC”	Non-Banking Financial Company
“NEFT”	National Electronic Funds Transfer
“NR”	Non-Resident
“NRI(s)”	Non-Resident Indian(s)
“NRE”	Non-Resident External Account
“NRO”	Non-Resident Ordinary Account
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“OCB”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
“p.a.”	Per Annum
“PAN”	Permanent Account Number
“PAT”	Profit After Tax
“RBI”	Reserve Bank of India
“Regulation S”	Regulation S of the Securities Act
“RTGS”	Real Time Gross Settlement
“SEBI”	Securities and Exchange Board of India
“State Government”	The government of a state in India
“STT”	Securities Transaction Tax
“U.S.” / “US” / “USA”	Unites States of America
“USD”/”US$”	United States Dollar
“VCF(s)”	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Industry related terms

Abbreviation	Full-Form
“AC”	Air Conditioning
“ACD System”	Automatic Call Distribution
“AFTO”	Automobiles Freight Train Operator Scheme
“ATP”	Automatic Train Protection
“ATVM”	Automatic Ticket Vending Machines
“AWS”	Auxiliary Warning System
“BE”	Budget Estimates
“BG”	Broad Gauge Track
“BLC”	Low Platform Container Flat Wagon
“Bn”	Billion
“BPAC”	Block Proving Axle Counter
“BU”	Billion Units
“CLW”	Chittaranjan Locomotive Works
“CORE”	Central Organisation For Railways Electrification
“CR”	Central Railway
“CRIS”	Centre For Railway Information Systems
“CST”	Chhatrapati Shivaji Terminus
“CTC”	Centralized Traffic Control
“CUG”	Common User Group
CWR”	Continuous Welded Rails
“DFC”	Dedicated Freight Corridor
“DFCCIL”	Dedicated Freight Corridor Corporation Of India Limited
“DHMU”	Diesel–Hydraulic Multiple Unit
“DLW”	Diesel Locomotive Work
“DMUs”	Diesel Multiple Units
“DMW”	Diesel Loco Modernisation Works
“DSDC”	Double Stack Dwarf Container
“EI”	Electronic Interlocking
“EMUs”	Electric Multiple Units
“ETCS2”	European Train Control System-2
“ETCS-L1”	European Train Control System
“FDI”	Foreign Direct Investment
“FOIS”	Freight Operation Information System
“GHG””	Green House Gases
“GPWIS”	General Purpose Wagon Investment Scheme
“GSM-R”	Global System Of Mobile Communication – Railways
“GTKMs”	Gross Tonnes Kilometres
“H.E.”	Hydro Electricity
HCW”	High Capacity Wagons
“HE”	Hydro Electricity
“HP”	Horse Power
“IBS”	Intermediate Block Signalling
“ICDs”	Inland Container Depots

“IGBT”	Insulated Gate Bipolar Transistors
“IR”	Indian Railway
“IRFC”	Indian Railway Finance Corp.
“ISO”	International Orginization For Standardization
“JICA”	Japan International Co-Operation Agency
“JNPT”	Jawaharlal Nehru Port Trust
“KGs”	Kilograms
“Km”	Kilometer
“KMPH”	Kilometres Per Hour
“KMs”	Kilometers
“KRCL”	Kokan Railway Corporation Limited
“KV”	Kilovolt
“LHB”	Linke Hofmann Busch
“LTTC”	Long Term Tariff Contract
“LWIS”	Liberalized Wagon Investment Scheme
“LWR”	Long Welded Rails
“MEMUs”	Mainline Electric Multiple Units
“MG”	Medium Gauge Track
“Mn”	Millions
“M. T. P. A”	Metric tons per annum
“MPLS”	Multi-Protocol Level Switching
“MSMEs”	Micro, Small & Medium Enterprises
“MTRC”	Mobile Train Radio Communication
“MU”	Million Unit
“MW”	Megawatts
“NG”	Narrow Gauge Track
“NGN”	Next Generation Network
“NGOs”	Non-Governmental Organisations
“NHSRCL”	National High-Speed Rail Corporation Limited
“NTKMs”	Net Tonne Kilometres
“OCVs”	Other Coaching Vehicles
“OFC”	Optical Fibre Cable
“OHE”	Over Head Equipment
“PA”	Public Address
“PCVs”	Passenger Carrying Vehicles
“PFT”	Private Freight Terminals
“PI”	Panel Interlocking
“POL”	Petroleum, Oil And Lubricants
“PPP”	Public Private Partnership
“PRS”	Computerised Passenger Reservation System
“PSUs”	Public Sector Undertaking
“RDSO”	Research Design And Standards Organisation
“RKM”	Route Kilometre
“RKMs”	Route Kilometers

"RRI"	Route Relay Interlocking
"SFTO"	Special Freight Train Operator
"SPAD"	Signal Passing At Danger
"SPW"	Special Purpose Wagons
"STD"	Subscriber Trunk Dialling
"TCAS"	Train Collision Avoidance System
"TEUs"	Twenty-Foot Equivalent Units
"TMS"	Train Management System
"TPWS"	Train Protection Warning System
"U.P."	Uttar Pradesh
"USD"	United States Dollar
"UTS"	Unreserved Ticketing System
"VHF"	Very High Frequency
"WAP 5"	High Speed Electric Locomotives
"WAP 7"	Wide/Broad Gauge Ac Electric Passenger, Class 7
"WLS"	Wagon Leasing Scheme
"WR"	Western Railway

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in *"Main provisions of the Articles of Association*", "*Statement of Tax Benefits*", "*Regulations and Policies*", "*Industry Overview*" and "*Financial Information*" on pages [•], [•],[•] and [•], respectively of this Letter of Offer, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, the Abridged Letter of Offer, CAF and issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer, the CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer and CAF only to such Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Letter of Offer and CAFs, shall not be sent the Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If the Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares, or the Rights Entitlements referred to in this Letter of Offer. Envelopes containing a CAF should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Rights Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

We, the Registrar, the Lead Manager or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

Neither the delivery of the Letter of Offer or the Abridged Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or the date of such information.

The contents of the Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (“**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act). The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights

Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is, either a U.S. Person or otherwise in the United States when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, no payments for subscribing for the Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer and CAF will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States; (ii) it is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States when the buy order is made; and (iii) it is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any CAF as invalid which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. Person and does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) appears to us or our agents to have been executed by a U.S. Person; (iv) where a registered Indian address is not provided; or (v) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Our Company is informed that there is no objection to a United States shareholder selling its rights in India. Rights Entitlements may not be transferred or sold to any person in the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

Unless otherwise indicated or required by context, the financial data in this Letter of Offer is derived from our Restated Consolidated Statements. The Restated Consolidated Statements for the Financial Years ended March 31, 2019, 2018 and 2017 have been prepared basis Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations and the ICAI Guidance Note.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees in lakhs.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States; and

Please note:

- One million is equal to 1,000,000/10 lakhs;
- One billion is equal to 1,000 million;
- One lakh is equal to 100 thousand; and
- One crore is equal to 10 million/100 lakhs.

Exchange Rates

This Letter of Offer contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between Rupee and US$ (in Rupees per US$):

(Amount in ₹, unless otherwise specified)

Currency	**As at**		
	March 31, 2019**	**March 31, 2018*****	**March 31, 2017**
1US$	69.17	65.04	64.84

Source: RBI Reference Rate and www.fbil.org.in

**Exchange rate as on June 28, 2019, as RBI reference rate is not available for June 29, 2019 and June 30, 2019 being a Saturday and Sunday, respectively.*

***Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 30, 2019 and March 31, 2019 being a Saturday and Sunday, respectively.*

**** Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.*

USE OF MARKET DATA

Information included in this Letter of Offer regarding market position, growth rates and other industry data pertaining to our businesses consists of estimates based on industry reports compiled by government bodies, professional organisations data from other external sources and knowledge of the markets in which we operate. Unless stated otherwise, statistical information included in this Letter of Offer pertaining to the industry in which we operate has been obtained or derived from publicly available information, including industry and government sources.

This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, and thus we have relied on internally developed estimates.

Neither our Company, nor the Lead Manager have independently verified this data, and neither does our Company nor the Lead Manager make any representation regarding the accuracy of such data. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and accordingly, neither our Company, nor the Lead Manager can assure the prospective investors as to their accuracy.

The extent to which the market and industry data used in this Letter of Offer is meaningful is dependent on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page [•].

Accordingly, investment decisions should not be based solely on such information.

FORWARD LOOKING STATEMENTS

Certain statements in this Letter of Offer are not historical facts but are "forward-looking" in nature. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the sections titled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information.

Words such as "aims", "anticipate", "believe", "could", "continue", "estimate", "expect", "future", "goal", "intend", "is likely to", "may", "plan", "predict", "project", "seek", "should", "targets", "would" and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under "*Risk Factors*", as well as those included elsewhere in this Letter of Offer. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors *inter alia* include, but are not limited, to:

- Our Company's dependence on the Indian Railways for a large portion of its revenue;
- Our Company's dependence on sales of our products to certain key customers;
- The growth of GDP which sustains the demand for specific commodities like coal, steel, cement, alumina, food grains and automobiles;
- Competition;
- Decline in railway freight traffic;
- Increase in material costs; and
- Changes in technology rendering existing technology obsolete.

For a further discussion of factors that could cause the actual results to differ, see "*Risk Factors*" on page [•]. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we, nor the Lead Manager make any representation, warranty or prediction that the result anticipated by such forward looking statement will be achieved, and such forward looking statements represent, in each case, only one of the many possible scenarios and should not be viewed as the most likely or standard scenario. Neither we, nor the Lead Manager nor any of their affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchanges' requirements, our Company and the Lead Manager shall ensure that the Eligible Equity Shareholders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in entirety by, the more detailed information appearing in this Letter of Offer, including the sections "Risk Factors", "The Issue", "Capital Structure", "Objects of the Issue", "Our Business", "Industry Overview", "Outstanding Litigation and Material Developments" and "Terms of the Issue" on pages [●], [●], [●], [●], [●], [●], [●] and [●], *respectively.*

<table>
<tr><td>Primary business of our Company</td><td>Our major operating divisions presently are: (i) the heavy engineering division comprising of the manufacture and supply of wagons, hydro-mechanical equipment, and bridges and steel structures; (ii) the steel foundry division, and (iii) rail EPC division. Presently, we have five manufacturing facilities at four locations in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal.</td></tr>
<tr><td>Industry in which our Company operates</td><td>Our Company operates in the heavy engineering, steel castings and railway EPC industry.</td></tr>
<tr><td>Names of the Promoters</td><td>Texmaco Infrastructure & Holdings Limited
Zuari Investment Limited</td></tr>
<tr><td>Issue size</td><td>Up to ₹ 19,951.77 lakhs</td></tr>
<tr><td>Objects of the Issue</td><td>The Net Proceeds are proposed to be utilised towards the following Objects:
(in ₹ lakhs)
<table>
<tr><th>Objects</th><th>Amount*</th></tr>
<tr><td>Working capital requirement of our Company</td><td>10,500.00</td></tr>
<tr><td>Capital expenditure towards purchase of machinery for the Company</td><td>6,025.00</td></tr>
<tr><td>General Corporate Purpose</td><td>3,125.00</td></tr>
</table>
* The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, see "Objects of the Issue" on page [●]</td></tr>
<tr><td>Aggregate pre-Issue shareholding of our Promoters and Promoter Group as a percentage of our paid-up Equity Share capital</td><td>
<table>
<tr><th>Name of shareholder</th><th>Number of Equity Shares</th><th>Percentage of pre-Issue paid-up Equity Share capital (%)</th></tr>
<tr><td>(A) Promoters</td><td></td><td></td></tr>
<tr><td>Texmaco Infrastructure & Holdings Limited</td><td>5,46,00,000</td><td>24.28</td></tr>
<tr><td>Zuari Investments Limited</td><td>2,89,63,900</td><td>12.88</td></tr>
<tr><td>Total</td><td>8,35,63,900</td><td>37.16</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>(B) Promoter Group</td><td>3,15,63,110</td><td>14.04</td></tr>
<tr><td>Total</td><td>11,51,27,010</td><td>51.20</td></tr>
</table></td></tr>
<tr><td>Select Financial Information</td><td>The details of our Equity Share capital, net worth, the net asset value per Equity Share and total borrowings as at March 31, 2019, 2018, and 2017 derived from the Restated Consolidated Statements are as follows:
(in ₹lakhs)
<table>
<tr><th>Particulars</th><th>As at March 31, 2019</th><th>As at March 31, 2018</th><th>As at March 31, 2017</th></tr>
<tr><td>Equity Share capital</td><td>2,248.35</td><td>2,246.13</td><td>2,194.15</td></tr>
<tr><td>Net worth</td><td>1,09,916.74</td><td>1,03,131.37</td><td>90,089.75</td></tr>
</table></td></tr>
</table>

Net asset value per Equity Share	49.96	46.96	42.47
Total borrowings	57,507.20	52,178.80	43,270.28

The details of our total revenue, earnings/(loss) per Equity Share (basic and diluted) and total comprehensive income/loss for the fiscals 2019, 2018 and 2017 as per the Restated Consolidated Statements are as follows:

(*in ₹ lakhs, except per share data*)

Particulars	**For Fiscal 2019**	**For Fiscal 2018**	**For Fiscal 2017**
Total revenue	1,87,360.46	1,18,674.33	1,40,292.81
Earnings/(loss) per Equity Share			
Basic	3.43	0.56	1.24
Diluted	3.35	0.56	1.24
Total comprehensive income/(loss) for the period, net of tax	7,541.59	2,430.38	3,444.23

Auditor qualifications which have not been given effect to in the Restated Consolidated Statements

NIL

Summary table of outstanding litigation

Litigation involving our Company

Type of Proceeding	**Number of cases**	**Amount, to the extent quantifiable (in ₹ lakhs)***
Civil	3	1,881.56
Criminal	5	-
Regulatory/Statutory action	*Nil*	-
Tax	97	20,375.60

*****to the extent quantifiable*

Litigation involving our Promoters

Type of Proceeding	**Number of cases**	**Amount, to the extent quantifiable (in ₹ lakhs)***
Civil	1	236.00
Criminal	*Nil*	-
Regulatory/Statutory action	*Nil*	-
Tax	5	305.61

*****to the extent quantifiable*

Litigation involving our Directors

Type of Proceeding	**Number of cases**	**Amount, to the extent quantifiable (in ₹ lakhs)***
Civil	1	200.00
Criminal	-	-
Regulatory/Statutory action	-	-
Tax	1	6,083.87

*****to the extent quantifiable*

For further details, see *"Outstanding Litigations and Material Developments"* on page [●].

Risk Factors

For details, see *"Risk Factors"* on page [●].

<table>
<tr><td>Summary table of contingent liabilities</td><td>
As on March 31, 2019, we had the following contingent liabilities and commitments not provided for, as disclosed in the notes to our Restated Consolidated Statements:
(In ₹ lakhs)
<table>
<tr><th>Particulars</th><th>Amount as at March 31, 2019</th></tr>
<tr><td>Guarantees given by banks in the normal course of business</td><td>1,34,418.20</td></tr>
<tr><td>Letters of credit opened by banks in the normal course of business.</td><td>25,405.12</td></tr>
<tr><td>Bonds issued to the customs department</td><td>92.20</td></tr>
<tr><td>Claims under dispute (excise duty, service tax and others)</td><td>18,929.19</td></tr>
<tr><td>Total</td><td>1,78,844.71</td></tr>
</table>
For details of the contingent liabilities of our Company, see “Financial Information” on page [●].
</td></tr>
<tr><td>Summary of related party transactions</td><td>
A summary of related party transactions entered into by us with Joint Ventures, Key Managerial Personnel and other related parties as per Ind AS 24 read with SEBI ICDR Regulations from the Restated Consolidated Statements for the Financial Years ended March 31, 2017, March 31, 2018 and March 31, 2019, is stated below:
(₹in lakhs)
<table>
<tr><th>Particulars</th><th>Fiscal 2019</th><th>Fiscal 2018</th><th>Fiscal 2017</th></tr>
<tr><td>Joint Ventures</td><td>33,446.25</td><td>31,628.92</td><td>-</td></tr>
<tr><td>Key managerial personnel</td><td>807.32</td><td>693.02</td><td>772.64</td></tr>
<tr><td>Other related parties</td><td>1,889.57</td><td>1,310.82</td><td>2,446.89</td></tr>
</table>
For details of the related party transactions, see “Related Party Transactions” on page [●].
</td></tr>
<tr><td>Details of all financing arrangements whereby the Promoters, members of the Promoter Group, the directors of our corporate Promoters, our Directors and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Letter of Offer</td><td>
The directors of our Promoter(s), members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business by a financing entity during the period of six months immediately preceding the date of this Letter of Offer.
</td></tr>
<tr><td>Average cost of acquisition of Equity Shares of our Promoters</td><td>
The average cost of acquisition of Equity Shares held by our Promoters is as follows:
<table>
<tr><th>Name of Promoter</th><th>Average cost of acquisition per Equity Share* (in ₹)</th></tr>
<tr><td>Texmaco Infrastructure & Holdings Limited</td><td>1.00</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><td></td><td>
<table><tr><td>Zuari Investments Limited</td><td>N/A</td></tr></table>
</td></tr>
<tr><td>Any issuance of Equity Shares in the last one year for consideration other than cash</td><td>Other than as stated below, Our Company has not issued any Equity Shares in the last one year for consideration other than cash.
<table>
<tr><th>Date of allotment</th><th>Name of allottees</th><th>Number of equity shares allotted</th><th>Face value (₹)</th><th>Issue price per Equity Share (₹)</th><th>Reasons for allotment</th><th>Benefits accrued to our Company</th></tr>
<tr><td>May 11, 2019</td><td>U V Kamath</td><td>47,85,300</td><td>1</td><td>1</td><td>Merger of Bright Power and Hitech with our Company</td><td>Consolidation of our Company's business, resulting in greater business synergies</td></tr>
</table>
</td></tr>
<tr><td>Any split/consolidation of Equity Shares in the last one year</td><td>Our Company has not split or consolidated the face value of the Equity Shares in the last one year.</td></tr>
<tr><td>Intention and extent of participation by the Promoters and the members of the Promoter Group in the Issue with respect to (a) their Rights Entitlement; and (b) the unsubscribed portion of the Issue over and above their Rights Entitlement</td><td>Our Promoters and Promoter Group have undertaken vide letters dated September 9, 2019, 2019 (the "Subscription Letters") to subscribe, on their own account, to the full extent of their rights entitlement in the Issue. Accordingly, the rights entitlement of the Promoter and the Promoter Group in this Issue will be fully subscribed as set forth above. Our Promoters and Promoter Group have, vide the Subscription Letters undertaken to subscribe to the Equity Shares offered in the Issue that remain unsubscribed.</td></tr>
</table>

SECTION II - RISK FACTORS

Prospective investors should carefully consider the risk factors described below together with all other information contained in this Letter of Offer before making any investment decision relating to the Equity Shares. These risks and uncertainties are not the only issues that we face. These risks and uncertainties and additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may adversely affect our business, results of operations, financial condition or prospects and may cause the market price of the Equity Shares to fall significantly and you to lose all or part of your investment in the Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and that our Company is subject to a legal and regulatory environment which may differ in certain respects from other countries.

Risks associated with our business

1. Our Company is currently dependent on the Indian Railways for a large portion of its revenues.

For the last three fiscals, our Company has derived a majority of its revenues from the Indian Railways, which accounted for ₹15,687.52 lakhs (or 12.22%), ₹ 5,619 lakhs (or 4.71%) and ₹ 27,074.72 lakhs (or 13.50%) of our revenue from operations for the financial years ended March 31, 2017, March 31, 2018 and March 31, 2019, respectively. In addition, approximately 11% of our Company's order book as at March 31, 2019 consisted of orders from the Indian Railways.

We believe that our Company benefits from various programmes and policies of the Indian Railways which facilitate and encourage the involvement of the private sector in railway infrastructure development. These include the Liberalised Wagon Investment Scheme, the Wagon Leasing Scheme, the Automobile Freight Train Operator Scheme and the Special Freight Train Operator Scheme.

Our Company plans to increase the orders received from customers other than the Indian Railways with the Government of India permitting FDI in the railways sector. In addition, our Company expects that wagon sales and other sales made to the Indian Railways will, however, continue to account for a significant portion of its revenues for the near future. If the Indian Railways reduce their volume of business with our Company, including due to an amendment of the relevant policies to favour public sector enterprises, or a withdrawal of the programmes and policies beneficial to the private sector, or if the Indian Railways do not release any new wagon orders, our Company's business, financial condition, results of operations and prospects may be adversely affected.

2. Our business is dependent on the sale of our products to certain key customers. The loss of such customers, a significant reduction in purchases by such customers, or a lack of commercial success of a particular component of which we are a major supplier could materially adversely affect our business, results of operations and financial condition.

We are dependent on certain key customers in the automotive sector. 4,471.22 lakhs represented 4.58 % of our consolidated revenues from sale of products (net of excise duties) for Fiscal 2019. Our top five customers accounted for 35%, 21% and 38% of our revenues from sale of products (net of excise duties) on a consolidated basis for Fiscals 2019, 2018 and 2017. For further details of the contribution of each of our top five customers to our revenues from sale of products (net of excise duties) for fiscals 2017 to 2019, see "*Management's Discussion and Analysis– Significant factors affecting our financial condition and result of operations – Purchasing patterns of our principal customers*".

As we are dependent on certain key customers, the loss of such customers including as a result of a dispute with or disqualification by them may materially affect our business and results of operations.

The volume of sales to our customers may vary due to our customers' attempts to manage their inventory, design changes and changes in our customers' manufacturing strategy, which may result in a decrease in demand or lack of commercial success of a particular component of which we are a major supplier. Further, we do not generally have firm commitment or long term purchase agreements with many of our key customers and instead rely on purchase orders issued by our customers from time to time.

As we are dependent on certain key customers for a significant portion of our sales, the loss for any of the foregoing reasons of any one of our key customers, if not replaced, may materially adversely affect our business, results of operations and financial condition.

3. ***The demand for our special purpose commodity specific wagons is related to GDP growth which sustains the demand for specific commodities like coal, steel, cement, alumina, food grains and automobiles.***

Our Company is one of the largest manufacturers in India of special purpose commodity specific wagons which cater to the coal, steel, cement, alumina, automobiles, perishable goods and certain commodity-specific industries. The demand for these wagons is directly related to the demand for the commodities in these industries and any decrease in such demand may result in a decrease in the demand for our special purpose commodity specific wagons. In addition, any slowdown in the core sector of the Indian economy (which includes the coal, steel and cement industries) may also reduce the demand for our special purpose commodity specific wagons. Any of these events may adversely affect our business, financial condition and results of operations.

4. ***We face competition that may increase margin pressure and reduce our market share and profits.***

We operate in a competitive environment where we face competition from various companies.

In particular, this competition may affect our ability to bid competitively for supply contracts with the Indian Railways and other government bodies which are awarded pursuant to competitive bidding processes. In accordance with the prevailing procurement policies of the Indian Railways, a certain proportion of these contracts are awarded to the lowest bidder. Some of our competitors which operate on a relatively smaller base and any new entrants to the industry may be willing to reduce their margins in order to gain market share and may lower their bid values for securing these contracts. Certain of our competitors may also respond and adapt faster to technological changes in the industries that we operate in, in particular, changes in technology of rolling stock.

FDI Policy allows an investment up to 100% through the automatic route in the construction, operation and maintenance of, amongst others, rolling stock. We may therefore face further competition from global and foreign companies who may have more experience and better financial resources, infrastructure and technology.

If we are unable to successfully compete in the industries that we operate in, our business and results of operations may be adversely affected.

5. ***Our Company is required to take prior consent of our lenders under some of our financing agreements for undertaking certain actions, including the Issue.***

We are in the process of obtaining consent from one of our lenders, State Bank of India, in connection with the Issue. The restriction in our loan agreements with State Bank of India (aggregating to a total outstanding borrowing of ₹ 23,613.80 lakhs for fund-based facilities and ₹ 1,07,302.75 lakhs non- fund based facilities as of August 14, 2019) require our Company to obtain the written consent of State Bank of India for, inter alia, prior to any change in our capital structure. See "Financial Indebtedness" for information in relation to the aggregate outstanding borrowing of fund and non-fund-based facilities. We have sought an approval from State Bank of India for the Issue and we are yet to receive their consent. In the event that we fail to receive the consent from the State Bank of India before Letter of Offer and undertake the Issue without the consent of the State Bank of India, it may constitute a default by our Company under the relevant financing document. If this is considered as a default by the State Bank of India, it may consider to trigger the its rights under the relevant financing agreements which may lead to termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross-default provisions under certain of our other financing agreements, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. Further, there can be no assurance that State Bank of India, who has not provided consent, shall not initiate action under the terms of the agreements at any time.

6. ***We depend on MoR for allotment of rails and sleepers for laying of track for new line, gauge conversion and doubling projects. Any delay from the MoR for allotment of the required rails and sleepers may delay our projects and may adversely affect our business, financial condition and results of operations.***

We are allotted rails and sleepers for laying of tracks for our projects by the MoR. However, in the recent past, there have been instances where MoR has not allotted rails to the Company as per our requirements, which has resulted in delays in execution of projects. For instance, non-availability of rails delays projects like Jhansi-Bhimsen, Kota-Bina and MMTS. There can be no assurance that such delays will not occur in future as well. This could adversely affect our order book position, business, financial condition and results of operation.

7. Increase in material costs may adversely affect our results of operations.

During the financial years ended 2019, 2018, and 2017, consumption of materials constituted approximately 70%, 66% and 70%, respectively, of our revenue from operations. The principal materials required for our operations include steel plates and sheets, scrap, pig iron, copper, transformer and fabricated steel and components such as wheel sets, Bearing, BMBS, Air Break etc. As a resource-intensive manufacturing operation, we are exposed to a variety of market risks, including the effects of changes in input prices.

We do not typically enter into long term contracts with our vendors for the supply of materials and components. Accordingly, we do not have an ability to hedge any changes in input prices. The costs at which we procure certain of our materials and components have been impacted due to increases in the prices of the relevant commodities, such as steel. In addition to cost reduction measures, we also attempt to manage such increases through increases in the prices of our products through price escalation formula. There can be no assurance that we will be able to pass on all cost increases to our customers or that such price increases will not result in reduced sales. In addition, because of intense price competition and fixed costs, we may not be able to adequately address changes in input prices even if they are foreseeable. Substantial changes in these prices may adversely affect our financial condition and results of operations.

8. Changes in technology may render existing technologies obsolete and our inability to identify evolving industry trends and customer preferences and make capital investments in new technology, may adversely affect our business, financial condition, results of operations or prospects.

Changes in technology may render some of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully introduce new and enhanced products in a timely manner is a significant factor in our ability to remain competitive. This is particularly important in order to compete effectively in the wagon manufacturing and supply business.

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. While we believe that we have a strong focus on research and development and have achieved significant technological advancements, if we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

9. We are subject to risks associated with the performance of contractors, sub-contractors and consultants being involved in our projects. Despite our best efforts for supervision and quality assurance plans, we face the risk of delays, quality of work, cost overruns in respect of work performed by contractors, sub-contractors and consultants which could result in a negative impact on our business, reputation, financial condition and results of operations.

For timely completion of the projects undertaken by us, we depend on the performance of our contractors, sub-contractors and consultants engaged for adhering to the conditions of quality and other obligations. Any failure by the contractors, sub-contractors and consultants in performance of their respective obligations could result in delay or failure in timely execution or delivery of our projects. In the past, we have faced delays in completion of our projects due to non-performance of our contractors.

10. The operations of our hydro mechanical division involve certain risks.

The operations of our hydro mechanical division involve certain risks, including natural disasters such as earthquakes, flash floods and landslides, unanticipated changes in engineering design, inaccurate drawings and technical information provided by customers on which bids were based, unforeseen design and engineering construction conditions, resulting in delays and increased costs, inability of our customers to obtain requisite environmental and other approvals, delays associated with the delivery of equipment and materials to the project site, unanticipated increases in costs of equipment and other materials, and delays caused by local and seasonal weather conditions.

The occurrence of any of these risks could significantly affect our operating results. Under certain unfavourable conditions caused due to one or more factors listed above, we may be forced to pursue alternative plans that may differ from our routine activities, including shortening operation time and reducing shifts. As a result, our productivity may decrease and we may experience delays in the completion of projects in a timely and cost - effective manner.

11. ***We typically provide warranties and performance guarantees under our supply contracts and we may also be liable to pay liquidated damages for any failure to achieve timely completion or performance shortfalls.***

We typically provide warranties and performance guarantees under our supply contracts. The warranty periods in these contracts are typically up to 24 months and the performance guarantees are generally provided for up to 10% of the contract value. During the relevant warranty period or period covered by performance guarantee, if any of the products supplied by us fails to meet the relevant specifications, we would typically be required to either rectify the defects or replace the product free of cost. Any expenses incurred by us in this regard may adversely affect our results of operations.

In addition, under certain contracts, if we fail to manufacture as per specifications or deliver in a timely manner, we may generally be held liable for penalties in the form of agreed liquidated damages. Any expenses incurred by us in this regard may adversely affect our results of operations.

12. ***Certain contracts entered into by our Company do not contain price escalation or variation clauses in respect of increases in materials' prices.***

Certain of our contracts do not contain price escalation or variation clauses that provide for reimbursement by the customer or increases in the contract amount in the event of a variation in the prices of key materials required. Consequently, if the prices of materials required increase during the execution period, our Company's costs will increase, which will reduce our profitability and may lead to cost overruns. This may occur due to a variety of reasons that may be outside our control, including unanticipated changes in engineering design; increases in equipment costs, materials or manpower; delays associated with the delivery of equipment and materials, unforeseen construction conditions and delays caused by local weather.

If we fail either to estimate costs accurately upon entry into a particular contract or to control costs during the term of a contract and are unable to renegotiate the contract to obtain an escalation in a given contract price, any costs in excess of the contract price will need to be absorbed by our Company and may affect its ability to sustain existing levels of profitability or to obtain future contract awards. In addition, if our cost estimates are too high, our Company's competitive position or reputation could be adversely affected.

13. ***We derive a significant portion of our revenue from government contracts, which are prone to delays and longer working capital cycles, which could in turn adversely affect our business and results of operations.***

For the last three fiscals, our Company has derived a majority of its revenues from the Indian Railways, which accounted for ₹ 15,687.52 lakhs (or 12.22%), ₹ 5,619 lakhs (or 4.71%) and ₹ 27,074.72 lakhs (or 13.50%) of our revenue from operations for the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017, respectively. In addition, approximately 11% of our Company's order book as at March 31, 2019, consisted of orders from the Indian Railways.

The Indian Railways and other government bodies typically take a longer period than corporates in the private sector to make payment for services rendered. Our reliance on contracts with government bodies may lead to a longer working capital cycle. There is no assurance that we will be able to obtain payment from the Indian Railways and other government bodies in a timely fashion, or, if bad debts fall due, that we will be able to enforce repayment for such amounts.

14. ***We have, in the past, entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.***

We have entered into transactions with several related parties in the past. For the financial year ended March 31, 2019, out of ₹ 1,85,816.38 lakhs of our revenue from operations, ₹ 26,881.57 lakhs is related to transactions with related parties, and out of ₹ 1,78, 788.11 lakhs of our total expenses, ₹ 3,714.05 lakhs relates to transactions with related parties. For further details on our related party transactions, see "*Financial Statements*" on page [●].

Whilst we believe that all our related party transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, the transactions we have entered into, or any future transactions with our related parties, have involved or may potentially involve conflicts of interest. It is likely that we will continue to enter into related party transactions in the future and we cannot assure you that such transactions, individually or in the aggregate, will not adversely affect our financial condition and results of operations.

15. ***We are yet to place orders in relation to the proposed purchase of the machinery for the various business segments of the Company. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, it may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.***

We intend to utilize a portion of the Net Proceeds of the Issue towards purchase of machinery for the various business segments of the Company. While we have procured quotation from vendors for various equipment to be procured, we have not placed any firm orders for any equipment. For details in respect of the foregoing, see "*Objects of the Issue*" on page [●].

In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns and consequently lead to cost escalations, which could affect our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all. Any delay in obtaining the machinery in accordance with the proposed schedule of implementation, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition.

16. ***We plan to use a portion of Net Proceeds towards working capital requirements, capital expenditure towards purchase of machinery and general corporate purposes. The estimated cost of the utilisation of Net Proceeds has not been appraised by any bank or financial institution. If there are delays or cost overruns in the purchase or delivery of these machines, it would have an adverse effect on our business, financial condition, results of operations and growth prospects.***

We plan to use Net Proceeds towards our working capital requirements, capital expenditure towards purchase of machinery and general corporate purposes. The estimated total cost for these purposes is ₹ 20,000 lakhs. The fund requirement mentioned as part of the Objects of the Offer is based on quotations received from vendors as well as internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies. As a consequence of any increased costs or delays in implementation, the actual costs to implement the objects may be higher than our management's estimates, as a result of which, our financial condition and results of operations and cash flows could be materially and adversely impacted.

17. ***Our operations and growth strategy require significant capital expenditure and we may not be able to raise the required amount of capital in a timely manner and on favourable terms.***

Our Company's businesses and operations, such as the coach facility situated at our Sodepur unit and the proposed integration of the business of Simplex, involve significant capital expenditure which will require our Company to commit significant amounts of capital for the relevant periods, which in turn requires funding through equity investment or borrowing.

Operational and execution delays can delay our Company's return on capital expenditure and increase the amount of, and length of time for which, funding is required. We cannot assure you that the cash generated from our Company's operations will be sufficient to cover our capital expenditure or that our Company will be able to source external funding in a timely manner and on commercially acceptable terms. Delays in meeting milestones under our Company's contracts will further increase our funding requirements.

If our Company is unable to generate or obtain sufficient funds from its operations to make capital expenditures, investments or acquisitions, or if restrictions in its financing agreements and other arrangements do not permit it to use available funds for such purposes, it may need to suspend or delay its growth strategy, including the integration of the business of Kalindee, or reduce the scale of its operations, any of which may adversely affect our Company's business, results of operations and financial condition.

18. Conditions and restrictions imposed by our financing arrangements may restrict our ability to conduct our business and operations.

As of August 14, 2019, we had secured borrowings aggregating to ₹ 49,508.95 lakhs, and unsecured borrowings aggregating to ₹ 17, 975.00 lakhs. We may in the future incur additional indebtedness in connection with our operations. Most of our loans are secured by way of hypothecation of current assets. Many of our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, we may require, and may be unable to obtain, lender consents to sell or dispose assets charged, effect any major change in capital structure, undertake guarantee obligations, undertake new project or expansion, effecting any consolidations or mergers, make any significant change in management and permit any transfer of controlling interest.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business and operations or implement our business plans. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our cash flows, business and results of operations.

19. We are unable to trace the statutory filing for the initial allotment of shares of our Company pursuant to subscription to the memorandum of association. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to above matter, which may impact our financial condition and reputation.

We have been unable to trace form filing for the initial allotment of equity shares of our Company pursuant to subscription to the memorandum of association of our Company. Despite having conducted a RoC search, we have been unable to trace the form filing made for the abovementioned allotment on October 24, 1998.

We cannot assure you that the form filing which we have not been able to locate will be available in the future or that the information gathered through other available documents is correct. Further, we cannot assure you that the filing was done at all or in timely manner and that we shall not be subject to penalties on this account. Additionally, while no legal proceedings or regulatory action has been initiated against our Company in relation to the aforementioned matter as of the date of this Letter of Offer, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing statutory return.

20. The loss, shutdown or slowdown of operations at any of our manufacturing facilities, underutilisation of our manufacturing capacities or ability to adapt to technological changes may have a material adverse effect on our cash flows and results of operations.

We manufacture our products at our five manufacturing facilities in India. Our manufacturing facilities are subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. The occurrence of any of these risks could adversely affect our operations by causing production at one or more of our facilities to cease or slow down. Capacity utilisation rates at our manufacturing facilities are subject to various factors including availability of raw materials, gas, power, water, efficient working of machinery and equipment and optimal production planning. We cannot assure that we will successfully implement new technologies effectively or adapt its systems to emerging industry standards. An inability to utilise our manufacturing facilities to their full or optimal capacity, non-utilisation of such capacities or inability to adapt to technological changes may adversely affect our results of operations and financial condition.

21. ***Any shortfall in the supply of our raw materials or an increase in raw material costs or other input costs and non-availability of such raw materials may adversely impact our total cost of goods sold and our operations.***

The major raw materials required for our manufacturing process includes steel and steel plates, mild steel and cast iron scrap, pig iron, and tundish. Raw materials are subject to supply disruptions and price volatility caused by various factors such as the availability of supply, consumer demand, changes in government programs and regulatory sanctions etc. The cost of raw materials comprises a significant part of our total cost of goods sold. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products. In the event of any disruption in raw material supply in terms of requisite quantities and qualities, our production schedule may also be adversely affected having an impact on our business operations.
The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our consumers and which could negatively affect the overall profitability and financial performance of our business.

22. ***Any variation in the utilisation of the Net Proceeds raised pursuant to the Issue would be subject to certain compliance requirements, including prior shareholders' approval.***

Our Company intends to use Net Proceeds raised pursuant to the Issue in the manner set out in the section titled "*Objects of the Issue"* on page [●]. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Letter of Offer without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

23. ***We also source some portion of our material requirement from foreign suppliers. Any fluctuations in the price, availability and quality of materials could cause delay and increase our costs.***

We are reliant on foreign third-party suppliers for materials. Fluctuations in the price, availability and quality of the materials used by us in the manufacturing of our products could have a material adverse effect on our cost of sales. The prices for such product depend largely on the market prices for the materials used to produce them. The price and availability of such materials may fluctuate significantly, depending on many factors, including import policies of our Government. Any material shortage or interruption in the supply or decrease in the quality of these materials due to natural causes or other factors could result in increased production costs that we may not be able to pass on to our customers, which in turn, would have a material adverse effect on our margins and results of operations.

Our suppliers may allocate their resources to service other clients ahead of us and we may also be adversely impacted by delays in arrival of shipments from foreign suppliers due to weather conditions at the loading or unloading port. While we believe that we can find additional vendors to supply raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality.

The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate in future. Depreciation of the rupee against foreign currencies may, thus, have an adverse effect on our Company's results of operations. We cannot assure that we will be able to mitigate fully the adverse impact of the fluctuations in exchange rates in terms of our cost of import and return on investment.

Importantly, any change in the policies by the countries, in terms of tariff and non-tariff barriers, from which our Company imports or intends importing materials will have an impact on our Company's profitability. While we seek to hedge our foreign currency exchange risk by entering into forward exchange contracts and derivatives, any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses that we may incur due to such fluctuations. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations and cash flows from period to period.

24. The steel industry involves fixed costs and is subject to long gestation periods, which exposes our production of steel to substantial price volatility.

The production of steel is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. Further, setting up of new capacities or expansion of existing capacities requires long lead times. Significant capacity additions in the steel industry, if not matched by a corresponding growth in demand, may result in downward pressure on operating margins. Conversely, if demand grows strongly, prices increase rapidly, as additional capacity to meet the higher demand cannot be brought online as quickly due to long gestation periods which may result in substantial price volatility. While we have taken steps to reduce operating costs, we may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

25. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are highly dependent on our Directors, key management and other personnel for setting our strategic business direction and managing our business. Our ability to meet continued success and face future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our Directors, key management or other personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

26. There are outstanding litigations involving our Company, our Promoters, our Directors, our Subsidiaries and our Group Companies. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

Our Company, its Directors, and its Promoters are involved in certain legal proceedings, which are pending at varying levels of adjudication at different fora. The summary of the outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, its Subsidiaries, its Directors, its Promoters and cases involving its Group Companies (which may have a material impact on our Company). All such pending litigations, other than criminal proceedings, statutory or regulatory actions, taxation matters or matters involving our Group Companies which may have a material impact on our Company (as determined by our Board by a resolution), are considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of 0.25% of our Company's turnover (on a restated consolidated basis as of Fiscal 2019) or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation. The brief details of such outstanding litigation are as follows:

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Material civil litigation	Aggregate amount involved# (₹ *in lakhs)*
1.	**Company**					
	Involving the Company	5	97	*NIL*	3	22,257.16
2.	**Subsidiaries**					
	Involving the Subsidiaries	*NIL*	*NIL*	*NIL*	*NIL*	*NIL*
3.	**Promoters**					
	Involving the Promoters	*NIL*	5	*NIL*	1	602.69
4.	**Directors**					
	Involving the Directors	*NIL*	1	*NIL*	1	6,283.87
	Total	**5**	103	*NIL*	5	29,143.72

 # To the extent quantifiable and ascertainable.

For further details, see *"Outstanding Litigation and Material Developments"* on page [●].

We cannot assure you that these legal proceedings will be decided in favour of our Company, its Directors, and / or its Promoters, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition.

27. We operate a global business and our financial condition and results of operations are affected by the local conditions impacting countries where we operate.

We operate a global business and have facilities and/or interests in India, South Africa, Bangladesh and Nepal. As a result, our financial condition and results of operations are affected by political and economic conditions impacting countries where we operate. We face a number of risks associated with our operations, including challenges caused by distance, local business customs, languages and cultural differences and adverse changes in laws and policies, including those affecting taxes and royalties on energy resources. Other risks may relate to labour, local competition law regimes, environmental compliance and investments, difficulty in obtaining licenses, permits or other regulatory approvals from local authorities; adverse effects from fluctuations in exchange rates; multiple and possibly overlapping and conflicting standards and practices of the regulatory, tax, judicial and administrative bodies of the relevant foreign jurisdiction; political strife, social turmoil or deteriorating economic conditions; military hostilities or acts of terrorism; and natural disasters, including earthquakes in India and flooding and tsunamis in Southeast Asia, and epidemics or outbreaks such as avian flu, swine flu or severe acute respiratory syndrome. In addition, the infrastructure of certain countries where we operate our business, in particular India but also in Africa, is less developed than that of many developed nations and problems with their port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activities.

Any failure on our part to recognize and respond to these risks may materially and adversely affect the success of our operations, which in turn could materially and adversely affect our business, financial condition and results of operations.

28. The central or state governments in India may exercise rights of eminent domain in respect of the land on which our units are situated.

The central or state governments in India may exercise their rights of eminent domain, or compulsory acquisition, in respect of our units. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 permits the central and state governments to exercise rights of eminent domain or, compulsory acquisition. If such right is used in respect of the land on which any of our units is located, we may be required to relinquish the land along with the relevant unit. Whilst we may be compensated for such acquisition in accordance with the relevant legislation, the compensation may not reflect the market value of the properties being acquired. The likelihood of such actions may increase as the central and state governments seek to acquire or re-zone land for the development of infrastructure projects such as roads, airports, railways and any other public purpose. Any such action in respect of one or more of our existing, or future, units may adversely affect our business, financial condition or results of operations.

29. We may not be able to obtain or maintain adequate insurance, which may adversely affect our business, results of operations and financial condition.

Our operations are subject to certain hazards and risks such as fire, mechanical failure of equipment at our units and natural disasters. In addition, many of these operating and other risks may cause personal injury and loss of life, severe damage to or destruction of our properties and the properties of others, cause environmental pollution and may result in suspension of operations and the imposition of civil or criminal penalties. If any or all of our units and facilities are damaged in whole or in part and our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged units or facilities or any third party claims. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, results of operations and financial condition may be adversely affected.

In addition, our insurance coverage is generally subject to annual renewal. In the event premium levels increase, we may not be able to obtain the same levels of coverage in the future as we currently have or we may only be able to obtain such coverage at substantially higher cost than we are currently paying. If we are unable to pass these costs to our customers, the costs of higher insurance premiums may adversely affect our results of operations and financial condition. Alternatively, we may choose not to insure, which, in the event of any damage or destruction to our units or facilities or defects to our products, may adversely affect our business, results of operations and financial condition.

30. We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.

Our business operations are subject to various laws, the compliance of which is supervised by various government bodies. In order to conduct our business, we are required to obtain licenses, approvals, permits and consents. Further, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure. Additionally, we incur significant expenditure in order to comply with such applicable laws and regulations. If we fail to comply, or a regulator claims we have not complied, with these conditions, our business, financial condition and results of operations would be materially adversely affected. For further details including pending material licences and approvals, see "*Government and Other Approvals*" on page [●].

31. We are subject to environmental regulations and any changes in these regulations may expose us to costs arising from environmental compliance and may adversely affect our results of operations.

We are subject to regulation by the state pollution control boards in India. These state pollution control boards may, from time to time, inspect our units for compliance with relevant environmental laws and regulations, including the Water Act, the Air Act and the Hazardous Wastes Rules. These and other laws and regulations impose controls on our discharge of air and water, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations.

Whilst we believe that we comply with safety, health and environmental laws and regulations, the discharge of hazardous substances or pollutants may cause us to be liable for payment of fines. In addition, we may be required to incur costs to remedy the damages caused as a result of such discharges. Whilst we believe that we are in compliance with all material environmental regulations, we cannot assure you that the relevant regulatory authorities will not require us to obtain additional approvals, or impose new, stricter regulations which would require additional expenditures on environmental protection.

Further, adoption of new health, safety and environmental laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require us to incur additional capital expenditure or operating expenditure, curtail our production activities or take other action that may adversely affect our results of operations and financial condition. In particular, safety, health and environmental laws and regulations in India have become increasingly stringent and may become more stringent in the future. The costs of complying with these requirements may also increase significantly. The measures we implement to comply with these new laws and regulations may not be deemed sufficient by the governmental authorities and our compliance costs may significantly exceed our current estimates. If we fail to meet environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environment groups and other individuals, which may result in substantial fines and penalties against us as well as orders that may limit or harm our operations.

32. **Our *Company enters into several agreements that have several obligations with some of our clients which may impact our business if non fulfilled as per terms of agreements.***

Our Company enters into several agreements with our clients and has several contractual obligations thereof including confidentiality etc. The products and services that we provide to our clients are often critical to our client's business. If our client's proprietary rights are infringed by our employees in violation of any applicable confidentiality agreements and /or our customers perceive any deficiency and delay in service, our customers may consider us liable for that act and seek damages from us.

33. Our Company's order book may be subject to unexpected delays, adjustments and cancellations and is therefore an uncertain indicator of future sales.

Our Company defines its order book as the sales value of products or services for which customers have placed firm orders and which are pending execution. The successful execution of any such order (at the value reflected in our order book) is subject to a number of assumptions, risks, and estimates, and there can be no assurance that such orders will be executed or that all the revenues anticipated in our Company's order book will be realised, or will be realised in the timeframe expected or result in profits.

Contract delays or cancellations or adjustments to the scope of work may occur from time to time due to a customer's default, incidents of force majeure, legal impediments or our Company's default, all of which may adversely affect the actual revenue earned from contracts reflected in our order book.

Further, termination of contracts by our customers would lead to loss of expected revenues from such contracts. In the event of such termination, there can be no assurance that our Company will receive compensation to cover all its costs.

In addition, substantially all of our Company's contracts oblige it to pay liquidated damages to its customers for failure to perform its obligations under the contracts. Under these contracts, damages are typically payable for delays in performance attributable to us or performance not meeting pre-set parameters, subject to an overall cap. To the extent that our Company is required to pay liquidated damages to its customers, this will reduce the revenue earned by our Company from contracts contained in our order book.

34. Our contingent liabilities that have not been provided for may adversely affect our financial condition.

For the financial year ended March 31, 2019, we had the following contingent liabilities (in accordance with AS 29), which were not provided for:

Particulars	**Amount as at March 31, 2019 (₹ in lakhs)**
Guarantees given by banks in the normal course of business	1,34,418.20
Letters of credit opened by banks in the normal course of business.	25,405.12
Bonds issued to the customs department	92.20
Claims under dispute (excise duty, service tax and others)	18,929.19
Total	**1,78,844.71**

In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further information, see "Contingent Liabilities" under "Restated Consolidated Financial Statement" on page [●] of this Letter of Offer.

35. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditure and lender consents.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditure. In addition, any dividend payments we make are subject to the prior consent of our lenders pursuant to the terms of the agreements we have with them.

36. Our Company does not own the trademark or corporate logo 'Adventz' and is permitted to use the same by Adventz Industries India Limited by way of a license agreement. Termination, non-renewal or renewal on unfavourable terms of this license agreement or any negative impact on the 'Adventz' brand may adversely affect our business, reputation, goodwill, financial condition and results of operations.

The trademark and corporate logo 'Adventz' is registered with the Registrar of Trademarks in India in the name of our group company, Adventz Industries India Limited. We cannot assure you that we will continue to have uninterrupted use of the trademark and corporate logo "Adventz". As per board resolution dated October 27, 2016, our Company was obligated to pay 0.2% of its overall sale/revenue/total turnover to Adventz Industries India Limited for the use of "Adventz" brand. Though Adventz Industries India Limited through its letter dated February 5, 2017 has agreed to waive off the abovementioned payment until further notice, we are not sure we will not be required to pay any fee towards our use of the trademark Adventz. Also, any subsequent contract for the use of the logo may be on terms and conditions that are unfavourable or unacceptable to our Company. Termination or withdrawal of the permission may adversely affect our business, reputation, goodwill, financial condition and results of operations. Further, certain of our group companies also use the "Adventz" trademark and corporate logo. If any of the actions of group companies negatively affect the "Adventz" brand, our reputation, business and financial condition may in turn be adversely affected.

37. We cannot guarantee the accuracy of statistical and other information with respect to India, the Indian economy, the Indian Railways or our business or the industries in which we operate, as contained in this Letter of Offer.

Some data relating to our business have been assessed and quantified internally by our Company as no other credible third party sources are available for such data. The assessment of the data is based on our understanding, experience and internal estimates of our business. Although we believe that the data can be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed, and their dependability cannot be assured.

Statistical and other information in this Letter of Offer relating to India, the Indian economy, the Indian Railways or the industries in which we operate have been derived from various government publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While our Directors have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the Lead Manager or any of our or its respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. These facts and other statistics include the facts and statistics included in "Industry Overview". Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other countries and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such facts or statistics.

38. We will not distribute the Letter of Offer, Abridged Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.

We will dispatch the Letter of Offer, Abridged Letter of Offer and CAF (the "***Issue Materials***") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties

Risks associated with investments in an Indian company

39. We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct a major portion of our corporate affairs and our business in India. Our Equity Shares are listed on the BSE, CSE and the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- political instability, terrorism, military conflict, epidemic or public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- instability in financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- changes in India's tax, trade, fiscal or monetary policies;
- other significant regulatory or economic developments in or affecting India; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Moreover, a fall in the purchasing power of our customers, for any reason whatsoever, including rising consumer inflation and a slowdown in economic growth may have an adverse effect on our customers' revenues, savings and could in turn negatively affect their demand for our products. For instance, demonetization of ₹500 and ₹1,000 currency notes was announced in November 2016. The immediate impact of the announcement led to people depositing their cash in banks and the Indian economy was drained out of liquid cash for a brief period.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

40. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against our Company.

The Competition Act, 2002 (the "**Competition Act**") seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, or number of customers in the market is presumed to have a material adverse effect on competition in the relevant market in India and shall be void.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

41. ***Terrorist attacks, civil disturbances in India may adversely affect our business and the trading price of the Equity Shares may decrease.***

India has from time to time experienced instances of social, religious and civil unrest and terrorist attacks. Military activity or terrorist attacks in the future may influence the Indian economy by disrupting communications and making travel more difficult and such political tensions may create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, may influence the Indian economy and our business, future financial performance, cash flows and market price of the Equity Shares.

42. ***Political instability or significant changes in the economic liberalisation and deregulation policies of the central government or in the government of the states where we operate may disrupt our business.***

The central government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Further, our business is also impacted by regulations and conditions in the various states in India where we operate. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalisation and our business could be significantly influenced by economic policies followed by the central government.

However, we cannot assure you that such policies will continue in the future. Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalisation and deregulation policies, in particular those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our businesses in particular.

43. ***Investors may be subject to Indian taxes arising out of capital gains.***

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares. For details see "Statement of Tax Benefits".

44. Any downgrading of our or India's sovereign debt rating by rating agencies could have a negative impact on our business and the trading price of the Equity Shares.

Any adverse revisions to our or India's sovereign credit ratings for domestic and international debt by rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This may adversely affect our business and future financial performance and our ability to obtain financing to fund our growth, as well as on the trading price of the Equity Shares.

45. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

The annual rate of inflation based on monthly wholesale price index was 2.45% (provisional) for the month of May 2019 (over May 2018) as compared to 3.07 % (provisional) for the previous month and 4.78% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 1.08% compared to a build up rate of 1.72% in the corresponding period of the previous year. *(Source: Index Numbers of Wholesale Price in India, Review for the month of May 2019, published on June 14, 2019 by Ministry of Commerce and Industry, Government of India)*. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

46. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition.

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our business. Damage or destruction that interrupts our development could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. While our insurance policies for assets cover such natural disasters, such policies may not be adequate to cover the loss arising from these events, which could adversely affect our results of operations and financial condition and the price of our Equity Shares.

47. The Indian tax regime is currently undergoing substantial changes which could adversely affect our Company's business.

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect the industry in which we operate, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

The Government has enacted the CGST, 2017 to lay a comprehensive national GST regime that combines taxes and levies by the central and state governments into a unified rate structure, which has been implemented with effect from July 1, 2017, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the central and state governments. As regards the general anti-avoidance rules ("**GAAR**"), the provisions of Chapter X-A (Sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

Further, the Government has issued a notification dated September 29, 2016 notifying a set of Income Computation and Disclosure Standards ("**ICDS**") that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources". The ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. Such regulatory/statutory changes could have an impact on our tax incidence.

48. Investors may not be able to enforce a judgment of a foreign court against our Company.

Our Company is a limited liability company incorporated under the laws of India. All of our Company's Directors are residents of India and the assets of our Group are substantially located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an ac tion were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy. For details, see "Enforcement of Civil Liabilities".

Risks related to the Equity Shares

49. The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.

The trading price of the Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the railway sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of the Equity Shares.

50. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non - residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI or the respective government department will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

51. An investor will not be able to sell any of the Equity Shares purchased in the Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.

Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares in the Issue, investors purchasing the Equity Shares in the Issue may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of their Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares.

52. Any future issuance of equity shares by our Company or sales of our equity shares by any of our Company's significant shareholders may adversely affect the trading price of our equity shares.

Any future issuance of the Equity Shares, including pursuant to an employee stock option scheme, could dilute your shareholding. Any such future issuance of the Equity Shares or sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

53. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the laws of the jurisdiction in which the investors are located in do not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdictions, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

54. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced events that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have, from time to time, restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar events occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

55. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse

effect on the value of our Equity Shares, independent of our operating results.

Our Equity Shares shall be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our securities and returns on our Equity Shares, independent of our operating results

SECTION III - INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Consolidated Statements. The Restated Ind AS Consolidated Summary Statements have been prepared, based on financial statements for Fiscals 2019, 2018 and 2017. The Restated Ind AS Consolidated Summary Statements have been prepared in accordance with the Companies Act, Ind AS and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

The summary financial information presented below should be read in conjunction with our Restated Ind AS Consolidated Summary Statements, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page [•].

Restated Summary Statement of Consolidated Assets and Liabilities

Rs. in lakhs

				As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
I	**ASSETS**					
(1)	**Non-current assets**					
	(a)	Property, Plant and Equipment		39,107.86	36,983.99	36,607.56
	(b)	Capital Work In Progress		1,376.43	544.36	163.84
	(c)	Investment Property		-	-	87.50
	(d)	Intangible Assets		145.48	245.28	276.43
	(e)	Financial Assets				
		(i)	Investments	7,191.02	6,714.66	5,180.68
		(ii)	Loans	156.56	188.96	401.82
		(iii)	Bank Balance	607.45	7.72	418.54
		(iv)	Others	71.52	71.46	105.33
	(f)	Deferred Tax Asset (Net)		4,289.23	3,661.42	3,592.52
	(e)	Other non current assets		539.97	1534.43	1,114.84
	Total non current assets			**53,485.52**	**49,952.28**	**47,949.06**
(2)	**Current assets**					
	(a)	Inventories		45,005.92	29,074.92	23,155.53
	(b)	Financial Assets				
		(i)	Investments	7,103.05	18,623.11	33,776.07
		(ii)	Trade Receivables	82,005.13	67,969.57	54,842.59
		(iii)	Cash and Cash Equivalents	2,157.46	1,621.60	1,294.79
		(iv)	Other Bank Balances	2,555.93	1,830.53	3,833.77
		(v)	Loans	541.80	495.39	786.76
	(c)	Current Tax Assets (Net)		703.43	239.92	122.23
	(d)	Other Current Assets		71,547.78	55,062.96	32,045.40
	Total current assets			**2,11,620.50**	**1,74,918.00**	**1,49,857.14**
TOTAL ASSETS				**2,65,106.02**	**2,24,870.28**	**1,97,806.20**
II	**EQUITY AND LIABILITIES**					
	Equity					
	(a)	Equity share capital		2,248.35	2,246.13	2,194.15
	(b)	Other equity		1,11,619.61	1,04,836.46	98,301.85

				As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
				1,13,867.96	**1,07,082.59**	**1,00,496.00**
		Non-Controlling Interest		2.59	0.17	2,003.74
	Total equity			**1,13,870.55**	**1,07,082.76**	**1,02,499.74**
	Liabilities					
(1)	**Non-current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	5,014.10	3,300.28	3,301.28
	(b)	Provisions		648.79	604.60	548.09
	(c)	Other Non-Current Liabilities		-	-	1.85
	Total non current liabilities			**5,662.89**	**3,904.88**	**3,851.22**
(2)	**Current liabilities**					
	(a)	Financial liabilities				
		(i)	Borrowings	52,402.15	48,244.48	39,406.97
		(ii)	Trade payables			
			- Due to Micro and Small enterprises	-	66.22	39.60
			- Due to other than Micro and Small enterprises	55,649.43	32,815.90	29,731.49
		(iii)	Other financial liabilities	3,498.33	5,155.57	4,727.08
	(b)	Other current liabilities		32,780.69	26,564.45	16,548.46
	(c)	Provisions		1,241.98	1,036.02	1,001.64
	Total current liabilities			**1,45,572.58**	**1,13,882.64**	**91,455.24**
	Total liabilities			**1,51,235.47**	**1,17,787.52**	**95,306.46**
	TOTAL EQUITY AND LIABILITIES			**2,65,106.02**	**2,24,870.28**	**1,97,806.20**

Restated Summary Statement of Consolidated Profit and Loss

Rs. in lakhs

			As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
I	Revenue from operations		1,85,816.38	1,13,920.36	1,35,741.14
II	Other income		1,544.08	4,753.97	4,551.67
III	**Total income (I+II)**		**1,87,360.46**	**1,18,674.33**	**1,40,292.81**
IV	**Expenses**				
	Cost of material consumed		136,153.60	81,109.93	87,266.92
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(6,444.64)	(5,393.40)	7,714.76
	Excise Duty		-	400.66	3,390.99
	Employee benefits expenses		11,325.39	9,742.77	9,606.12
	Finance costs		7,048.27	6,087.51	5,814.78
	Depreciation and amortisation expenses		2,908.91	2,494.03	2,213.76
	Other expenses		27,796.58	21,676.60	20,352.87
	Total expenses (IV)		**1,78,788.11**	**1,16,118.10**	**1,36,360.20**
V	**Profit / (Loss)before Tax (III-IV)**		**8,572.35**	**2,556.23**	**3,932.61**
VI	**Tax expenses**				
	(a)	Current tax	1,794.71	1,182.24	1,468.38
	(b)	Tax adjustment of earlier year / period	126.20	105.87	96.89
	(c)	MAT Credit	(1,794.71)	(398.28)	(541.00)
	(d)	Deferred tax	1,166.88	326.79	206.12
	Total tax expenses (VI)		**1,293.08**	**1,216.62**	**1,230.39**
VII	**Profit / (Loss)for the period from continuing operations (III-IV)**		**7,279.27**	**1,339.61**	**2,702.22**
VIII	**Profit / (Loss)for the period from JV/ Associates**		262.00	(74.96)	**235.32**
IX	**Profit / (Loss)for the period (VII+VIII)**		**7,541.27**	**1,264.65**	**2,937.54**
X	**Other comprehensive income**				
	(a)	Items that will not be reclassified to profit and loss	(101.73)	1,218.30	516.03
	(b)	Items that may be reclassified to profit or loss	102.05	(52.57)	(9.34)
	Other comprehensive income for the year/ period, net of tax		0.32	**1,165.73**	**506.69**
XI	**Total comprehensive income for the year / period, net of tax (VII+VIII)**		**7,541.59**	**2,430.38**	**3,444.23**
XII	**Profit/ (Loss) for the period attributable to:**		**7,541.27**	**1,264.65**	**2,937.54**
	Owners of the Parent		7,543.75	1,264.82	2,629.08
	Non-controlling Interests		(2.48)	(0.17)	308.46
XIII	**Other Comprehensive Income attributable to:**		**0.32**	**1,165.73**	**506.69**
	Owners of the Parent		0.32	1,165.73	516.18
	Non-controlling Interests		-	-	(9.49)
XIV	**Total Comprehensive Income attributable to**		**7,541.59**	**2,430.38**	**3,444.23**
	Owners of the Parent		7,544.07	2,430.55	3,145.26
	Non-controlling Interests		(2.48)	(0.17)	298.97
XV	**Earnings / (loss) per share**				
	Basic (Rs)		**3.43**	**0.56**	**1.24**
	Diluted (Rs)		**3.35**	**0.56**	**1.24**

Restated Summary Statement of Cash Flows

Rs. in lakhs

		Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash Flows From Operating Activities:**			
	Net Profit before Taxation & Exceptional Items	**8,572.35**	**2,556.23**	**3,932.61**
	Adjustments for:			
	Depreciation	2,908.91	2,494.03	2,213.76
	Interest Paid	7,048.27	6,087.51	4,344.67
	Bad Debt Written off	703.17	20.24	80.97
	Property Plant & Equipments Written off	-	-	5.59
	Employee Compensation Expenses under ESOP	(179.06)	168.78	390.30
	Provision and Excess Liabilities Written Back	(1.40)	(2.99)	(1.15)
	Interest Received	(385.24)	(873.47)	(1027.18)
	Income From Investments	(29.54)	(25.06)	(26.05)
	Profit on Sale Of Investments-Current(Net)	(176.69)	(149.14)	(224.57)
	Profit on Sale Of Investments-Long Term (Net)	-	-	(1581.51)
	Gain on Fair Value of bonds/Mutual	(410.87)	(1476.40)	(1346.21)
	Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	(146.33)	(2.52)	26.35
	Provision for Dimunition in value of Investments	-	-	
		9,331.22	6,240.98	2,854.97
	Operating Profit before Working Capital Changes & Exceptional Items	**17,903.57**	**8,797.21**	**6,787.58**
	(Increase)/Decrease in Trade & Other Receivables	(26,960.24)	(31,992.73)	(16,000.19)
	(Increase)/Decrease in Inventories	(15,931.00)	(5,919.40)	12,127.52
	Increase/(Decrease) in Trade Payables & Other Liabilities	27,821.89	12,988.35	(4,843.82)
		(15,069.35)	(24,923.78)	(8,716.49)
	Cash Generated from Operations	**28,34.22**	**(16,126.57)**	**(1,928.91)**
	Direct Taxes Paid	(2,384.37)	(1,403.20)	(1,485.84)
	Cash Flow before Exceptional Items	449.85	(17529.77)	(3414.75)
	Exceptional Items	-	-	-
	Net Cash from Operating Activities	**449.85**	**(17,529.77)**	**(3,414.75)**
B.	**Cash Flows From Investing Activities**			
	Sale/(Purchase) of Property, Plant & Equipments	(6,152.50)	(2,939.74)	(6,015.36)
	(Purchase)/Sale of Investments (Net)	11,560.64	16,417.65	7,824.91
	Bank Deposits(Includes having original maturity more than three months)	(1325.13)	2414.06	883.88
	Loan and Advances to Related Parties	-	-	(3,401.66)
	Inter Corporate Deposit	-	-	3,365.91
	Interest Received	602.39	203.97	1,279.24
	Dividend Received	41.44	25.06	51.95
	Net Cash used in Investing Activities	**4,726.84**	**1,6121.00**	**3,988.87**
C.	**Cash Flows From Financing Activities**			
	Receipt/(Payment) of Long Term Borrowings	1,713.82	3,011.07	4,156.06
	Receipt/(Payment) of Short Term Borrowings	1,155.61	5,804.60	(654.78)
	Increase in Share Capital	2.22	4.13	2.19
	Increase in Securities Premium	88.42	165.38	87.55
	Interest Paid	(7040.84)	(6538.76)	(4419.80)
	Dividend Paid	(550.12)	(546.51)	(525.17)
	Dividend Tax Paid	(111.99)	(111.76)	(107.02)
	Net Cash used in Financing Activities	**(4742.88)**	**1788.15**	**(1460.97)**
D.	**Changes in Foreign Currency Translation arising from Foreign Operations**	102.05	(52.57)	(9.33)
	Net Decrease in Cash and Cash Equivalents	**535.86**	**326.81**	**(896.18)**
	Cash and Cash Equivalents at the beginning of the period	1621.60	1,294.79	2,190.97
	Cash and Cash Equivalents at the end of the period	2,157.46	1,621.60	1,294.79
	Note:			
	Details of Cash and Equivalents as on			
	Balances with banks			
	Current Accounts	2,105.67	1,585.34	1,261.02
	Cheques on hand	-	-	1.90
	Cash in hand	51.79	36.26	31.87
		2157.46	**1,621.60**	**1,294.79**

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with more detailed information in section titled "*Terms of the Issue*" beginning on page [●].

Equity Shares being offered by the Company pursuant to the Issue	Up to 4,27,23,283 Equity Shares
Rights Entitlement	19 Equity Shares for every 100 Equity Shares held as on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 100 Equity Shares or is not in multiples of 100, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	September 25, 2019
Face Value/Issue Price per Equity Shares	₹1 per Equity Shares
Issue Size	Up to ₹ 19,951.77 lakhs
Equity Shares outstanding prior to the Issue	22,48,59,382 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	26,75,82,665 Equity Shares
Security Codes	ISIN: INE 621L01012 NSE: TEXRAIL BSE: 533326 CSE: 30285
Terms of the Issue	For further details, see "*Terms of the Issue*" on page [●].
Use of Issue Proceeds	For details, see "*Objects of the Issue*" on page [●].

Terms of payment

The full amount is payable on Application.

GENERAL INFORMATION

The Company was originally incorporated on June 25, 1998 under the Companies Act, 1956 as 'Texmaco Machines Private Limited'. The name of our Company was changed to 'Texmaco Machines Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to 'Texmaco Rail & Engineering Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on April 23, 2010. For further details regarding changes in the name and registered office of our Company, see "*History and Other Corporate Matters*" on page [•].

Corporate Identification Number: L29261WB1998PLC087404

Registered and Corporate Office of our Company

The address and certain other details of our registered office are as follows:

Texmaco Rail & Engineering Limited
Belgharia
Kolkata – 700 056
West Bengal
Telephone: + 91 33 2569 1500
E-mail: neha.singh@texmaco.in
Website: www.texmaco.in

Address of the Registrar of Companies

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, West Bengal at Kolkata
Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C.B. Road
Kolkata – 700 020
West Bengal

Telephone: + 033 2287 7390

Board of Directors

The following table sets out the details of the Board of Directors as on the date of this Letter of Offer:

Name	Designation	DIN	Address
Saroj Kumar Poddar	Executive Chairman	00008654	Poddar Niket, 2, Gurusaday Road, Kolkata, 700019
Akshay Poddar	Non-Executive Director	00008686	Villa P-86 (W- Sub Meter), 394-Emirates Hill Third, Premise Number: 394997883, Post Office Box: 117809, Dubai
Sandeep Fuller	Managing Director	06754262	C/O, D-1103, IRWO Classic, Apartments, Rail Vihar Sector - 57, Bloom Plaza, Gurgaon Sector 56, Gurgaon 122 011
Amal Chandra Chakrabortti	Independent Director	00015622	22/2A, Gorachand Road, Entally, Circus Avenue, Kolkata – 700 014.
Utsav Parekh	Independent Director	00027642	2/3, Sarat Bose Road PO Elgin Road Kolkata - 700 020

Name	Designation	DIN	Address
Sunil Mitra	Independent Director	00113473	241, Shantipally, 2nd Floor, Rajdanga, Kolkata 700 107.
Kaarthikeyan Devarayapuram Ramasamy	Independent Director	00327907	Address: 102, Anand Lok, New Delhi – 110 049.
Damodar Hazarimal Kela	Executive Director	01050842	Pankaj Appt, 86, Ballygunge Place, Kolkata, 700019, West Bengal, India
Mridula Jhunjhunwala	Independent Director	05339373	33 C, Manohar Pukur Road, Kolkata – 700 071.
Indrajit Mookerjee	Independent Director	01419627	7/1A, Sunny Park, Apartment no B202, Ballygunge, Kolkata 700 019
Ashok Kumar Vijay	Executive Director	01103278	12, Park Street, Queens Mansion, P. S. Shakespeare Sarani, Kolkata – 700 071.
Girish Chandra Agrawal	Executive Director	08132434	House No. 22, Ashok Nagar, Agra - 282 002

For brief profiles and further details in respect of our Directors, see "*Management*" on page [●].

Compliance Officer*

Neha Singh is the Compliance Officer of our Company. Her contact details are as follows:

Neha Singh
Texmaco Rail & Engineering Limited
Belgharia
Kolkata – 700 056
West Bengal
Telephone: +91 33 2569 1500
Email: neha.singh@texmaco.in

**The Company Secretary of our Company, Ravi Varma, resigned on June 22, 2019. Our Company is currently in the process of identifying and appointing a new Company Secretary in accordance with applicable law.*

Investor Grievances

Investors may contact the Registrar to the Issue or the Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors.

Lead Manager to the Issue

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg, Churchgate
Mumbai 400 020
Maharashtra
Telephone: +91 22 2288 2460
Email: trel.rights@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Sameer Purohit / Arjun A Mehrotra
SEBI Registration No.: INM000011179

Statement of responsibility of the Lead Manager

ICICI Securities Limited is the sole Lead Manager to the Issue. The details of responsibilities of the Lead Manager is as follows:

S. No.	Activity
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.
2.	Liasoning with the Stock Exchanges for obtaining in-principle approval and completion of prescribed formalities with the Stock Exchanges and SEBI.
3.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, advertisement agencies, and Monitoring Agency and coordination of execution of related agreements.
4.	Drafting and approval of all publicity material including statutory advertisement, corporate advertisement, etc.
5.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising the Company about the closure of the Issue, based on correct figures, finalisation of the basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc.

Legal Counsel to the Issue

Khaitan & Co
One Indiabulls Centre
10th and 13th Floor, Tower 1
841, Senapati Bapat Marg
Mumbai - 400 013
Maharashtra
Telephone: +91 22 6636 5000
Fax: +91 22 6636 5050

Registrar to the Issue

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot No. 31-32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana
Telephone: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Website: www. karvyfintech.com
Contact person: Murali Krishna

Banker to the Issue

IndusInd Bank Limited
JB House, 2 Upper Wood Street
Kolkata 700 016
West Bengal
Telephone: +91 33 4427 2155
Email: sailesh.gupta@indusind.com
Website: www.indusind.com
Contact person: Sailesh Gupta

Refund Banker to the Issue

IndusInd Bank Limited
JB House, 2 Upper Wood Street
Kolkata 700 016
West Bengal
Telephone: +91 33 4427 2155
Email: sailesh.gupta@indusind.com
Website: www.indusind.com
Contact person: Sailesh Gupta

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as Self Certified Syndicate Banks ("**SCSB**") for the ASBA process is provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. Further, details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link. On Allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Rights Shares Allotted.

Please note that in accordance with the provisions of the ASBA Circular 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility, provided they fulfil the eligibility conditions laid down in the ASBA Circular 2009.

Retail Individual Investors may optionally apply through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the ASBA Circular 2009). The Eligible Equity Shareholders are required to fill the ASBA Form and submit the same to their SCSB which in turn will block the amount as per the authority contained in the ASBA Form and undertake other tasks as per the specified procedure.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Rights Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors. For more details on the ASBA process, please refer to the details given in CAF and also see "*Terms of the Issue*" on page [•].

Statutory Auditors of our Company

M/s. L. B. Jha & Co., Chartered Accountants
B2/1, Gillander House
8, N. S. Road
Kolkata 700 001
West Bengal
Telephone: +91 33 2242 4277
Email: lbjha@lbjha.com
Peer review number: 009537
ICAI Firm Registration Number: 301088E

Changes in the auditors

Date of appointment / resignation	Details	Reason
September 16, 2017	L. B. Jha & Co., Chartered Accountants B2/1, Gillander House 8, N. S Road Kolkata 700 001 West Bengal, India **Email:** lbjha@lbjha.com **Peer review number**: 009537 **ICAI Firm Registration Number:** 301088E	Appointment upon retirement of previous auditor upon completion of tenure
September 16, 2017	K N Gutgutia & Co. 6C, Middleton Street Kolkata 700 071 West Bengal, India **Email:** Kngkol1938@gmail.com **Peer review number**: 011288 **ICAI Firm Registration Number:** 304153E	Retirement on completion of tenure

Bankers to our Company

Axis Bank Limited
'Trishul', 3rd Floor
Opp. Samartheshwar Temple
Near Law Garden, Ellisbridge
Ahmedabad 380 006
Gujarat
Tel.: +91 79 2640 9322
Email: chaitalim8.thakur@axisbank.com
Website: https://www.axisbank.com/
Contact Person: Chaitali Mookerji Thakur

HDFC Bank Limited
3A, Gurusuday Road
Bank House
Kolkata 700019
West Bengal
Tel.: +91 33 6638 4117
Email: gaurav.ladha@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Gaurav Ladha

ICICI Bank Limited
3A, Gurusuday Road
Kolkata 700019
West Bengal
Tel.: +91 33 4424 8545
Email: kushal.agarwal@icicibank.com
Website: www.icicibank.com
Contact Person: Kushal Agarwal

IDFC FIRST Bank Limited
64B Ballygunge Circular Road
1st Floor
Kolkata 700019
West Bengal
Tel.: +91 33 6639 0710
Email: navneet.daga@idfcfirstbank.com

Website: www.idfcfirstbank.com
Contact Person: Navneet Daga

State Bank of India
Corporate Clients Group
Commercial Branch Kolkata
Magma House
24, Park Street
Kolkata 700016
West Bengal
Tel.: +91 33 2249 2886 / +91 33 2265 3680 / +91 33 2229 3555
Email: sbi.07502@sbi.co.in
Website: www.sbi.co.in
Contact Person: Goutam Kumar Datta

IndusInd Bank Limited

JB House, 2 Upper Wood Street
Kolkata - 700 016
West Bengal
Telephone: +91 33 4427 2155
E-mail: sailesh.gupta@indusind.com
Website: www.indusind.com
Contact Person: Sailesh Gupta

Yes Bank Limited
YES BANK Tower
IFC-2, 15th Floor
Senapati Bapat Marg
Elphinstone(W), Mumbai 400 013
Maharashtra
Tel.: +91 33 4085 4140
Email: ankit.kedia@yesbank.in
Website: https://www.yesbank.in
Contact Person: Ankit Kedia

Credit Rating

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

Listing of Securities

The Equity Shares of our Company are presently listed on the BSE, CSE and NSE.

Grading

As the Issue is a rights issue, no grading has been obtained in connection with the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency.

Monitoring Agency

Our Company has appointed IndusInd Bank Limited as monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilisation of the proceeds of the Offer. Our Company will disclose the utilisation of the proceeds of the Issue under a separate head along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue in our balance sheet for the relevant Fiscal Years. The details of the Monitoring Agency are as follows:

IndusInd Bank Limited
JB House, 2 Upper Wood Street
Kolkata 700 016
West Bengal
Telephone: +91 33 4427 2155
Email: sailesh.gupta@indusind.com
Website: www.indusind.com
Contact person: Sailesh Gupta

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 9, 2019 from the Statutory Auditors namely, M/s. L. B. Jha & Co., Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Letter of Offer and as an "expert" defined under Section 2(38) of the Companies Act, to the extent and in their capacity as a statutory auditor and in respect of their (i) examination report, dated September 9, 2019 on our Restated Ind AS Consolidated Summary Statements; (ii) their report dated September 9, 2019 on the statement of possible special tax benefits available to our Company and its shareholders under the applicable laws in India included in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Underwriting

This Issue is not underwritten.

Filing of this Letter of Offer

This Letter of Offer has been filed with the Designated Stock Exchange, the other Stock Exchange and the SEBI at the Eastern Regional Office, L&T Chambers, 3rd Floor, 16 Camac Street, Kolkata - 700017, West Bengal, India. Further, the Lead Managers will also make an online filing of this Letter of Offer through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. In the event that there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "*Terms of the Issue - Basis of Allotment*" on page [•]

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Letter of Offer (before and after the Issue), is set forth below:

(In ₹, except share price data)

	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Issue Price* (in ₹)
A	**AUTHORISED SHARE CAPITAL**		
	1,97,00,00,000 Equity Shares of face value of ₹1 each [1]	1,97,00,00,000	-
	Total	1,97,00,00,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	22,48,59,382 Equity Shares of face value of ₹1 each	22,48,59,382	-
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER**		
	Issue of up to 4,27,23,283 Equity Shares[1] of ₹ 1 each	Up to 427.23	Up to 19,951.77
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value of ₹ 1 each	[●]	-
E	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	3,99,34,70,424	
	After the Issue[2]	[●]	

[1]The Issue has been authorized by our Board pursuant to its resolution dated April 26, 2019.
[2]Assuming full subscription in the Issue.

For details in relation to the changes in the authorized share capital of our Company see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page [●].

Notes to the Capital Structure

1. **History of the Share Capital of our Company**

(a) **The following is the history of the Equity Share Capital of our Company**:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/Nature for allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
October 10, 1998	100	10	10	Cash	Pursuant to subscription to Memorandum of Association(1)	100	1,000
November 18, 2002	9,900	10	10	Cash	Rights issue(2)	10,000	1,00,000
February 20, 2010	5,45,00,000	1	1	Cash	Additional financial resources were required for business activities (3)	5,46,00,000	5,46,00,000
November	12,71,83,090	1	1	Other than Cash	Allotment pursuant to	18,17,83,090	18,17,83,090

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason/Nature for allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
2, 2010					Scheme of Arrangement (4)		
March 9, 2012	2,43,500	1	32.51	Cash	Employee Stock Option Scheme(5)	18,20,26,590	18,20,26,590
November 26, 2014	2,80,37,383	1	107	Cash	Qualified Institutional Placements(6)	21,00,63,973	21,00,63,973
January 30, 2016	2,19,750	1	41	Cash	Employee Stock Option Scheme(7)	21,02,83,723	21,02,83,723
May 30, 2016	37,875	1	41	Cash	Employee Stock Option Scheme(8)	21,03,21,598	21,03,21,598
July 25, 2016	12,500	1	41	Cash	Employee Stock Option Scheme(9)	21,03,34,098	21,03,34,098
January 14, 2017	1,68,500	1	41	Cash	Employee Stock Option Scheme(10)	21,05,02,598	21,05,02,598
February 14, 2017	89,12,395	1	1	Other than cash	Allotment pursuant to merger of our Company with Kalindee Rail Nirman (Engineers) Limited(11)	21,94,14,993	21,94,14,993
May 11, 2017	1,56,350	1	41	Cash	Employee Stock Option Scheme(12)	21,95,71,343	21,95,71,343
May 22, 2017	5,250	1	41	Cash	Employee Stock Option Scheme(13)	21,95,76,593	21,95,76,593
July 24, 2017	26,250	1	41	Cash	Employee Stock Option Scheme(14)	21,96,02,843	21,96,02,843
January 31, 2018	2,25,600	1	41	Cash	Employee Stock Option Scheme(15)	21,98,28,443	21,98,28,443
April 21, 2018	1,75,039	1	41	Cash	Employee Stock Option Scheme(16)	22,00,03,482	22,00,03,482
July 30, 2018	46,000	1	41	Cash	Employee Stock Option Scheme(17)	22,00,49,482	22,00,49,482
April 25, 2019	24,600	1	41	Cash	Employee Stock Option Scheme(18)	22,00,74,082	22,00,74,082
May 11, 2019	47,85,300	1	1	Other than cash	Pursuant to amalgamation of our Company with Bright Power and Texmaco Hitech(19)	22,48,59,382	22,48,59,382
Total	22,48,59,382					22,48,59,382	22,48,59,382

(1) 30 Equity Shares allotted to Shree Exports House Limited, 20 Equity Shares allotted to Om Prakash Jhunjhunwala, 10 Equity Shares allotted to Shri Krishna Agarwal, 10 Equity Shares allotted to Purshottam Dass Agarwal, 10 Equity Shares allotted to Shiv Kumar Chandak, 10 Equity Shares allotted to Ghanshyam Das Rathi and 10 Equity Shares allotted to Arvind Kumar Maheshwari.

(2) 9,900 Equity Shares allotted to Shree Export House Limited.

(3) 5,45,00,000 Equity Shares allotted to Texmaco Limited.

[4] *Pursuant to the Scheme of Arrangement between Texmaco Limited and our Company and their respective shareholders, our Company issued 12,71,83,090 Equity Shares to the then existing shareholders of Texmaco Limited, in the ratio of 1:1, i.e., one equity share for every one fully paid up equity share held in Texmaco Limited.*

[5] *60,000 Equity Shares allotted to Ramesh Maheshwari, 30,000 Equity Shares allotted to Avtar Krishan Nanda, 30,000 Equity Shares allotted to Damodar Hazarimal Kela, 20,000 Equity Shares allotted to Ashok Kumar Sinha, 20,000 Equity Shares allotted to Bhaskar Rao, 20,000 Equity Shares allotted to Hemant Kumar, 20,000 Equity Shares allotted to Ashok Kumar Vijay, 15,000 Equity Shares allotted to Ramavtar Agarwal, 2,000 Equity Shares allotted to Pradip Guha, 1,000 Equity Shares allotted to Udayan Banerjee, 2,500 Equity Shares allotted to Ajoy Kumar Sinha, 10,000 Equity Shares allotted to Uma Shankar Singh, 1,000 Equity Shares allotted to Sanjiv Ratan Sinha, 2,000 Equity Shares allotted to Om Prakash Maheshwari, 5,000 Equity Shares allotted to Ghanshyam Das Rathi, and 5,000 Equity Shares allotted to Sanjeev Prakash.*

[6] *2,80,373 Equity Shares allotted to Canara Robeco Mutual Fund – Canara Robeco Equity Diversified, 5,50,000 Equity Shares allotted to Tata Mutual Fund – Tata Infrastructure Fund, 1,84,579 Equity Shares allotted to Tata Mutual Fund – Tata Tax Saving Fund, 2,00,000 Equity Shares allotted to Tata Balance Fund, 1,86,915 Equity Shares allotted to Principal Emerg Bluechip Fund, 20,09,879 Equity Shares were allotted to the Jupiter India Fund, 23,36,448 Equity Shares were allotted to FIL Investments (Mauritius) Limited, 18,69,682 Equity Shares were allotted to HDFC Infrastructure Fund, 43,92,000 Equity Shares were allotted to HDFC Prudence Fund, 2,71,000 Equity Shares were allotted to Sundaram Mutual Fund – Sundaram Select Microcap Series V, 3,97,000 Equity Shares were allotted to Sundaram Mutual Fund – Sundaram Select Microcap Series VI, 2,10,000 Equity Shares were allotted to Sundaram Mutual Fund – Sundaram Select Microcap Series VII, 11,21,000 Equity Shares were allotted to Sundaram Mutual Fund – Sundaram Smile Fund, 3,37,448 Equity Shares were allotted to Sundaram Mutual Fund – Sundaram Infrastructure Advantage Fund, 4,67,289 Equity Shares were allotted to Swiss Finance Corporation (Mauritius) Limited, 16,36,767 Equity Shares were allotted to Reliance Life Insurance Company Limited, 2,32,391 Equity Shares were allotted to Reliance Life Insurance Company Limited Shareholders beyond insolvency margin, 14,01,869 Equity Shares were allotted to ICICI Prudential Life Insurance Company Limited, 9,34,579 Equity Shares were allotted to Bajaj Allianz Life Insurance Company Limited, 14,02,812 Equity Shares were allotted to Goldman Sachs India Fund Limited, 10,00,000 Equity Shares were allotted to Reliance Growth Fund, 10,00,000 Equity Shares were allotted to Reliance Regular Savings Fund – Equity Option, 7,00,000 Equity Shares were allotted to Reliance Regular Savings Fund – Balanced Option, 5,71,028 Equity Shares were allotted to Reliance Equity Opportunities Fund, 14,01,869 Equity Shares were allotted to Axis Bank Limited, 93,457 Equity Shares were allotted to Morgan Stanley Mauritius Company Limited, 9,34,579 Equity Shares were allotted to UTI – Infrastructure Fund, 7,93,859 Equity Shares were allotted to Jupiter South Asia Investment Company Limited, and 11,20,560 Equity Shares were allotted to Copthall Mauritius Investment Limited*

[7] *25,000 Equity Shares allotted to Ramesh Maheshwari,12,500 Equity Shares allotted to Sandeep Fuller, 12,500 Equity Shares allotted to Damodar Hazarimal Kela, 12,500 Equity Shares allotted to Ashok Kumar Vijay, 10,000 Equity Shares allotted to Varun Bharthuar, 10,000 Equity Shares allotted to Pradip Guha, 7,500 Equity Shares allotted to Ajay Kumar Sinha, 7,500 Equity Shares allotted to Manjeet Narwan, 7,500 Equity Shares allotted to L.N. Khemani, 7,500 Equity Shares allotted to R. Agarwal, 6,250 Equity Shares allotted to Uma Shankar Singh, 6,250 Equity Shares allotted to D. Maity, 6,250 Equity Shares allotted to Saket Kumar, 2,500 Equity Shares allotted to A. Lahiri, 3,750 Equity Shares allotted to O.P. Maheshwari, 3,750 Equity Shares allotted to Sanjiv Prakash, 3,750 Equity Shares allotted to G.D. Rathi, 3,750 Equity Shares allotted to Hemant Bhuwania, 3,750 Equity Shares allotted to P S N Murthy, 2,500 Equity Shares allotted to Nishikant Singh, 2,500 Equity Shares allotted to Keya Sengupta, 2,500 Equity Shares allotted to Tapan Roy, 2,500 Equity Shares allotted to Niraj Kumar Gupta, 2,500 Equity Shares allotted to Sumit Chatterjee, 2,500 Equity Shares allotted to Nand Kumar Mishra, 1,875 Equity Shares allotted to Dipak Kumar Dey, 1,875 Equity Shares allotted to Harsh Verma, 1,875 Equity Shares allotted to Krishna Prasad, 1,875 Equity Shares allotted to Debdas Manjhi, 1,875 Equity Shares allotted to M.L. Pareek, 1,875 Equity Shares allotted to P.N. Shukla, 1,875 Equity Shares allotted to Ajay Kumar Gupta, 1,875 Equity Shares allotted to B.C. Pratihar, 1,875 Equity Shares allotted to Tapan Mitra, 1,875 Equity Shares allotted to Pritam Sinha, 1,875 Equity Shares allotted to Amitava Chowdhury, 1,875 Equity Shares allotted to Shyamali Banerjee, 1,875 Equity Shares allotted to Om Prakash Singh, 1,875 Equity Shares allotted to Shankha Pathak, 1,875 Equity Shares allotted to S.R. Bhattacharya, 1,875 Equity Shares allotted to R.K. Jain, 1,250 Equity Shares allotted to C.B. Singh, 1,250 Equity Shares allotted to S.R. Dey, 1,250 Equity Shares allotted to Devendra Kumar Rathi, 1,250 Equity Shares allotted to Shaswat Sarkar, 1,250 Equity Shares allotted to Nripen Chatterjee, 1,250 Equity Shares allotted to R.K. Dharaiwa, 1,250 Equity Shares allotted to Sanjay Garg, 1,250 Equity Shares allotted to Arvind Maheshwari, 1,250 Equity Shares allotted to P K Bhatra, 1,250 Equity Shares allotted to Sumit Kumar Dey, 1,250 Equity Shares allotted to M Gayen, 500 Equity Shares allotted to Ashim Bhowmick, 500 Equity Shares allotted to Goutam Kr. Karui, 500 Equity Shares allotted to Arijit Pal, 500 Equity Shares allotted to Sujoy Das, 500 Equity Shares allotted to Gopinath Paik, 500 Equity Shares allotted to Debasis Mitra, 500 Equity Shares allotted to S.P. Singh, 500 Equity Shares allotted to Sumit Kr. Shyamal, 500 Equity Shares allotted to Kingshuk Bhattacharya, 500 Equity Shares allotted to Rajendra Rathi, 500 Equity Shares allotted to Shiv Paras Nath Rai, 500 Equity Shares allotted to P.K. Nath, 500 Equity Shares allotted to E P Nandakumar, 500 Equity Shares allotted to N.N. Das, 500 Equity Shares allotted to Sunil Kumar Banerjee, 500 Equity Shares allotted to Bhagirath Acharya, and 500 Equity Shares allotted to Debasis Nandy.*

[8] *7500 Equity Shares allotted to Debjeet Choudhary, 3750 Equity Shares allotted to Satyajit Chakrabortty, 3750 Equity Shares allotted to Dr. Rahul Roy, 2500 Equity Shares allotted to Naba Kumar Bandyopadhyay, 2500 Equity Shares allotted to Ravi Kant Maheshwari, 1875 Equity Shares allotted to Tanmoy Chakraborty, 1875 Equity Shares allotted to Rajib Bhattacharjee, 1875 Equity Shares allotted to Arif Salam, 1250 Equity Shares allotted to Samir Kumar Ghosh, 1250 Equity Shares allotted to Dibyendu Bhattacharjee, 1250 Equity Shares allotted to Ranjan Paik, 1250 Equity Shares allotted to Sisir Kumar Datta, 1250 Equity Shares allotted to Avinash Kumar Sharma, 1250 Equity Shares allotted to Rathindra Kumar Baral, 1250 Equity Shares allotted to Pradip Nath, 1250 Equity Shares allotted to Pushp Deo Singh, 1250 Equity Shares allotted to SK. Shekhar, 500 Equity Shares allotted to Sujit Chatterjee, and 500 Equity Shares allotted to Supratip Maitra.*

[9] *3,750 Equity Shares allotted to Anshuman Saxena, 2,500 Equity Shares allotted to Chinmoy Das, 1,250 Equity Shares allotted to Srimanta Hazra, 1,250 Equity Shares allotted to Amarjit Kundu, 1,250 Equity Shares allotted to Supratik Nandy, 1,250 Equity Shares allotted to Prabat Kumar Rout, and 1,250 Equity Shares allotted to Sanjoy Das.*

[10] *1200 Equity Shares allotted to A.K. Dikshit, 2625 Equity Shares allotted to Ajay Kumar Gupta, 10500 Equity Shares allotted to Ajay Kumar Sinha, 2625 Equity Shares allotted to Amitava Chowdhury, 2625 Equity Shares allotted to B.C. Pratihar, 700 Equity Shares allotted to Bhagirath Acharya, 1750 Equity Shares allotted to C.B. Singh, 3500 Equity Shares allotted to Chinmoy Das, 8750 Equity Shares allotted to Debasish Maiti, 700 Equity Shares allotted to Debasis Mitra, 700 Equity Shares allotted to Debasis Nandy, 2625 Equity*

Shares allotted to Debdas Majhi, 1750 Equity Shares allotted to Devendra Kumar Rathi, 2625 Equity Shares allotted to Dipak Kumar Dey, 700 Equity Shares allotted to E P Nandakumar, 5250 Equity Shares allotted to G.D. Rathi, 700 Equity Shares allotted to Gopinath Paik, 5250 Equity Shares allotted to Hemant Bhuwania, 28700 Equity Shares allotted to Kingshuk Bhattacharya, 1750 Equity Shares allotted to Mrinmoy Gayen, 2625 Equity Shares allotted to M.L. Pareek, 700 Equity Shares allotted to N.N. Das, 3500 Equity Shares allotted to Niraj Kr. Gupta, 3500 Equity Shares allotted to Nishikant Singh, 1750 Equity Shares allotted to Nripen Chatterjee, 5250 Equity Shares allotted to O.P. Maheshwari, 1750 Equity Shares allotted to P.K. Bhatra, 5250 Equity Shares allotted to P S N Murthy, 700 Equity Shares allotted to P.K. Nath, 2625 Equity Shares allotted to P.N. Shukla, 2625 Equity Shares allotted to Pritam Sinha, 1750 Equity Shares allotted to R P Shahi, 10500 Equity Shares allotted to R. Agarwal, 2625 Equity Shares allotted to R.K. Jain, 1750 Equity Shares allotted to R.K. Dharaiwa, 700 Equity Shares allotted to Rajendra Rathi, 1750 Equity Shares allotted to Ranjan Paik, 2625 Equity Shares allotted to S.R. Bhattacharya, 700 Equity Shares allotted to S.P. Singh, 1750 Equity Shares allotted to S.R. Dey, 8750 Equity Shares allotted to Saket Kumar, 1750 Equity Shares allotted to Samir Kumar Ghosh, 1750 Equity Shares allotted to Sanjoy Das, 1750 Equity Shares allotted to Sanjay Garg, 2625 Equity Shares allotted to Shankha Pathak, 1750 Equity Shares allotted to Shaswat Sarkar, 700 Equity Shares allotted to Shiv Paras Nath Rai, 1750 Equity Shares allotted to Sisir Kumar Dutta, 700 Equity Shares allotted to Sujoy Das, 3500 Equity Shares allotted to Sumit Chatterjee, 700 Equity Shares allotted to Sumit Kr. Shyamal, 1750 Equity Shares allotted to Sumit Kumar Dey, 700 Equity Shares allotted to Sunil Kumar Banerjee, 2625 Equity Shares allotted to Tapan Mitra, 3500 Equity Shares allotted to Tapan Roy, 8750 Equity Shares allotted to Uma Shankar Singh, and 14000 Equity Shares allotted to Varun Bharthua.

(11) *Pursuant to the Scheme of Amalgamation between Kalindee Rail Nirman (Engineers) Limited ("**Kalindee**") and our Company and their respective shareholders and creditors, our Company has issued 89,12,395 Equity Shares to the then existing shareholders of Kalindee, in the manner that each such equity shareholder of Kalindee shall be issued 106 fully paid-up equity shares of ₹ 1 each of the Company for every 100 fully-paid up equity shares of ₹10 each held by such equity shareholders in Kalindee.*

(12) *35000 Equity Shares allotted to Ramesh Maheshwari, 17500 Equity Shares allotted to Sandeep Fuller, 17500 Equity Shares allotted to D.H. Kela, 17500 Equity Shares allotted to A.K. Vijay, 10500 Equity Shares allotted to Manjeet Narwan, 10500 Equity Shares allotted to Debjeet Choudhury, 5250 Equity Shares allotted to Satyajit Chakrabortty, 5250 Equity Shares allotted to Anshuman Saxena, 3500 Equity Shares allotted to Keya Sengupta, 3500 Equity Shares allotted to N.K. Bandhopadhyay, 3500 Equity Shares allotted to Ravi Kant Maheshwari, 2625 Equity Shares allotted to Tanmoy Chakraborty, 2625 Equity Shares allotted to Harsh Verma, 2,000 Equity Shares allotted to Shyamali Banerjee, 2625 Equity Shares allotted to Rajiv Bhattacharya, 2625 Equity Shares allotted to Arif Salam, 1750 Equity Shares allotted to Srimanta Hazra, 1750 Equity Shares allotted to Amarjit Kundu, 1750 Equity Shares allotted to Dibyendu Bhattacharya, 1750 Equity Shares allotted to Avinash Kumar Sharma, 1750 Equity Shares allotted to Pradip Nath, 1750 Equity Shares allotted to Pushp Dev Singh, 1750 Equity Shares allotted to S K Shekhar, 700 Equity Shares allotted to Ashim Kr. Bhowmick, 700 Equity Shares allotted to Sujit Kr. Chatterjee, and 700 Equity Shares allotted to Supratip Mitra.*

(13) *5,250 Equity Shares allotted to Soumen Mondal.*

(14) *14,000 Equity Shares allotted to Udayan Banerjee, 5,250 Equity Shares allotted to Rahul Ray, 3,500 Equity Shares allotted to Bysadeb Adak,1,750 Equity Shares allotted to Shyam Sundar Saha, and 1,750 Equity Shares allotted to Supratik Nandy.*

(15) *16000 Equity Shares allotted to Varun Bharthuar, 12000 Equity Shares allotted to Manjeet Narwan, 12000 Equity Shares allotted to Debjeet Choudhury, 12000 Equity Shares allotted to R. Agarwal, 10000 Equity Shares allotted to Uma Sankar Singh, 10000 Equity Shares allotted to D. Maity, 10000 Equity Shares allotted to Saket Kumar, 6000 Equity Shares allotted to Satyajit Chakrabortty, 6000 Equity Shares allotted to O.P. Maheshwari, 6000 Equity Shares allotted to G.D. Rathi, 6000 Equity Shares allotted to Hemant Bhuwania, 6000 Equity Shares allotted to P S N Murthy, 4000 Equity Shares allotted to Nishikant Singh, 4000 Equity Shares allotted to Bysadeb Adak, 4000 Equity Shares allotted to Keya Sengupta, 4000 Equity Shares allotted to Tapan Roy, 4000 Equity Shares allotted to Niraj Gupta, 4000 Equity Shares allotted to Sumit Chatterjee, 4000 Equity Shares allotted to Chinmoy Das, 4000 Equity Shares allotted to Binayak Bhattacharya, 3000 Equity Shares allotted to Dipak Kumar Dey, 3000 Equity Shares allotted to Harsh Verma, 3000 Equity Shares allotted to Debdas Majhi, 3000 Equity Shares allotted to M.L. Pareek, 3000 Equity Shares allotted to P.N. Shukla, 3000 Equity Shares allotted to Ajoy Kumar Gupta, 3000 Equity Shares allotted to B.C. Pratihar, 3000 Equity Shares allotted to Tapan Mitra, 3000 Equity Shares allotted to Pritam Sinha, 3000 Equity Shares allotted to Shankar Pathak, 3000 Equity Shares allotted to Arif Salam, 3000 Equity Shares allotted to S.R. Bhattacharya, 2000 Equity Shares allotted to C.B. Singh, 2000 Equity Shares allotted to Samir Kumar Ghosh, 2000 Equity Shares allotted to Ranjan Paik, 2000 Equity Shares allotted to S.R. Dey, 2000 Equity Shares allotted to Devendra Kumar Rathi, 2000 Equity Shares allotted to Shaswat Sarkar, 2000 Equity Shares allotted to Nripen Chatterjee, 2000 Equity Shares allotted to S.K. Dutta, 2000 Equity Shares allotted to R.K. Dharaiwa, 2000 Equity Shares allotted to Sanjay Garg, 2000 Equity Shares allotted to P K Bhatra, 2000 Equity Shares allotted to Sumit Kumar Dey, 2000 Equity Shares allotted to Avinash Kumar Sharma, 2000 Equity Shares allotted to M Gayen, 2000 Equity Shares allotted to A K Dixit, 2000 Equity Shares allotted to Pratip Nath, 2000 Equity Shares allotted to R P Sahi, 2000 Equity Shares allotted to S K Shekhar, 800 Equity Shares allotted to Sujoy Das, 800 Equity Shares allotted to Gopinath Paik, 800 Equity Shares allotted to Debasis Mitra, 800 Equity Shares allotted to S.P. Singh, 800 Equity Shares allotted to Kingshuk Bhattacharya, 800 Equity Shares allotted to Rajendra Rathi, 800 Equity Shares allotted to Shiv Paras Nath Rai, 800 Equity Shares allotted to P.K. Nath, 800 Equity Shares allotted to N.N. Das, 800 Equity Shares allotted to Sunil Banerjee, 800 Equity Shares allotted to Bhagirath Acharya, and 800 Equity Shares allotted to Debasis Nandy.*

(16) *40000 Equity Shares allotted to Ramesh Maheshwari, 20000 Equity Shares allotted to D.H. Kela, 20000 Equity Shares allotted to A.K. Vijay, 12000 Equity Shares allotted to Ajay Kumar Sinha, 6000 Equity Shares allotted to Anshuman Saxena, 4000 Equity Shares allotted to N.K. Bandhopadhyay, 4000 Equity Shares allotted to Ravi Kant Mahehwari, 3000 Equity Shares allotted to Tanmoy Chakraborty, 3000 Equity Shares allotted to Shyamali Banerjee, 3000 Equity Shares allotted to Rajib Bhattacharjee, 3000 Equity Shares allotted to R.K. Jain, 2000 Equity Shares allotted to Srimanta Hazra, 2000 Equity Shares allotted to Amarjit Kundu, 2000 Equity Shares allotted to Dibyendu Bhattacharya, 2000 Equity Shares allotted to Shyam Sundar Saha, 2000 Equity Shares allotted to Sanjoy Das, 800 Equity Shares allotted to Ashim Kr. Bhowmick, 800 Equity Shares allotted to Sujit Kr. Chatterjee, 800 Equity Shares allotted to Supratip Maitra, 800 Equity Shares allotted to Sankar Ghosh, 3938 Equity Shares allotted to Ravi Varma, 7875 Equity Shares allotted to Rajiv Agarwal, 7875 Equity Shares allotted to L.R. Murali, 3938 Equity Shares allotted to Md. Din Ahmed Lasker, 10500 Equity Shares allotted to T.V. Nagaraju, 7875 Equity Shares allotted to P.C. Kejriwal, 1313 Equity Shares allotted to M.K. Agarwal, and 525 Equity Shares allotted to Neha Singh.*

(17) *20,000 Equity Shares allotted to Sandeep Fuller, 10,500 Equity Shares allotted to T.S. Darbari, 6,000 Equity Shares allotted to Rahul Roy, 3,000 Equity Shares allotted to Amitava Chowdhary, 2,000 Equity Shares allotted to Bhaskar Mukherjee, 2,000 Equity Shares allotted to Supratik Nandy, 2,000 Equity Shares allotted to Pushp Dev Singh, and 500 Equity Shares allotted to Arijit Pal.*

(18) *9,000 Equity Shares allotted to L.R. Murali, 9,000 Equity Shares allotted to P.C. Kejriwal, 4,500 Equity Shares allotted to Ravi Varma, 1,500 Equity Shares allotted to M.K. Agarwal, and 600 Equity Shares allotted to Neha Singh.*

(19) *47,85,300 Equity Shares were allotted to U V Kamath.*

(b) Equity Shares issued out of revaluation reserves or bonus

Our Company has not issued any Equity Shares through bonus or out of revaluation reserves since incorporation.

(c) Details of Equity Shares issued for consideration other than cash and pursuant to a scheme of arrangement are as follows:

Date of allotment	Name of allottees	Number of equity shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reasons for allotment	Benefits accrued to our Company
November 2, 2010	Existing shareholders of Texmaco Limited	12,71,83,090	1	1	Allotment pursuant to scheme of arrangement	The scheme of arrangement resulted in our Company acquiring the heavy engineering and steel foundry division of erstwhile Texmaco Limited
February 14, 2017	Shareholders of Kalindee Rail Nirman (Engineers) Limited	89,12,395	1	1	Allotment pursuant to merger of our Company with Kalindee Rail Nirman (Engineers) Limited	Our Company acquired to capability to carry out rail EPC contracts
May 11, 2019	U V Kamath	47,85,300	1	1	Merger of Bright Power and Hitech with our Company	Consolidation of our Company's business, resulting in greater business synergies

For further details of the Scheme of Arrangement and Demerger, see "*History and Other corporate matters – Details regarding acquisition of business/undertakings, mergers and amalgamation*" on page [●] and page [●], respectively.

2. **Issue of Equity Shares in the last one year below the Issue Price**

Other than as disclosed below, our Company has not issued Equity Shares in the one year immediately preceding the date of this Letter of Offer at a price which may be lower than the Issue Price:

Date of allotment	Number of Equity Shares Allotted	Face value (₹)	Issue price per Equity Share (₹)	Form of consideration	Reason / Nature of allotment	Whether Promoter / member of the Promoter Group
April 25, 2019	24,600	1	41	Cash	Employee Stock Option Scheme	No
May 11, 2019	47,85,300	1	1	Other than cash	Merger of Bright Power and Hitech with our Company	No

3. Our Company has not issued any Preference Shares since incorporation.

4. **Issue of Equity Shares pursuant to ESOP Scheme**

For details in relation to issue of Equity Shares by our Company pursuant to ESOP Scheme, see "*Capital Structure – Notes to Capital Structure –Share Capital History – History of Equity Share capital of our Company*" on page [●]

5. **History of build-up of Promoters' shareholding**

As on the date of this Letter of Offer, our Promoters collectively hold 8,35,63,900 Equity Shares, constituting, i.e., 37.16% of the issued, subscribed and paid-up Equity Share capital of our Company. The details of the build-up of our Promoter's shareholding in our Company is as follows:

1. Texmaco Infrastructure & Holdings Limited

Date of allotment/ transfer	Nature of allotment/ Details of transfer	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue / transfer price per Equity Share (₹)	Date when the Equity Shares were made fully paid-up	Percentage of the pre- Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital* (%)	Percentage of pledged shares
Fiscal 2008	Allotment pursuant to the scheme of amalgamation of Evershine Merchants Private Limited, Neora Hydro Limited, Shree Export House Limited with Texmaco Limited	9,930	Other than cash	10	10	August 1, 2007	*Negligible*	*Negligible*	NIL
Pursuant to a resolution of the Shareholders of our Company dated August 11, 2008, the face value of Equity Shares was subdivided into ₹1 per Equity Share from ₹10 per Equity Share									
February 20, 2010	Preferential allotment	5,45,00,000	Cash	1	1	February 20, 2010	24.24	[●]	NIL
May 20, 2011	Transfer from Shri Krishnan Agarwala	100	Cash	1	75	On allotment	*Negligible*	*Negligible*	NIL
May 20, 2011	Transfer from Purshotam Dass Agarwal	100	Cash	1	75	On allotment	*Negligible*	*Negligible*	NIL
May 28, 2011	Transfer from Shiv Kumar Chandak	100	Cash	1	75	On allotment	*Negligible*	*Negligible*	NIL
May 28, 2011	Transfer from Ghanshyam Das Rathi	100	Cash	1	75	On allotment	*Negligible*	*Negligible*	NIL
May 28, 2011	Transfer from Arvind Maheshwari	100	Cash	1	75	On allotment	*Negligible*	*Negligible*	NIL
May 28, 2011	Transfer from	200	Cash	1	75	On allotment	*Negligible*	*Negligible*	NIL

Date of allotment/ transfer	Nature of allotment/ Details of transfer	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue / transfer price per Equity Share (₹)	Date when the Equity Shares were made fully paid-up	Percentage of the pre- Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital* (%)	Percentage of pledged shares
	Om Prakash Jhunjhunwala								
Total		**5,46,00,000**					**24.28**	**24.28**	**NIL**

** Assuming full subscription by all Shareholders of their Rights Entitlement in the Issue, without any inter-se renunciation among the Promoter and Promoter Group and no additional subscription of Rights Equity Shares by the Promoters / Promoter Group.*

2. Zuari Investments Limited

Date of allotment/ transfer	Nature of allotment/ Details of transfer	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue / transfer price per Equity Share (₹)	Date when the Equity Shares were made fully paid-up	Percentage of the pre- Issue paid-up capital (%)	Percentage of the post-Issue paid-up capital* (%)	Percentage of pledged shares
November 2, 2010	Allotment pursuant to scheme of arrangement	2,89,63,900	Other than cash	1	1	On allotment	12.88	12.88	NIL
Total		**2,89,63,900**					**12.88**	**12.88**	**NIL**

All the above Equity Shares were fully paid-up at the time of allotment or transfer, as the case may be. Except the Equity Shares held by New Eros Tradecom Limited, a member of our Promoter Group, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered, as on date of this Letter of Offer.

6. **Details for subscription of Issue by Promoters and Promoter Group**

Our Promoters and Promoter Group have undertaken vide letters dated September 9, 2019 (the "**Subscription Letters**") to subscribe, on their own account, to the full extent of their rights entitlement in the Issue. Accordingly, the rights entitlement of the Promoter and the Promoter Group in this Issue will be fully subscribed as set forth above. Our Promoters and Promoter Group have, vide the Subscription Letters undertaken to subscribe to the Equity Shares offered in the Issue that remain unsubscribed.

Any such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Our Promoters vide their Subscription Letters have confirmed that the subscription to Equity Shares in this Issue by the Promoters and members of the Promoter Group will not attract open offer requirements under the SEBI Takeover Regulations. Further, the allotment of Equity Shares of the Company pursuant to conversion of Equity Shares subscribed by the Promoters and other members of the Promoter Group of the Company in this Issue shall be exempt from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations since (A) the Promoters and Promoter Group shall be subscribing to the full extent of their rights entitlement in the Issue and (B) the Issue Price of the Equity Shares shall not be higher than the ex-rights price of the Equity Shares determined in accordance with Regulation (10)(4)(b)(ii) of the SEBI Takeover Regulations and (C) the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations.

7. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

8. The Lead Manager and its respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares as on the date of this letter of

Offer. The Lead Manager and its respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

9. **Shareholding of our Promoter Group**

As of June 30, 2019, the members of our Promoter Group together held 3,15,63,110 Equity Shares, which is equivalent to 14.04% of the total equity share capital of our Company.

10. **Shareholding pattern of our Company**

The table below presents the shareholding pattern of our Company as of June 30, 2019:

Category of Shareholder	Number of Shareholders	No. of fully paid up Equity Shares held	Total nos. shares held)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of voting rights	Total as a % of total voting rights	Number of shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialised form
							No. (a)	As a % of total shares held (b)	
Promoters and Promoter Group (A)	26	11,51,27,010	11,51,27,010	51.20	11,51,27,010	51.20	7,38,800	0.64	11,51,27,010
Public (B)	64,386	10,97,32,372	10,97,32,372	48.80	10,97,32,372	48.80	-	-	1,04,01,024
Non-Promoter Non-Public (C)	-	-	-	-	-	-	-	-	-
Shares underlying DRs (C) (1)	-	-	-	-	-	-	-	-	-
Shares held by Employee Trusts (C) (2)	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	64,412	22,48,59,382	22,48,59,382	100.00	22,48,59,382	100.00	7,38,800	0.33	21,91,37,294

11. **Shareholding of the directors of our Promoters**

Except as disclosed below, none of the directors of our Promoters hold any Equity Shares in our Company.

Sr. No.	Directors of our Promoters	Pre-Issue		Post-Issue*	
		Number of Equity Shares held	Percentage of equity share capital (%)	Number of Equity Shares held	Percentage of equity share capital (%)
1.	Saroj Kumar Poddar	34,47,020*8	1.53	41,01,954	1.54
2.	Jyotsna Poddar	71,790#	0.04	85,430	0.03
3.	Akshay Poddar	14,820	0.01	17,636	0.01

* *Assuming full subscription by all Shareholders of their Rights Entitlement in the Issue, without any inter-se renunciation among the Promoter and Promoter Group and no additional subscription of Rights Equity Shares by the Promoters / Promoter Group*

** *Includes 30,39,280 Equity Shares held in the capacity of trustee and 10,710 Equity Shares held in the capacity of karta*

ncludes 35,710 Equity Shares held in the capacity of trustee

12. **Shareholding of our Directors and Key Managerial Personnel in our Company**

(i) Except as disclosed below, none of the Directors of our Company hold any Equity Shares as on the date of this Letter of Offer:

Name of Director	No. of Equity Shares	Percentage of the pre-Issue paid up share capital (%)	Percentage of the post-Issue paid up share capital (%)*
Damodar H Kela	32,000	0.01	0.01
Amal Chandra Chakrabortti	1,800	*Negligible*	*Negligible*
Ashok Kumar Vijay	52,530	0.02	0.02
Sandeep Fuller	50,000	0.02	0.02
Saroj Kumar Poddar	34,47,020	1.53	1.54
Akshay Poddar	14,820	0.01	0.01

* *Assuming full subscription by all Shareholders of their Rights Entitlement in the Issue, without any inter-se renunciation among the Promoter and Promoter Group and no additional subscription of Rights Equity Shares by the Promoters / Promoter Group*

(ii) Except as disclosed below, none of the Key Managerial Personnel of our Company hold any Equity Shares as on the date of this Letter of Offer:

Name of KMP	No. of Equity Shares	Percentage of the pre-Issue paid up share capital (%)	Percentage of the post-Issue paid up share capital (%) *
Damodar Hazarimal Kela	32,000	0.01	0.01
Ashok Kumar Vijay	52,530	0.02	0.02
Sandeep Fuller	50,000	0.02	0.02
Saroj Kumar Poddar	34,47,020	1.53	1.54

* *Assuming full subscription by all Shareholders of their Rights Entitlement in the Issue, without any inter-se renunciation among the Promoter and Promoter Group and no additional subscription of Rights Equity Shares by the Promoters / Promoter Group*

13. **Major shareholders**

The list of the major shareholders of our Company and the number of Equity Shares held by them is provided below:

(a) The details of the Shareholders of our Company holding 1% or more of the paid-up Equity Share capital of our Company as on the end of the last week before date of this letter of Offer is set forth below:

S. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the equity share capital (%)
1.	Texmaco Infrastructure and Holdings Limited	5,46,00,000	24.28
2.	Zuari Investments Limited	2,89,63,900	12.88
3.	Adventz Finance Private Limited	83,77,400	3.73
4.	Jupiter India Fund	80,03,819	3.56
5.	Duke Commerce Limited	75,14,000	3.34
6.	Reliance Capital Trustee Company Limited – Reliance Small Cap Fund	67,65,047	3.01
7.	HDFC Trustee Company Limited – HDFC Balanced Advantage Fund	61,08,301	2.72
8.	Udyavar Vittal Kamath	47,85,300	2.13
9.	HDFC Trustee Company Limited – HDFC Infrastructure Fund	44,22,182	1.97
10.	Zuari Global Limited	4,035,000	1.79
11.	Adventz Securities Enterprises Limited	38,09,140	1.69
12.	IDFC Tax Advantage (ELSS) Fund	35,25,000	1.57
13.	HDFC Trustee Company Limited – HDFC Equity Opportunities Fund – II	33,22,600	1.48
14.	Adventz Investment Company Private Limited	30,35,710	1.35
15.	Saroj Kumar Poddar	29,50,000	1.31
16.	HDFC Trustee Company Limited – HDFC Equity Saving Fund	27,88,454	1.24

*** Details as on September 13, 2019, being the Friday prior to the date of this Letter of Offer.*

(b) The details of the Shareholders of our Company who held 1% or more of the paid-up Equity Share capital of our Company ten days prior to the date of this letter of Offer is set forth below:

S. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the equity share capital (%)
1.	Texmaco Infrastructure and Holdings Limited	5,46,00,000	24.28
2.	Zuari Investments Limited	2,89,63,900	12.88
3.	Adventz Finance Private Limited	83,77,400	3.73
4.	Jupiter India Fund	80,03,819	3.56
5.	Duke Commerce Limited	75,14,000	3.34
6.	Reliance Capital Trustee Company Limited – Reliance Small Cap Fund	67,65,047	3.01
7.	HDFC Trustee Company Limited – HDFC Balanced Advantage Fund	61,08,301	2.72
8.	Udyavar Vittal Kamath	47,85,300	2.13
9.	HDFC Trustee Company Limited – HDFC Infrastructure Fund	44,22,182	1.97
10.	Zuari Global Limited	4,035,000	1.79
11.	Adventz Securities Enterprises Limited	38,09,140	1.69
12.	IDFC Tax Advantage (ELSS) Fund	35,25,000	1.57
13.	HDFC Trustee Company Limited – HDFC Equity Opportunities Fund – II	33,22,600	1.48
14.	Adventz Investment Company Private Limited	30,35,710	1.35
15.	Saroj Kumar Poddar	29,50,000	1.31
16.	HDFC Trustee Company Limited – HDFC Equity Saving Fund	27,88,454	1.24

*** Details as on September 6, 2019, being the Friday prior to the date of this Letter of Offer.*

(c) The details of the Shareholders of our Company who held 1% or more of the paid-up Equity Share capital of our Company one year prior to the date of this letter of Offer is set forth below:

S. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the equity share capital (%)
1.	Texmaco Infrastructure & Holdings Limited	5,46,00,000	24.81
2.	Zuari Investments Limited	2,89,63,900	13.16
3.	Adventz Finance Private Limited	83,77,400	3.81
4.	National Westminster Bank Plc as Trustee of The Jupiter India Fund	8,112,368	3.69
5.	Duke Commerce Limited	75,14,000	3.41
6.	HDFC Trustee Company Limited – HDFC Balanced Advantage Fund	61,08,301	2.78
7.	Reliance Capital Trustee Company Limited – Reliance Small Cap Fund	57,32,699	2.61
8.	HDFC Trustee Company Limited – HDFC Infrastructure Fund	44,22,182	2.01
9.	Zuari Global Limited	40,35,000	1.83
10.	Adventz Securities Enterprises Limited	38,09,140	1.73
11.	HDFC Trustee Company Limited – HDFC Equity Opportunities Fund – II	3322600	1.51
12.	Adventz Investment Company Private Limited	30,35,710	1.38
13.	Saroj Kumar Poddar	29,50,000	1.34
14.	HYPNOS Fund Limited	27,96,000	1.27
15.	HDFC Trustee Company Limited – HDFC Equity Saving Fund	27,88,454	1.27

**Details as on September 7, 2018, being the Friday preceding the date one year prior to the date of this Letter of Offer, i.e. September 13, 2018.*

(d) The details of the Shareholders of our Company who held 1% or more of the paid-up Equity Share capital of our Company two years prior to the date of this letter of Offer is set forth below:

S. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the equity share capital (%)
1.	Texmaco Infrastructure & Holdings Limited	5,46,00,000	24.86
2.	Zuari Investments Limited	2,89,63,900	13.19
3.	Adventz Finance Private Limited	83,77,400	3.81
4.	National Westminster Bank PLC as Trustee of The Jupiter India Fund	79,49,505	3.62
5.	Duke Commerce Limited	75,14,000	3.42
6.	Reliance Capital Trustee Company Limited - Reliance Growth Fund	65,27,399	2.97
7.	HDFC Trustee Company Limited - HDFC Prudence Fund	58,58,301	2.67
8.	Zuari Global Limited	40,35,000	1.84
9.	Parvest Equity India	39,25,255	1.79
10.	Adventz Securities Enterprises Limited	38,09,140	1.73
11.	Adventz Investment Company Private Limited	30,35,710	1.38
12.	Life Insurance Corporation of India	30,29,180	1.38
13.	HDFC Trustee Company Limited - HDFC Infrastructure Fund	29,55,682	1.35
14.	Saroj Kumar Poddar	29,50,000	1.34
15.	Reliance Capital Trustee Company Limited – Reliance Diversified Power Sector Fund	26,66,500	1.21
16.	Canara Robeco Mutual Fund A/C – Canara Robeco Emerging Equities	25,00,000	1.14
17.	Reliance Capital Trustee Company Limited – Reliance Regular Savings Fund-Equity Option	22,00,000	1.00

**Details as on September 8, 2017, being the Friday preceding the date two years prior to the date of this Letter of Offer , i.e. September 13, 2017.*

14. **Employee Stock Option Scheme**

The Company instituted the Employee Stock Option Scheme – 2014, as amended ("**ESOP 2014**") pursuant to the resolution of the Board of Directors dated June 16, 2014, and of the shareholders dated September 4, 2014. ESOP 2014 is no longer in force as at the date of this Letter of Offer.

ESOS 2014 had been instituted and implemented in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the "**SEBI SBEB Regulations**") and the Companies Act, 2013, as amended.

Our Company has also instituted the Employee Stock Option Scheme – 2018, as amended ("**ESOP Scheme**")pursuant to the resolution of the Board of Directors dated July 30, 2018, and of the shareholders dated September 4, 2018. No options have been granted under ESOP 2018 as of the date of this Letter of Offer. ESOP Scheme had been instituted and implemented in compliance with the SBEB Regulations and the Companies Act, 2013, as amended.

Details of grants, exercise and lapsed options, pertaining to all ESOS Schemes, as on the date of the Letter of Offer on a cumulative basis are as follows:

ESOP 2014

The details of ESOP 2014 as at the date of this Letter of Offer are set out below:

Particulars	Details for the financial year ended March 31,			Three months ended June 30, 2019
	2017	2018	2019	
Options granted	2,66,375	22,500	0	0
Options exercised	2,18,875	4,13,450	2,21,039	0
The total number of Equity Shares arising as a result of exercise of option	2,18,875	4,13,450	2,21,039	0

15. As on June 30, 2019, our Company had a total of 64,412 Shareholders.

16. The Issue being a rights issue of Equity Shares, as per Regulation 34(c) of the SEBI ICDR Regulations, the requirement of minimum of promoter's contribution and lock-in are not applicable.

17. None of the members of our Promoter Group and/or directors of our Promoter and/or our Directors and their relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of this Letter of Offer.

18. Our Company, our Directors and the Lead Manager have not entered into any buy-back, safety net and/or standby arrangements for purchase of specified securities of our Company.

19. No person connected with the Issue, including but not limited to, our Company, the members of the Syndicate, our Directors, our Promoters or the members of the Promoter Group, or our Group Companies, shall offer in any manner whatsoever any incentive, whether direct or indirect, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees and/or commission for services rendered in relation to the Issue.

20. Neither the Promoter nor the members of the Promoter Group hold any Equity Shares as of the date of this letter of Offer and no Equity Shares have been locked-in, pledged or encumbered except the Equity Shares held by New Eros Tradecom Limited, a member of the Promoter Group.

21. The Equity Shares issued pursuant to the Issue shall be fully paid up at the time of Allotment and the Equity Shares allotted pursuant to rights issue of Equity Shares, shall also be fully paid up at the time of conversion. Further, there are no partly paid up Equity Shares as on the date of this Letter of Offer. For further details on the terms of the Issue, see "*Terms of the Issue*" beginning on page [•].

22. Except as disclosed in "*Capital Structure*", our Company has not made any public issue or rights issue of any kind or class of securities since the date of its incorporation.

23. As on the date of this Letter of Offer, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares or any other right, which would entitle any person any option to receive Equity Shares.

24. Other than pursuant to the Issue and the ESOP Scheme and as set forth below, and other than the proposed issuance of foreign currency convertible bonds, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures. Further, in the event there is an under-subscription in the Issue and the Promoters and Promoter Group subscribe to additional Rights Equity Shares to meet the minimum subscription requirements under the SEBI ICDR Regulations which results in the aggregate shareholding of our Promoters and Promoter Group exceeding 75% of the post-Issue capital, our Company will be required to take steps to reduce such shareholding of our Promoters and Promoters Group to comply with SCRR in the manner and within the timelines prescribed by the SEBI, which may result in a change in our capital structure.

25. At any given time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law.

26. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

27. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.

28. There are no financing arrangements whereby the members of our Promoter Group, the directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of the Equity Shares, other than in the normal course of the business of the financing entity, during the period of six months immediately preceding the date of filing of this Letter of Offer with SEBI.

29. The ex-rights price of the Equity Shares as per regulation 10(4)(b)(ii) of the Takeover Regulations is 55.76.

30. The Promoters and members of our Promoter Group will not receive any proceeds from the Issue.

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilised by our Company for financing the following objects:

1. Funding working capital requirements of our Company;
2. Capital expenditure towards purchase of machinery for our Company; and
3. General Corporate Purpose.

(collectively, referred to herein as "**Objects**")

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enables our Company to: (i) undertake our existing business activities; and (ii) to undertake the objects as listed below. Further, we confirm that the activities carried out till date are in accordance with the main object clause of our Memorandum of Association.

Net Proceeds

The details of the proceeds of the Issue are summarised in the table below:

(in ₹ lakhs)

Particulars	Estimated amount
Gross proceeds of the Issue*	19,951.77
Less: Estimated Issue related expenses	301.77
Net Proceeds	**19,650.00**

**Assuming full subscription and Allotment of the Rights Entitlement.*

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised towards the following Objects:

(in ₹ lakhs)

Objects	Amount*
Funding working capital requirement of our Company	10,500.00
Capital expenditure towards purchase of machinery for our Company	6,025.00
General Corporate Purpose	3,125.00
Net Proceeds	**19,650.00**

** The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. In case of under-subscription in the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds.*

Schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purpose in accordance with the estimated schedule of deployment of funds set forth in the table below.

(in ₹ lakhs)

Particulars	Total estimated amount/expenditure*	Amount deployed/utilized as on August 31, 2019	Estimated Utilisation from Net Proceeds	Estimated deployment	
				Fiscal 2020	Fiscal 2021
Funding working capital requirements of our Company	10,500	-	10,500	8,000	2,500
Capital expenditure towards purchase of machinery for our Company	6,025	-	6,025	2,000	4,025
General Corporate Purpose	3,125	-	3,125	3,125	-
Total	**19,650**	**-**	**19,650**	**13,125**	**6,525**

The Net Proceeds will first be utilized for the Objects as set out above. In case of a shortfall in raising the requisite capital from the Net Proceeds towards meeting the Objects, our management may explore alternate options, including utilisation of our internal accruals, issue of additional equity or further debt financing from existing or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The requirement and deployment of funds indicated above is based on management estimates, quotations from the third-party vendors, current circumstances of our business and prevailing market conditions, which are subject to change. The requirement and deployment of funds described herein has not been appraised by any bank or financial institution, or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In the event the Issue is not completed in Fiscal 2020, the estimated schedule of utilisation will be revised. Further, to the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects of the Issue, as per the estimated schedule of utilisation specified above, our Company shall deploy the Net Proceeds in the subsequent Fiscals towards the aforementioned objects in accordance with applicable law. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds in accordance with applicable law.

These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see "*Risk Factors*" on page [●].

Details of the Objects of the Issue

1. Funding working capital requirements of our Company

Our business is working capital intensive and our Company avails working capital facilities in the ordinary course of business from various lenders. As at August 14, 2019, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities of the Company are ₹67,483.95 lakhs and ₹ 1,54,732.75 lakhs, respectively. For further details of the working capital facilities currently availed by us, see "*Financial Indebtedness*" on page [●].

Our Company requires additional working capital for executing its outstanding order book and any future orders that may be received, for funding future growth requirements of our Company and for other strategic, business and corporate purposes. For instance, as of August 1, 2019, the unexecuted Order Book of our Company was at ₹5,76,553.02 lakhs. For further details of our Order Book, see "*Our Business*" on page [●].

Basis for estimation of working capital requirement

The details of our Company's composition of net current assets or working capital as at March 31, 2019, March 2018, March 2017, derived on the basis of the Restated Consolidated Statements, as certified by L. B. Jha, Chartered Accountants, on September 9, 2019 and source of funding the same are as set out in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	Fiscal 2019	Fiscal 2018*	Fiscal 2017
I.	**Current Assets**			
1.	Inventories			
a)	Raw material	21,438.83	11,952.47	10,728.01
b)	Work-in-progress	21,869.00	14,824.81	12,396.11
c)	Finished goods	1,698.09	2,297.64	31.41
2.	Trade receivables	82,005.13	67,969.57	54,842.59
3.	Cash and bank balances	4,713.39	3,452.13	5,128.56
4.	Loans and advances	541.8	495.39	786.76
5.	Other current assets	79,354.26	73,925.99	65,943.70
	Total Current Assets (A)	2,11,620.50	1,74,918.00	1,49,857.14
II.	**Current Liabilities**			
1.	Trade payable	55,649.43	32,882.12	29,771.09
2.	Other current liabilities and provisions	89,923.15	81,000.52	61,684.15
	Total Current Liabilities (B)	1,45,572.58	1,13,882.64	91,455.24
III.	**Total Working Capital Requirements**			
	Total Current Assets (A) less Total Current	66,047.92	61,035.36	58,401.90
IV.	**Funding Pattern**			
1.	Working capital funding from banks	49,452.15	46,094.48	36,398.6
2.	Internal accruals/ other sources	16,595.77	14,940.88	22,003.30

* *The details for Fiscal 2018 and onwards have been restated pursuant to the merger of Hitech and Bright Power with effect from April 1, 2017.*

Our Company expects that the funding pattern for working capital requirements for Fiscals 2020 and 2021 will comprise working capital facilities, internal accruals and the Net Proceeds. On the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, as provided in the Company's business plan approved by the board of directors of the Company in its meeting dated September 9, 2019 the Company's expected working capital requirements as at March 31, 2020 and March 31, 2021 and proposed funding of such working capital requirements are as set out in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	For the Fiscal 2020*	For the Fiscal 2021*
I.	**Current Assets**		
1	Inventories		
(a)	Raw material	35,500	38,000
(b)	Work-in-progress and Finish Goods	33,000	34,000
(c)	Finished goods	8,600	9,000
2	Trade receivables	81,000	82,500
3	Cash and bank balances	1,525	2,025
4	Loans and advances	600	650

Sr. No.	Particulars	For the Fiscal 2020*	For the Fiscal 2021*
5	Other current assets	62,500	63,500
	Total Current Assets (A)	**222,725**	**229,675**
II.	**Current Liabilities**		
1	Trade payable	55,000	57,500
2	Other current liabilities and provisions	88,500	89,500
3	Short-term provisions	700	800
	Total Current Liabilities (B)	**144,200**	**147,800**
III.	**Total Working Capital Requirements**		
	Total Current Assets (A) less Total Current Liabilities (B)	78,525	81,875
IV.	**Funding pattern**		
	Working capital funding from banks	67,800	75,000
	Funding from the Issue	8,000	2,500
	Internal accruals/ other sources	2,725	4,375

***** *Pursuant to the certificate dated September 9, 2019, issued by L. B. Jha & Co., Chartered Accountants.*

Assumptions for working capital requirements

Holding levels and justifications for holding period levels

Holding levels

	Particulars	For Fiscal 2019 (Actual)	For Fiscal 2018 (Actual)	For Fiscal 2017 (Actual)
1.	Inventories			
(a)	Raw material	42 days	38 days	29 days
(b)	Work-in-progress	43 days	48 days	33 days
(c)	Finished goods	3 days	7 days	-
2.	Debtors	161 days	218 days	147 days
3.	Creditors	109 days	105 days	80 days

Inventory days

As on March 31, 2019	As on March 31, 2018	As on March 31, 2017
88	93	62

Receivables Days

As on March 31, 2019	As on March 31, 2018	As on March 31, 2017
161	218	147

Creditors Days

As on March 31, 2019	As on March 31, 2018	As on March 31, 2017
109	105	80

Projected holding levels

Projected	Particulars	For the Fiscal 2020	For the Fiscal 2021
(a)	Raw material	69 days	59 days
(b)	Work-in-progress	31 days	29 days
(c)	Finished goods	11 days	11 days
1.	Debtors	87 days	73 days
2.	Creditors	85 days	72 days

Justification for holding period levels

Raw Materials	Raw Materials days are computed from Restated Consolidated Financial Statements (consumption of materials). Our Company has assumed the holding level of raw materials as 69 days and 59 days of the consumption of materials for Fiscal 2020 and 2021.
Work in progress	Work in Progress days are computed from Restated Consolidated Financial Statements (consumption of materials). Our Company has assumed the holding level of work in progress as 31 days and 29 days of the consumption of materials for Fiscals 2020 and 2021.
Finish Goods	Finish Goods days are computed from Restated Consolidated Financial Statements (consumption of materials). Our Company has assumed the holding level of Finish Goods as 11 days of the consumption of materials for both Fiscals 2020 and 2021.
Debtors	Debtors are computed from Restated Consolidated Financial Statements (revenue from operations). Our Company has assumed the holding level of Debtors as 87 days and 73 days of the Revenue from Operations for Fiscals 2020 and 2021.
Creditors	Debtors are computed from Restated Consolidated Financial Statements (consumption of materials and materials purchase). Our Company has assumed the holding level of Debtors as 85 days and 72 days of the consumption of materials and materials purchase for Fiscal 2020 and 2021.

Our Company proposes to utilize ₹10,500 lakhs of the Net Proceeds in the Fiscal 2020 and Fiscal 2021 towards our working capital requirements. The balance portion of our working capital requirement will be arranged from internal accruals and borrowings from the banks. Pursuant to the certificate dated September 9, 2019 have complied the working capital estimates and the working capital projections as approved by the Capital Issue committee pursuant to its resolution dated September 9, 2019.

2. Capital expenditure towards purchase of machinery for our Company

As part of our strategy to upgrade and expand our manufacturing operations and expand the production capacity, we propose to purchase new and balancing equipment, for our existing business segments *i.e.* Heavy Engineering Division, Steel Foundry Division and Rail EPC Division. For further details, see "*Our Business – Our Strategies*" on page [●].

The capital purchases for Heavy Engineering Division and Steel Foundry Division will mainly consist of, *inter alia*, Rolling Machines, Welding Machines, Vertical Machines, Profile Cutting Machines, Hydraulic Machines and Drilling Machines.

The capital purchases for Rail EPC division would mainly consist of, inter alia, cranes, piling rig and soil compactors.

A brief description of the proposed division wise capital expenditure is set out below:

Particulars	Total estimated cost
Heavy Engineering Division	1,513.82
Steel Foundry Division	3,174.11
Rail EPC Division	1,319.30
Total	**6,007.23**
Contingency @.30% of the above total	17.77

Total	6,025.00

Equipment and Machinery

Sr. No.	Particulars	Units to be purchased	Per Unit Price (Rs. In Lakhs)	Total Cost (Rs. In Lakhs)	Quotation reference	Date of Quotation
Heavy Engineering Division						
1.	Roll forming machine	1	90.50	90.50	Dhruvanshi International	August 29, 2019
2.	Profile cutting machine	1	42.30	42.30	ESAB India Limited	July 11, 2019
3.	HD profile cutting machine	1	80.20	80.20	ESAB India Limited	July 22, 2019
4.	CNC HD profile cutting machine	1	87.50	87.50	ESAB India Limited	July 22, 2019
5.	Drilling Machine	1	11.50	11.50	Batliboi Limited	September 3, 2019
6.	Bevelling machine with hydraulic lift undercarriage	4	24.89	99.57	Mechweld	September 3, 2019
7.	Hydraulic Plate Bending Machine	1	41.98	41.98	Himalaya	July 12, 2019
8.	Roof Panel Cassette Raft :1 (1012 mm)	1	65.50	65.50	Dhruvanshi International	August 29, 2019
9.	Roof Panel Cassette Raft : 2 (684 mm)	1	60.50	60.50	Dhruvanshi International	August 29, 2019
10.	Mechanical press	1	32.00	32.00	Nowpurchase	August 14, 2019
11.	Hydraulic Machines	3	902.27 (1)	902.27 (1)	Yangli Group India Private Limited	August 29, 2019
Total (A)				**1,513.82**		
Steel Foundry Division						
12.	Vertical Machine	1	140.00	140.00	Jyoti CNC Automation Limited	September 2, 2019
13.	Welding Machine	1	1,667.11	1,667.11	Sampyo Railway Company Limited	September 9, 2019
14.	EOT Cranes	4	43.00	172.00	Electro Therapy	July 18, 2019
15.	Hydraulic Press	1	1,195.00	1,195.00	BEMCO Hydraulics Limited	July 16, 2019
Total (B)				**3,174.11**		
Rail EPC						
16.	Truck Crane 25MT	1	68.00	68.00	Sany Heavy Industry India Private Limited	September 2, 2019
17.	Truck Crane 80MT	2	182.00	364.00	Sany Heavy Industry India Private Limited	September 2, 2019
18.	Wall Mounted Crane	1	17.00	17.00	Electro Mech	August 30, 2019
19.	Bulldozer	1	70.00	70.00	BMR Constructive Solutions	August 30, 2019
20.	Motor Grader	1	57.00	57.00	BMR Constructive Solutions	August 30, 2019
21.	3DX loader with bucket cum excavator	10	20.85	208.50	JCB India Limited	August 30, 2019
22.	Vibratory soil compactor	4	23.20	92.80	JCB India Limited	August 30, 2019
23.	Piling rig	1	340.00	340.00	Schwing Stetter India Private Limited	September 2, 2019

Sr. No.	Particulars	Units to be purchased	Per Unit Price (Rs. In Lakhs)	Total Cost (Rs. In Lakhs)	Quotation reference	Date of Quotation
24.	Automatic stirrup bending machine	1	20.00	20.00	Spantech Engineering Industries Private Limited	May 31, 2019
25.	Soil compactor	4	20.50	82.00	Escorts Limited	July 31, 2019
Total (C)				**1,319.30**		
Sum total of A+B+C				**6,007.23**		
26.	Contingency @ 0.3% (2)			17.77		
27.	**Total**			**6,025.00**(3)		

(1) *Price per unit cost is USD 419,000, which has been converted into INR as per the exchange rate prevailing on September 9, 2019 i.e. ₹ 71.78.*

(2) *Rounded off to two decimal places*

(3) *Total estimated cost as per the certificate dated September 9, 2019 issued by L. B. Jha & Co., Chartered Accountants.*

Other Expenses

Further, any additional costs incurred towards applicable taxes, freight charges, installation charges, exchange rate fluctuations, etc. in relation to the capital expenditures above or any preliminary and pre-operative expense, will be met from internal accruals of our Company.

The quotations received from vendors in relation to the above-mentioned objects of the Issue are valid as on the date of this Letter of Offer. However, we have not entered into any definitive agreements with these vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery/equipment or we will get the machinery/equipment at the same costs. The quantity of machinery and equipment to be purchased is based on management estimates.

Means of finance

The entire fund requirements of each the objects detailed above are intended to be funded completely from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, in addition to the Net Proceeds.

General corporate purposes

The Net Proceeds will first be utilised for the Object as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate, as approved by our management from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

Such general corporate purposes may include, inter alia but not restricted to, strategic initiatives, funding growth opportunities, strengthening marketing capabilities and brand building exercises, meeting ongoing general corporate contingencies, meeting fund requirements of our Company in the ordinary course of its business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board, subject to compliance with applicable law.

In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ 301.77 lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated amount (in ₹ lakhs) (1)	As a % of total estimated Issue expenses (1)	As a % of Issue size (1)
Fees payable to:			
Fees payable to Lead Manager and legal advisors and other service providers/intermediaries	220.00	72.90	1.10
Advertising and marketing expenses	5.00	1.66	0.03
Regulators including stock exchanges	36.25	11.99	0.18
Printing and distribution, Brokerage, selling commission	30.00	9.94	0.15
Miscellaneous	10.52	3.51	0.05
Total estimated Issue expenditure	**301.77**	**100**	**1.51**

(1) Assuming full subscription and Allotment of the Rights Entitlement. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes, subject to the total amount deployed towards general corporate purposes not exceeding 25% of the Gross Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies of established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties. Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies.

Bridge financing facilities and other financial arrangements

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from/with any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

In terms of Regulation 82 of the SEBI ICDR Regulations, we have appointed IndusInd Bank Limited as the monitoring agency to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.
Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be

published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency, in accordance with applicable law.

Other Confirmations

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement/agreements with Promoters, members of the Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

BASIS OF ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of assessment of market conditions and on the basis of the following qualitative and quantitative factors. Some of the information presented in this section for Fiscals 2019, 2018 and 2017 are derived from the Restated Ind AS Consolidated Summary Statements.

The face value of the Equity Shares is ₹1 per Equity Share and the Issue Price is 46.7 times the face value.

QUALITATIVE FACTORS

We believe that the following business strengths allow us to successfully compete in the industry:

1. Total rail solution provider
2. Leading manufacturer of wagons in India
3. Leading manufacturer of railway steel castings
4. Expertise in hydro mechanical equipment and geographical locational advantage
5. Well-equipped manufacturing facilities
6. Strong focus on research and development, leading to successful commercialization of innovative products
7. Experienced management team with a proven track record

For details, see "*Our Business – Our Strengths*" on page [•].

QUANTITATIVE FACTORS

Some of the information presented in this section is based on the Restated Consolidated Statements of our Company. For more details on the financial statements, see "*Financial Information*" on page [•].

(a) Basic and Diluted Earnings Per Share ("EPS"):

Basic Earnings Per Share derived from Restated Ind AS Consolidated Summary Statements:

Period	Basic	
	EPS (₹)	Weight
For Fiscal 2019	3.43	3
For Fiscal 2018	0.56	2
For Fiscal 2017	1.24	1
Weighted Average	2.11	-

Diluted Earnings Per Share derived from Restated Ind AS Consolidated Summary Statements:

Period	Diluted	
	EPS (₹)	Weight
For Fiscal 2019	3.35	3
For Fiscal 2018	0.56	2
For Fiscal 2017	1.24	1
Weighted Average	2.07	-

Notes:

1. *Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules, 2015.*
2. *The ratios have been computed as below:*
   a) *Basic earnings per share = Restated Net profit available to equity share holder for the year / period/weighted average number of shares outstanding during the years/period.*
   b) *Diluted earnings per share = Restated Net profit available to equity share holder for the year / period/weighted average number of diluted shares outstanding during the year/period.*

(b) Return on Net Worth ("RoNW")

Derived from Restated Ind AS Consolidated Summary Statements:

Period	RoNW (%)	Weight
For Fiscal 2019	6.86%	3
For Fiscal 2018	1.23%	2
For Fiscal 2017	2.92%	1
Weighted Average	4.33%	

The following table sets forth the computation of our RoNW:

	31 March 2019	31 March 2018	31 March 2017
Net worth (A)	1,09,916.74	1,03,131.37	90,089.75
Profit/ (loss) after tax (B)	7,543.75	1,264.82	2,629.08
RoNW % (B/A)	6.86%	1.23%	2.92%

Notes:

1. *Net worth for ratio mentioned in above note represents the aggregate of the paid up share capital, reserves & surplus (Excluding revaluation reserve and Cash Flow Hedge Reserve) and money received against share warrants as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.Return on net worth (%) = Restated profit after tax/ Restated net worth at the end of the year*

(c) Net Asset Value ("NAV") per Equity Share of face value of ₹ 1 each

Period	Consolidated (in ₹)
For Fiscal 2019	49.96
Issue Price	46.70
After the Issue*	49.43

** Assuming full subscription in the Issue*

The following table sets forth the computation of our NAV:

	31 March 2019	31 March 2018	31 March 2017
Net Worth	1,09,916.74	1,03,131.37	90,089.75
Weighted average number of equity shares (B)	21,99,89,414	21,96,13,861	21,21,11,425
Weighted average number of equity shares on diluted basis (C)	22,47,74,714	22,43,99,161	21,21,11,425
Net asset value per share (Basic A/B) (INR)	49.96	46.96	42.47
Net asset value per share (Diluted A/C) (INR)	48.90	45.96	42.47

Notes:

1. *Net Asset Value (₹) = Net assets at the end of the year/period divided by Total number of weighted average equity shares outstanding at the end of the year/ period*
2. *Net asset means total assets minus total liabilities excluding revaluation reserves.*

(d) Industry Peer Group P/E ratio

Comparison with Listed Industry Peers

Name of the company	Face Value (INR)	As at and for twelve months period ended March 31, 2019				
		Revenue from Operations (INR Million)	Basic EPS (INR)	Return on Net Worth (%)	NAV per equity share (INR)	P/E Ratio
Texmaco Rail & Engineering Limited	1	18,582	3.43	6.86%	49.46	13.50
Titagrah Wagons Limited	2	17,108	-2.47	-2.5%	76.93	-16.76

Note:

1) *All Financial Information are on Consolidated Basis for twelve months ended March 31,2019*
2) *P/E Ratio is calculated on closing share price (September 10,2019, NSE) / Basic EPS for Year ended March 31,2019*
3) *Peer data is based on the information disclosed in the regulatory filings by Titagrah Wagons Limited*

The Issue Price of ₹46.70 has been determined by our Company, in consultation with the Lead Manager and is justified based on the above accounting ratios. Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages [•], [•], [•] and [•], respectively.

STATEMENT OF TAX BENEFITS

Date: September 9, 2019

To

The Board of Directors
Texmaco Rail & Engineering Limited
Belgharia, 24 Paragnas (North)
Kolkata 700 056
West Bengal, India

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate
Mumbai 400 020
Maharashtra, India

(ICICI Securities Limited is hereinafter referred to as the "**Lead Manager**" or the "**LM**")

Dear Sir(s)/Madam(s),

Proposed rights issue of equity shares of face value of Re. 1 each ("Equity Shares") by Texmaco Rail & Engineering Limited (the "Company" and such offering the "Issue")

We hereby report that the enclosed statement is in connection with (i) the possible special tax benefits available to the Company under the Income Tax Act, 1961, and indirect tax laws, presently in force in India, and, (ii) to the shareholders of the Company under the Income Tax Act, 1961, presently in force in India as on the signing date for inclusion in the Letter of Offer in connection with the Issue and other Issue related materials (collectively, "**Issue Documents**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each shareholder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We do not express any opinion or provide any assurance as to whether:

(a) the Company or its shareholders will continue to obtain these benefits in the future; or
(b) the conditions prescribed for availing of the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby consent to the use of our name and other details, including reference to our firm as auditors to the Company. We further consent to be names as an expert in the Issue document, as defined under the provisions of the Companies Act, 2013 and the rules framed thereunder.

We hereby consent to the statement of tax benefits being disclosed in the Issue Documents to be filed by the Company in connection with the Issue.

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

(D. N. Roy)
Partner
Membership No. 300389UDIN: 19300389AAAADW2338

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

There are no special tax benefits available to the Company including its subsidiaries and the shareholders of the Company under the current direct tax laws in India.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various government publications. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

The performance of our Company is primarily dependent on the developments in the following sectors:

- Wagons
- Railway EPC
- Signaling and communication equipment
- Hydro mechanical equipment
- Steel castings

Overview of the Indian Railway Sector

The Railways in India provide the principal mode of transportation for freight and passengers. It brings together people from the farthest corners of the country and makes possible the conduct of business, sightseeing, pilgrimage and education. The Indian Railways (IR) have been a great integrating force for over 155 years. It has bound the economic life of the country and helped in accelerating the development of industry and agriculture.

From a very modest beginning in 1853, when the first train steamed off from Mumbai to Thane, a distance of 34 kilometers, Indian Railways have grown into a vast network of 7,318 stations spread over a route length of 68,442 kilometers with a fleet of 11,764 locomotives, 55,749 passenger carriers, 6,499 other coaching vehicles and 2,79,308 wagons as on 31st March, 2018.

The growth of Indian Railways in the 155 years of its existence is thus phenomenal. It has played a vital role in the economic, industrial and social development of the country.
(*Source: www.archive.india.gov.in; Railway Year Book 2017-18*)

As a national common carrier transporting passenger and goods over its vast network, Indian Railways has always played a key role in India's social and economic development. It is a cheap and affordable means of transportation for millions of passengers. As a carrier of bulk freight viz. ores and minerals, iron and steel, cement, mineral oils, food grains and fertilizers, containerised cargo etc., the importance of Indian Railways for agriculture, industry and the common man is well recognised. Indian Railways carried 22.70 million passengers and 3.19 million tonnes of freight each day during the financial year 2017-18.
.
In the year 2017-18 the following assets were acquired and task accomplished.

#.	Particulars		2017-18
1	Locomotives	(Nos.)	673
2	Wagons (BLC+ Private Wagons)	(Nos.)	12,000
3	Coaches including	(Nos.)	5,594
4	(i) ElectricMultiple Units (EMUs)	(Nos.)	426
5	(ii) Mainline Electric Multiple Units (MEMUs)	(Nos.)	400
6	(iii) Diesel Multiple Units (DMUs)	(Nos.)	278
7	Route Kilometers (RTKMs) of track electrified	(Kms.)	4,087
8	New lines constructed	(Kms.)	409
9	Double/Multiple lines provided	(Kms.)	999

#.	Particulars		2017-18
10	Track renewals (both primary and secondary renewal)	(Kms.)	4,023
11	Gauge Conversion to Broad Gauge (BG) from Medium Gauge (MG) /Narrow Gauge (NG)	(Kms.)	454

(*Source: Railway Year Book 2017-18*)

The Plan allocation (Revised Estimates) and Actual Net Expenditure for 2017-18 by the Indian Railways, was as follows:

Particulars (INR Crore)		2017-18	
#.	**Plan Head**	**Allocation (R.E.)**	**Actual Net Expenditure**
Civil Engineering			
1	New Lines (Construction)	@22,157.90	8,195.19
2	Gauge Conversion	#2,803.65	2,880.11
3	Doubling	$16,758.79	11,240.33
4	Traffic Facilities- Yard Remodeling and Others	%3,275.60	1,224.84
5	Road Safety Works - Level Crossings	675.00	536.79
6	Road Safety Works - Road Over/Under Bridges	*6,028.73	3,175.77
7	Track Renewals	7,834.00	7,727.71
8	Bridge Works	701.00	448.73
9	Staff Quarters	223.00	250.67
10	Amenities for Staff	202.00	209.58
11	New Lines (const.)– Dividend free Projects	β1,000.00	988.63
	Total	**61,659.79**	**36,878.35**
Mechanical			
1	Rolling Stock	^29,567.18	20,139.29
2	Leased Assets–Payment of Capital Component	8,000	7,979.82
3	Machinery and Plant	460.00	367.91
4	Workshops including Production Units	£2,196.70	1,385.67
	Total	**40,224.28**	**29,872.69**
Electrical Engineering			
1	Electrification Projects	~5,031.65	3,769.99
2	Other Electrical Works excl. TRD	!690.15	166.36
3	Traction Distribution Works	468.84	351.61
	Total	**6,190.64**	**4,287.96**
Signal and Telecommunication			
	S and T Works	2,031.00	1,255.63
Others			
1	Computerization	301.48	154.65
2	Railway Research	34.86	21.35
3	User's Amenities	ΣΣ2,470.62	1,286.62
4	Investment in PSUs	702.00	-
5	Investment in non-Government Undertakings including JVs/SPVs	5,227.10	4,887.99
6	Other Specified Works	&294.11	272.98
7	Training/HRD	116.43	-
8	Inventories	250.00	157.07
9	M.T.Ps.	598.00	794.18
	Total	**7,229.87**	**7,574.84**
	Grand Total	**®1,20,100.00**	**79,869.47**

Revised Estimates

@ Includes INR 2,637 crore for National Projects INR 502 crore for Projects of National Importance. It also includes INR 223.86 crore under Extra Budgetary Resources (EBR) (IF) and INR 14,174 crore under EBR (PPP).

Includes INR 350 crore for National Projects. It also includes INR 759.24 crore under EBR (IF).

$ Includes INR 85.46 crore under EBR (IRFC), INR 14,186.56 crore under EBR (IF) and INR 1,267 crore under EBR (PPP).

% Includes INR 73.60 crore under EBR (IF) and INR 1,900.00 crore under EBR (PPP).

* Includes INR 2,029 crore under EBR (PPP).

β Provision for Udhampur Srinagar- Baramulla New Line.

® RE 2017-18 includes gross outlays under DRF on account of outlay against higher CRRM targets.

₹ Excluding actual expenditure of INR 22,116.00 crore under EBR (PPP).

(***Source:*** *Railway Year Book 2017-18*)

Key Statistics —Indian Railways

As on March 31	1950-51	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Capital-at-charge (INR in crore)	827	1,521	3,330	6,096	16,126	43,052	1,43,221	1,61,448	1,83,488	2,08,844	2,42,117	2,75,135	3,02,458	3,24,726
Total Investment (INR in crore)	855	1,869	4,099	7,448	22,201	63,341	2,31,615	2,57,958	2,89,375	3,24,662	3,68,758	4,19,124	4,71,776	5,17,324
Route kilometres														
Total	53,596	56,247	59,790	61,240	62,367	63,028	64,460	64,600	65,436	65,808	66,030	66,687	67,368	68,442
Electrified	388	748	3,706	5,345	9,968	14,856	19,607	20,275	20,884	21,614	22,224	23,555	25,367	29,376
Running Track kms														
Total	59,315	63,602	71,669	75,860	78,607	81,865	87,114	89,801	89,236	89,919	90,803	92,081	93,902	94,735
Electrified	937	1,752	7,447	10,474	18,954	27,937	36,007	38,669	38,524	39,661	41,038	43,357	48,239	52,926
Total Locomotives	8,209	10,624	11,158	10,908	8,417	7,566	9,213	9,549	9,956	10,499	10,773	11,122	11,461	11,764
Total Coaching stock	**19,628**	**28,439**	**35,145**	**38,333**	**38,511**	**42,657**	**59,635**	**61,899**	**63,878**	**66,392**	**68,558**	**70,085**	**70,984**	**71,825**
Wagons	2,05,596	3,07,907	3,83,990	4,00,946	3,46,102	2,22,193	2,29,997	2,39,321	2,44,818	2,52,833	2,54,018	2,51,295	2,77,992	2,79,308
No. of passengers originating (in millions)	1,284	1,594	2,431	3,613	3,858	4,833	7,651	8,224	8,421	8,397	8,224	8,107	8,116	8,286
Freight Traffic– Tonnes originating (in millions):	73	120	168	196	318	474	922	969	1,008	1,052	1,095	1,102	1,106	1,160

(*Source: Summary Sheet – Annual Report 2017-18*)

- The Indian Railways operates more than 20,000 trains every day, to move more than 3 Million (mn) tonnes of freight traffic and more than 23 mn passenger's daily
- The total track length of the Indian Railways is 1,23,236 km, connecting 7,318 railway stations
- In 2017-18, 29,376 km of railway line was electrified
- A total of 13,452 passenger trains and 9,141 goods trains are operated daily
- Between April 2014 and December 2018, 3,601 bridges have been repaired, strengthened, rehabilitated or rebuilt by the Indian Railways
- The construction of the 4.9 km long Bogibeel Bridge was completed. It is the longest rail-cum-road bridge in India and reduces the journey time from Itanagar to Dibrugarh to only five hours from 24 hours
- The Indian Railways achieved the country's highest ever freight loading in 2018-19. Freight earnings are expected to be valued at US$ 20.5 Billion (bn) in budget estimates (BE) 2019-20
- The first phase of the Eastern Dedicated Freight Corridor (Bhadan to Khurja, 200 km) and Western Dedicated Freight Corridor (Rewari to Madar, 200 km) have been completed

(*Source: http://www.makeinindia.com/sector/railways*)

Key Growth Drivers/Initiatives with the Sector

- The railway infrastructure segment allows 100% foreign direct investment (FDI), opening opportunities for participation in projects such as high-speed railways, railway lines to and from coal mines and ports, electrification, high-speed tracks and suburban corridors.
- The Indian Railways aims to invite private equity through individuals, NGOs, trusts, charitable institutions, corporates, etc. to provide passengers with a better experience. Some measures taken in this regard include:
    - Battery-operated carts to facilitate movement for senior citizens and differently-abled at stations
    - Standard ramps for barrier-free entry at 2,350 stations
    - Non-slippery walk ways from the parking lots to the stations at 1,410 stations
- The Ministry of Railways is making provisions to involve Public Private Partnership (PPP) investments to boost passenger amenities. These amenities include foot-over bridges, escalators and lifts at all major stations, automatic ticket vending machines (ATVM) at railway stations for dispensation of tickets, computerised passenger reservation system (PRS), introduction of alternate train accommodation scheme for waitlisted passengers, "Vikalp", etc.
- The National High-Speed Rail Corporation Limited (NHSRCL) has launched the high-speed train corridor project between Ahmedabad and Mumbai. The project, commonly referred to as the 'Bullet Train' project, is being implemented with technical and financial assistance from Japan. The high-speed railway line covers a distance of 508.2 km in approximately two hours with an operating speed of around 320 kmph. It is expected to become operational by 2023. Of the total project cost, 81% is in the form of a loan from Japan International Co-operation Agency (JICA). While most of the corridor is proposed to be on an elevated track, there will be a stretch that will be under the sea.
- The Dedicated Freight Corridor Corporation of India Limited (DFCCIL) is an undertaking by the Ministry of Railways to overlook planning, development and mobilisation of financial resources, construction, maintenance and operation of the Dedicated Freight Corridors. Two projects have been commissioned under the DFCCIL – the Eastern Dedicated Freight Corridor (1,856 km) and the Western Dedicated Freight Corridor (1,504 km). These corridors provide India with the opportunity to create one of the world's largest freight operations. It is predicted that 92 mn tonnes of traffic would move through the Eastern Dedicated Freight Corridor. The Dedicated Freight Corridors are also expected to reduce Green Houses Gases (GHG) emissions.
- Certain stations have been identified to be developed as per international standards with modern facilities and passenger amenities on the lines of newly developed airports, using PPP model.
- The 'Green Energy Project' of the Indian Railways is important, given the growing concern for environmental pollution, depleting fossil fuels and global warming. The Indian Railways has started making use of solar and wind energy sources to meet their energy requirements. A proposal is in place to harness solar energy by utilizing rooftop spaces on railway stations, other railway buildings and land, through the PPP model. Indian

Railways aims to achieve 5 GW of their energy requirements through solar energy, with 3.9 GW from utility scale projects and the remaining from the rooftop. This would result in 25% of the Indian Railways' electricity mix derived from renewables by 2025. The Indian Railways has signed an MoU with GAIL (India) Ltd to provide infrastructure facilities for supply of natural gas to their workshops, production units and depots. This replacement is expected to reduce costs by INR 20 crore per annum for the Indian Railways.

- Project Swarn has been initiated to improve passenger experience of the Rajdhani and Shatabdi Express Trains. The dimensions that will be worked on are coach interiors, toilets, onboard cleanliness, staff behaviour, catering, linen, punctuality, security and on-board entertainment.
- The Ministry of Railways is making efforts to reduce travel time for passenger trains by increasing the speeds of all long-distance passenger trains and introducing semi high speed trains that may eventually replace Shatabdi and Rajdhani trains. 'Mission Raftaar' was announced in the railway budget 2016-17 which aims to double the average speed of freight trains and increase the average speed of all non-suburban passenger trains on selected routes by 25 Kilometers Per Hour (kmph) in the next five years.
- Speed enhancement projects have been initiated to raise the speed of trains on two routes – New Delhi-Mumbai Central and New Delhi-Howrah – to 160 to 200 kmph. Speed enhancement project includes works such as fencing, removal of level crossings, train protection warning system (TPWS), mobile train radio communication (MTRC), automated and mechanised diagnostic systems, etc.
- The Central Organisation for Railways Electrification (CORE) has electrified a total of 29,288 route kilometre (RKM) till 2017-18, which accounts for about 43.5% of the total RKM of the Indian Railways.
- The antiquated signalling system is going to be revamped in phases to enhance safety and increase average speed of trains. The new European Train Control System-2 (ETCS2) will allow for increased train speeds, which will in turn help run more trains with the same infrastructure. The move will also enhance safety on the tracks.

(*Source: http://www.makeinindia.com/sector/railways*)

Foreign Direct Investment (FDI) Policy and Initiatives

The FDI Policy permits 100% FDI in railways infrastructure sector; with an objective to augment capacity, modernise and bring efficiency through technology up-gradation on Indian Railways network and to generate finances for undertaking these activities from both domestic and foreign investors.

FDI is permitted in the construction, operation and maintenance of the railway transport sector:

1. Suburban corridor projects through PPP model
2. High-speed train projects
3. Dedicated freight lines
4. Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities
5. Railway electrification
6. Signalling systems
7. Freight terminals
8. Passenger terminals
9. Infrastructure in industrial park pertaining to railways line/sidings including electrified railways lines and connectivity to the main railway's line
10. Mass Rapid Transport Systems

(*Source: http://www.makeinindia.com/sector/railways*)

The Network

Indian Railways is one of the world's largest rail network with 68,442 route kilometres of route lengths. The size of the network gauge-wise as on 31 March, 2018 is as follows:

Particulars	Route Kms.	Running Track Kms.	Total Track Kms.
Broad Gauge (1676 mm)	63,491	89,521	1,17,560
Metre Gauge (1000 mm)	3,200	3,462	3,775
Narrow Gauge (762 mm and 610 mm)	1,751	1,752	1,901
Total	**68,442**	**94,735**	**1,23,236**

(*Source: Railway Year Book 2017-18*)

New Lines

During 2017-18, passenger train services were introduced on 409.42 Kms. of new lines on the following projects/sections.

Railway	Section	Km.
East Central	Barkakana-Sidhwar	7.00
	Tatisilway-Mesra-Shanki	31.00
	Tilaiya-Laundh-Kheraundh	25.00
East Coast	Bolagarh-Nayagarh	12.08
	Tori-Biratoli-Balumath	20.00
North Eastern	Bathua Bazar-Panch Deori	11.00
Northeast Frontier	Udaipur-Garjee	10.00
	Karimganj Byepass	3.50
	Gauripur-Alamganj	10.00
	Garjee-Santirbazar	13.00
North Western	Dausa-Deedwana	35.44
South Central	Mattampally-Revur Ramapuram-Janpahad	19.00
	Kadapa-Pendlimarri	21.00
	Gulbarga-Kamalapur	42.00
	Humnabad-Kamalapur	30.40
South Eastern	Jharsuguda-Barpali	41.00
	Barpali-Sardega	9.00
South East Central	Gudum-Bhanupratapur	17.00
South Western	Bagalkot-Khajjdoni	30.00
Western	Chota Udepur-Motisadli	22.00
	Total	**409.42**

(*Source: Railway Year Book 2017-18*)

Track and Bridges

As on 31.3.2018, the Indian Railways had	(in Kms.)
(i) Route length	68,442
(ii) Running Track length	94,735
(iii) Total Trackage	1,23,236
The following works were carried out during 2017-18	
(i) Track renewal	4,023
(ii) Construction of New Line	409
(iii) Gauge conversion from MG/NG to BG	454
(iv) Track conversion from single to double line	999

As on 01.04.2018, Indian Railway has 1,47,523 bridges out of which 700 are important, 12,085 are major and 1,34,738 are minor bridges. In the year 2017-18, 889 bridges were strengthened/ rehabilitated/rebuilt.
(*Source: Railway Year Book 2017-18*)

Gauge Conversion

During 2017-18, 453.52 Kms of track was converted from Medium Gauage/Narrow Gauage to Broad Gauage and passenger train services were introduced as detailed below:

Railway	Section	Km.
Eastern	Balgona-Shri Khanda	20.60
	Shri Khanda-Katwa	6.60
	Ahmadpur-Katwa	51.92
North Eastern	Majhola Pakariya-Tanakpur	36.00
North Western	Fatehpur-Churu	43.40
	Sikar-Palsana	27.00
Southern	Pollachi-Podanur	40.00
	Karaikkudi –Pattukkottai	73.00
	Sengottai-Punalur	21.00
South East Central	Chhindwara-Bhandarkund	35.00
	Ghonsore-Nainpur	35.00
	Balaghat-Samnapur	16.00
	Nainpur-Chiraidongri	18.00
Western	New Bhuj-Deshalpur	30.00
	Total	**453.52**

(*Source: Railway Year Book 2017-18*)

Doubling:

During 2017-18, 998.88 Kms of double/multiple lines track were completed and passenger train services were introduced as detailed below:-

Railway	Section	Km
Central	Tilati-Akalkot Road	13.88
Eastern	Gadadharpur-Tarapith 3rd Line	14.10
	Azimganj cabin-Azimganj Jn.	1.98
	Dankuni-Bhattanagar	6.50
	Pirpainti-Shivanarayanpur-Kahalgaon	20.30
East Coast	Sitabinj-Chilik Dara	32.09
	Tokapal-Badearapur	5.60
	Hirakud-Godbhaga	9.52
	Dilmili-Silak Jhori	11.40
	Naranpur-Keonjhar-Porjanpur	25.83
	Titlagarh-Kantabanji	31.67
	Badearapur Dilmili	11.20
	Chudang Garh-Bhubaneswar New 3rd Line	6.04
	Bhubaneswar New-Mancheswar 3rd Line	6.63
	Boinda-Jarapada	15.15
	Godbhaga-Suktapalli	15.22
	Belsonda-Arand	18.00
	Gidam-Dantewara	7.32
	Bamur-Saragipali	9.47
Northern	Lambhua-Koiripur	17.00
	Koiripur-Sri Krishana Nagar	19.00
	Meerut-Daurala	16.00
	Chhandrauli- Trivediganj-Haidergarh	16.00
	Haidergarh-Chaubisi-Akbarganj	17.00
	Mirthal-Bhangala Beas River	2.50
	Daurala-Khatauli	17.00
	Akbarganj-Adhinpur	25.00
	Dhapper-Chandigarh	22.00

Railway	Section	Km
North Eastern	Sarnath-Varanasi City	6.50
Northeast Frontier	Raninagar Jalpaiguri-Jalpaiguri Road	7.15
	New Coochbehar-New Baneswar- New Alipurduar	18.41
	New Coochbehar-Pundibari-Sajerpar-Ghoksadanga	21.60
North Western	Sojat-Chandawal	14.50
	Swarupganj-Bhimana	8.60
	Chandawal-Guriya	9.50
	Kishangarh By Pass	11.80
	Kosli-Jharli	14.50
	Mori Bera-Khimel	40.16
North Central	Dadri Yard	5.00
	Palwal-Rundhi	9.31
Southern	Valadi-GOC (Tiruchhirappalli Jn.)	20.55
	Kalpattichatram-Manaparai	22.47
	Ponmalai Golden Rock-Solagampatti	18.00
	Panambur-Jokatte	6.30
	Chennai Central -Basin Bridge 5th & 6th Line	4.44
	Solagampatti-Thanjavur	29.00
	Tamaraipadi-Kalpattichatram	25.00
South Central	Parbhani-Mirkhal	17.00
South Eastern	Dangoaposi-Maluka 3rd Line	10.00
	Gamharia-Adityapur	6.50
South East Central	Durg-Rasmara 3rd Line	8.00
	Kharsia-Robertson 3rd Line	9.00
	Kalumna-Nagpur	5.00
	Tenganmada-Khongsara	8.30
	Rasmara-Murhipar-Rajnandgaon 3rd Line	23.00
South Western	Minchnal-Lachyan	42.50
	Hebsur-Navalgund-Annigeri	16.57
	ShivathanTinaighat	16.45
	Bhanapur-Koppal	12.23
West Central	Vidisha-Sanchi 3rd Line	9.14
Western	Dhrangadhra-Chuli	15.00
	Amalner-Nardana	34.00
	Dondaicha-Sindkheda-Nardana	28.00
	Paldhi-Jalgaon	11.00
	Udhna-Chalthan	11.00
	Andheri-Goregaon 5th & 6th Line	10.00
	Total	998.88

(*Source: Railway Year Book 2017-18*)

Passenger Business

Indian Railways is commonly used mode of public transportation in the country. During 2017-18, it carried 8,286 million passengers as against 8,116 million in 2016-17. Passenger kilometres, which is calculated by multiplying the number of journeys by mean kilometric distance in case of each class was 1,178 billion as against 1,150 billion in the previous year. Passenger earnings increased by 2,362.68 crore (5.11%) in comparison with 2016-17.

Number of Passengers Originating

(In Million)	Suburban (All classes)	Non-suburban					Grand Total
		Upper class	Mail/ Exp.#	Ordinary	Total	Total Non-suburban	
1950-51	412	25	52	795	847	872	1,284
1960-61	680	15	96	803	899	914	1,594

1970-71	1,219	16	155	1,041	1,196	1,212	2,431
1980-81	2,000	11	260	1,342	1,602	1,613	3,613
1990-91	2,259	19	357	1,223	1,580	1,599	3,858
2000-01	2,861	40	472	1,460	1,932	1,972	4,833
2010-11	4,061	100	1,046	2,444	3,490	3,590	7,651
2015-16	4,459	145	1,321	2,182	3,503	3,648	8,107
2016-17	4,566	150	1,322	2,078	3,400	3,550	8,116
2017-18	4,665	159	1,390	2,072	3,462	3,621	8,286

Passenger Kilometres

(In Million)	Suburban (All classes)	Non-suburban					Grand Total
		Upper class	Mail/ Exp.#	Ordinary	Total	Total Non-suburban	
1950-51	6,551	3,790	12,537	43,639	56,176	59,966	66,517
1960-61	11,770	3,454	22,251	40,190	62,441	65,895	77,665
1970-71	22,984	4,394	37,856	52,886	90,742	95,136	1,18,120
1980-81	41,086	5,140	86,712	75,620	1,62,332	1,67,472	2,08,558
1990-91	59,578	8,712	1,38,054	89,300	2,27,354	2,36,066	2,95,644
2000-01	88,872	26,315	2,22,568	1,19,267	3,41,835	3,68,150	4,57,022
2010-11	1,37,127	62,203	5,00,631	2,78,547	7,79,178	8,41,381	9,78,508
2015-16	1,45,253	1,05,315	6,34,604	2,57,867	8,92,471	9,97,786	11,43,039
2016-17	1,45,417	1,10,355	6,34,039	2,60,024	8,94,063	10,04,418	11,49,835
2017-18	1,49,465	1,14,248	6,45,462	2,68,524	9,13,986	10,28,234	11,77,699

(*Source: Railway Year Book 2017-18*)

Freight Operation

Revenue earning freight traffic handled during 2017-18 was 1,159.55 million tonnes. Net Tonne Kilometres (NTKMs) earned during the year were 693 billion. Total loading and freight output inclusive of non-revenue traffic were 1,162.64 million tonnes and 693 billion NTKMs respectively. Commodity wise loading of revenue earning traffic was as follows.

Freight Train Kilometers and Wagon Kilometres

Year	Freight train kms.		Wagon kilometres@ (in terms of 4- wheelers)	
	Total (Million)	Per running track km per day	Total (Million)	Percentage of loaded to total
1950-51	112	5.2	4,370	70.7
1960-61	161	6.9	7,507	70.5
1970-71	202	7.7	10,999	69.7
1980-81	199	7.2	12,165	69.5
1990-91	245	8.5	19,230	65.5
2000-01	261	8.7	27,654	60.9
2010-11	368	11.6	17,749	66.5
2015-16	393	11.7	18,708	64
2016-17	391	11.4	18,403	63.3
2017-18	396	11.5	18,461	64.4

@ From 2010-11 onward figure in terms of 8 - wheelers

Freight Structure

There was no increase in Freight rates during 2017-18. However, to make the rail transportation attractive to its customers, various initiatives were taken in 2017-18 which include Coal tariff rationalisation, classification of new commodities, expansion of freight basket through containerisation, introduction of a new delivery model Double Stack Dwarf Container (DSDC), Long Term Tariff Contract (LTTC) with key freight customers using predetermined price escalation principle, rationalisation and simplification of rate policies such as weighment policy, etc. All policies launched in 2017-18 have further been extended upto March, 2019.

Freight Marketing

Procurement of rakes for freight traffic by inviting private investment (on PPP mode) Liberalized Wagon Investment Scheme (LWIS)

The scheme allows investment by End users (viz. producers, manufacturers and consumers of goods) in Special Purpose Wagons (SPW) and High Capacity Wagons (HCW). So far, 45 rakes have been inducted under the scheme.

Special Freight Train Operator (SFTO)

To increase rail share of the non-traditional commodities like molasses, fly ash, edible oil, caustic soda, chemical, petrochemicals, alumina and bulk cement, Special Freight Train Operator (SFTO) Scheme has been launched. So far, 7 rakes have been inducted under the scheme.

Automobiles Freight Train Operator Scheme (AFTO)

With a view to increase IR's market share in transportation of automobile sector, 'Automobile Freight Train Operator Scheme (AFTO)' was launched, which permits procurement and operation of special purpose rakes by private parties. So far, 17 rakes have been inducted under the scheme.

Wagon Leasing Scheme (WLS)

The Wagon Leasing Scheme (WLS) aims for induction of rakes on lease basis through PPP route. As per policy, procurement of wagons through leasing route is permitted for only Special Purpose Wagons (SPW), High Capacity Wagons (HCW) and wagons for container movement. The leasing companies lease out rakes to end users, logistics service providers. So far, 40 rakes have been inducted under the scheme.

General Purpose Wagon Investment Scheme (GPWIS)

With view to allow investment for procurement of general purpose Wagons by End users, Public Sector Undertaking (PSUs), Port Owner, Logistics Providers and Minis Owners, a new scheme namely General Purpose Wagon Investment Scheme (GPWIS) has been launched by Ministry of Railways. The scheme permits eligible investors to invest in minimum of one rake of general purpose wagon in any of the desired circuit(s) to carry any commodity. In lieu of making investment by the investor, a freight rebate of 10% will be granted for a period of 15 years which will be capped to Indian Railway Finance Corp. (IRFC) rate of return at the previous financial year with reference to the date of approval. The ownership will rest with the investor. These rakes will have a unique color code. The agreement will be done for the codal life of rake. In case there is no traffic in return direction, Indian Railways can load the rake on mutual agreement only.

Since inception the scheme, approval for procurement of 38 rakes has been communicated to various firms.

Development of private freight terminals through private investment (on PPP mode) Private Freight Terminals (PFT) Policy

Private Freight Terminal (PFT) facilitates rapid development of a network of freight terminals with private investment. The focus of the policy is to provide efficient and cost effective logistics services with warehousing solution to end users. So far, 59 Private Freight Terminals have been commissioned and functioning.
(*Source: Railway Year Book 2017-18*)

Safety

There were 72 consequential train accidents in the year 2017-18 as compared to 103 accidents during 2016-17. Train accidents per million train Kms, an important index of safety, on IR dropped from 0.09 in the year 2016-17 to 0.06 in 2017-18.

Comparative position of train accidents during the last five years is as under:

Year	Collision	Derail-ments	Level Crossing Accidents	Fire in trains	Misc. Accidents	Total	Accident Per Million Train Kms
2013-14	4	52	51	7	3	117	0.1
2014-15	5	60	56	6	4	131	0.11
2015-16	3	64	35	0	4	106	0.1
2016-17	5	77	20	1	0	103	0.09
2017-18*	3	53	13	3	0	72	0.06

* Excludes Kokan Railway Corporation Limited (KRCL)

Causes of Train Accidents:

Out of 72 consequential train accidents which occurred on IR during 2017-18, 60 (83.33%) were due to human failure. These include 43 accidents (59.72%) due to the failure of railway staff and 17 (23.61%) due to persons other than Railway staff. Equipment failure was the cause of 3 (4.17%) of the accidents. 5 (6.94%) accidents on Incidental factors, 2 (2.78%) accidents were due to Sabotage and 2 (2.78%) accidents were on account of combination of factors.

Measures to Improve Safety

- **Safety Focus:** to reduce accidents caused by human errors, a multi-pronged approach with focus on introduction of newer technologies, mechanization of maintenance, early detection of flaws, etc. to reduce human dependence in the first place, alongwith upgrading the skills of the human resources were the prime drivers for accident prevention.

- **Periodical Safety Audits:** of different Divisions by multi-disciplinary teams of Zonal Railways as well as Inter-Railway Safety Inspections were conducted on regular basis. During 2017-18, 89 Internal Safety Audits and 32 Inter-Railway Safety Inspections were carried out.

- **Training facilities:** Refresher training imparted to Non-Gazetted staff during 2017-18 is 1,29,274 (Provisional).

Measures to Avoid Collision

To increase efficiency and to enhance Safety in train operations, Advanced Signalling System with Panel Interlocking/Route Relay interlocking/Electronic Interlocking (PI/RRI/EI) along with Multi Aspect Colour Light Signals have been progressively provided at 5,770 stations covering about 92% of the interlocked Broad Gauge stations on Indian Railways, replacing the obsolete Multi Cabin Mechanical Signalling system, involving a large number of human interfaces. Route Relay Interlocking (RRI) at 7 major stations namely, Jalgaon, Khanalampura, New Coochbehar, Mettur Thermal Plant Yard, Kharagpur, Cuttack and Dadri with Panel Interlocking at 208 Stations have been provided during the year 2017-18.

To Avoid Collisions, Technological Aids are briefly Enumerated below:

- **Complete Track Circuiting:** Complete Track Circuiting has been done upto 100%, 99.8%, 100% and 98.6% on A, B, C and D routes respectively. Fouling Mark to Fouling Mark track circuiting on ‘A’, ‘B’ ‘C’, ‘D Special’ and ‘E Special’ routes, where permissible speeds are more than 75 kilometers per hour on passenger line has been completed.

- **Block Proving Axle Counter (BPAC):** To enhance safety, automatic verification of complete arrival of train at a station, Block Proving Axle Counter (BPAC) is being provided at stations having centralized operation of points and signals. As on 31.03.2018 Block Proving Axle Counter (BPAC) have been provided on 5,058 block sections.

- **Intermediate Block Signalling:** Provision of Intermediate Block Signalling (IBS) has proved very useful in enhancing line capacity without extra recurring revenue expenditure in form of manpower and amenities required while developing and operating a block station. As on 31.03.2018, Intermediate Block Signalling have been provided 532 block sections on Indian Railways.

- **Automatic Block Signalling:** For augmenting Line Capacity and reducing headway on existing High Density Routes on Indian Railways, Signalling provides a low cost solution by provision of Automatic Block Signalling. As on 31.03.2018, Automatic Block Signalling has been provided on 2,901 Route Kms.

Automatic Train Protection (ATP)

- **Automatic Train Protection (ATP):** System based on proven European Train control System (ETCS-L1) Technology has been implemented on 342 RKMs (200 RKMs Delhi Agra section, 117 RKMs Chennai /suburban section and 25 RKMs of Metro Railway Kolkata).

- **ATP called Auxiliary Warning System (AWS):** ATP called Auxiliary Warning System (AWS) is presently functional on 364 RKMs in the Mumbai suburban section of Central Railway (240 RKMs) and Western Railway (124 RKMs).

- The work of modernization of signalling system on Indian Railway, which includes works of ETCS L-2, has been included in the Works Programme 2018-19 for complete 60,000 Route kilometres on Broad Gauge network of Indian Railways subject to expenditure on this project will be made only after following due processes, mandatory approvals and sanctions.

- **Train Collision Avoidance System (TCAS):** TCAS is a pilot project for indigenous technology development of train protection system called Train Collision Avoidance System (TCAS) has been launched on IR. This indigenous technology is aimed at providing capability to prevent train accidents caused due to Signal Passing at Danger (SPAD) or non-observance of speed restrictions by train drivers.

- Research Design and Standard Organisation (RDSO) has taken up extended field trials of TCAS on pilot section Lingampalli- Vikarabad-Wadi-Bidar pilot section (250 RKMs) on South Central Railways. Product of M/s Medha has been approved and safely certified for developmental orders for Absolute block section with speed upto 110 Kmph.

- **Centralized Traffic Control (CTC) in Indian Railways:** In a first of its kind on Indian Railways, a Centralized Traffic Control (CTC) with electronic interlocking and automatic signalling system is being set up on the Ghaziabad-Kanpur route - one of the busiest sections of Indian Railways. This is 410 km long double line electrified route dealing with 200 trains per day. Its Central Control Centre is established at Tundla station.

Salient sectional features are:

1.	No. of stations	47 Stations
2.	No. of block section	47 Sections
3.	Total length of section	413 KMs
4.	Way side stations	38 Station
5.	Major big yards	6 Yards
6.	Medium yards	3 Yards

CTC System will help in real time monitoring and better management of trains. It provides for remote operation of signals from a centralized control office. The CTC system has been made operational for seven stations pilot section (Hirangaon, Firozabad, Makhanpur, Shikohabad, Kaurara, Bhadan, Balarai) of Ghaziabad - Etawah - Kanpur section of NC Railway. The work for balance stations is in progress.

- **Train Management System (TMS):** TMS helps in real-time monitoring of trains in the control room. The arrival status of local trains is displayed on indicators installed on platforms in the form of a countdown timer (in minutes) to the train's arrival on the platform accompanied by automatic announcements on platforms.

  TMS has been provided on Mumbai suburban section of Western Railway (WR) and Central Railway (CR).

  On WR, it covers section from Churchgate to Virar extending over 60 km covering 28 stations and on CR it covers suburban section from Chhatrapati Shivaji Terminus (CST) Mumbai to Kalyan extending over 54 km covering 26 stations. TMS work is also almost complete on Howrah Division of Eastern Railway.

- **Interlocking of Level Crossing Gates:** This has been a major area of concern. Indian Railways have provided interlocking with Signals at 11,006 Level Crossing Gates as on 31.03.2018, to enhance the safety at Level Crossings.

- **Sliding Boom:** Provision of Interlocked Sliding Boom has become very effective in minimising disruption to train services when Level Crossing Gates get damaged by road vehicles especially in suburban areas. With provision of Sliding Boom Interlocking, Signalling System continues to function normally with minimum effect on train operation. 3,527 Nos. of busy interlocked gates have been provided with Sliding booms as on 31.03.2018 in addition to lifting barrier and further busy gates are also being progressively covered.

(*Source: Railway Year Book 2017-18*)

Electrification

With a view to reduce the Nation's dependence on imported petroleum based energy and to enhance energy security to the Country, as well as to make the Railway System more eco-friendly and to modernise the system, Indian Railways have been progressively electrifying its rail routes.

In pre-independence period, electrification remained confined to 388 Route Kilometers (RKMs) and it is only in the post-independence period that further electrification was taken up. Since then, there has been no looking back and the Indian Railways have slowly but steadily electrified its routes.

By March 2018, electrification on Indian Railways has been extended to 29,376 RKMs out of the total rail network of 68,442 RKMs. This constitutes 42.92% of the total Railway Network. On this electrified route, 64.50% of freight traffic and 56.50% of Passenger traffic is hauled with fuel cost on electric traction being merely 36.39% of the total traction fuel cost on Indian Railways. Further, Indian Railways has planned to electrify balance BG rail routes by 2021-22 to achieve 100% electrification of BG rail routes.

With the progressive electrification, metro cities of Delhi, Mumbai, Kolkata and Chennai have already been interconnected with electric traction. Mumbai-Chennai route is also electrified except Pune-Wadi, on which electrification work is in progress which when completed will bridge the remaining gap.

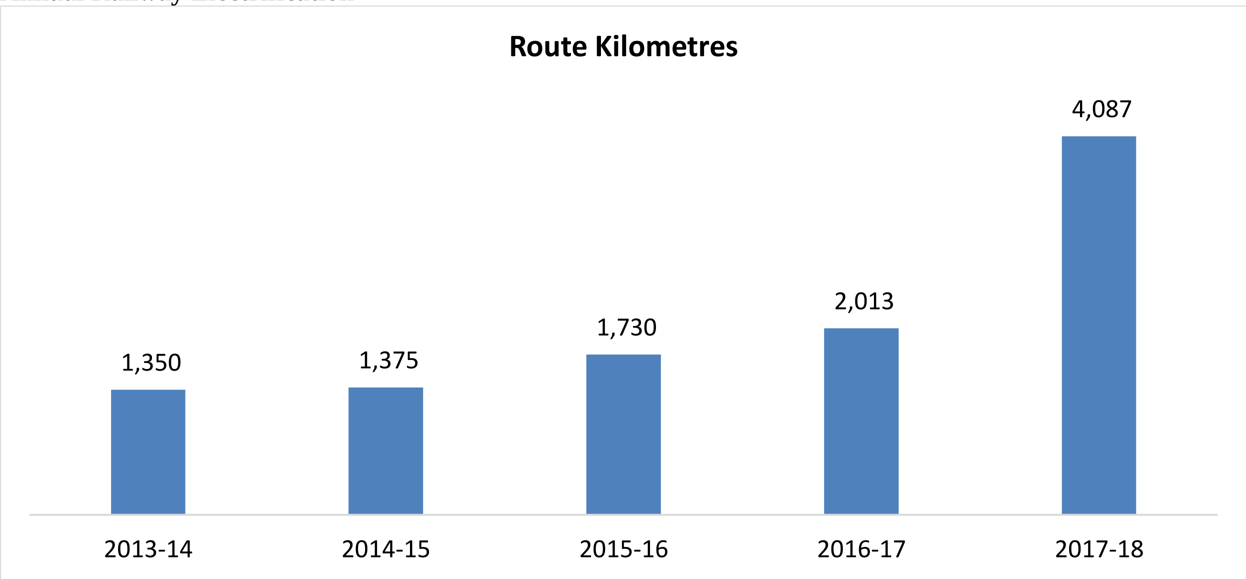
Progress of Railway Electrification

Year	Route Kms.		Running track Kms.		Total track Kms.#	
	Electrified	Total	Electrified	Total	Electrified	Total
1950-51	388	53,596	937	59,315	1,253	77,609
1960-61	748	56,247	1,752	63,602	2,259	83,706
1970-71	3,706	59,790	7,447	71,669	9,586	98,546
1980-81	5,345	61,240	10,474	75,860	13,448	1,04,480
1990-91	9,968	62,367	18,954	78,607	25,305	1,08,858
2000-01	14,856	63,028	27,937	81,865	36,950	1,08,706
2014-15	22,224	66,030	41,038	90,803	55,266	1,17,996
2015-16	23,555	66,687	43,357	92,081	57,738	1,19,630
2016-17	25,367	67,368	48,239	93,902	62,522	1,21,407
2017-18	**29,376**	**68,442**	**52,926**	**94,735**	**69,297**	**1,23,236**

Includes track in yards, sidings, crossings at stations, etc.

During year 2017-18 alone, 4,087 RKM has been commissioned against target of 4,000 RKM.

Annual Railway Electrification



(*Source: Railway Year Book 2017-18*)

Signal and Telecom

Signalling

To increase Efficiency and to enhance Safety in train operations, Advanced Signalling System with Panel Interlocking/ Route Relay interlocking/ Electronic Interlocking (PI/RRI/EI) along with Multi Aspect Colour Light Signals have been progressively provided at 5,770 stations covering about 92% of the interlocked Broad Gauge stations on Indian Railways, replacing the obsolete Multi Cabin Mechanical Signalling system, involving a large number of human interfaces. Route Relay Interlocking (RRI) at 7 major stations namely, Jalgaon, Khanalampura, New Coochbehar, Mettur Thermal Plant Yard, Kharagpur, Cuttack, Dadri with Panel Interlocking at 114 Stations and Electronic Interlocking at 208 stations have been provided during the year 2017-18.

Growth of deployment of Signalling on Indian Railways:

Item	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Panel Interlocking (Stations)	4,200	4,195	4,107	4,155	4,130
Route Relay Interlocking (Stations)	276	280	281	281	282
Electronic Interlocking (Stations)	735	842	1,005	1,148	1,358
PI/RRI/EI (Stations)	5,211	5,317	5,393	5,584	5,770
Block Proving Axle Counter (Block sections)	4,175	4,585	4,640	4,976	5,058
Automatic Signalling (Route Kms)	2,623	2,715	2,752	2,866	2,901
Intermediate Block Signalling (Block sections)	449	475	489	501	532
Interlocked level Crossing Gates (Nos.)	10,493	10,513	10,776	10,826	11,006

Self-Sufficiency: Signalling Workshop: Railway signalling installations use a number of specialized equipment for smooth and safe running of trains. With upgradation in technology and shift towards electrical/electronic system of signalling, the demand for these equipments has gone up. To attain self-sufficiency in meeting this increased demand, IR’s Signal Workshops at Podanur on Southern Railway, Mettuguda on South Central Railway, Gorakhpur on North Eastern Railway, Howrah on Eastern Railway, Byculla on Central Railway, Sabarmati on Western Railway and Ghaziabad on Northern Railway have been manufacturing items like Electric Point Machines, Tokenless Block Instrument, Double Line Block Instruments, Axle Counters, various types of Relays, etc.
The out turn achieved by these S&T workshops during 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 are as under:

Year Wise out Turn Signal and Telecommunication Workshop:

Year	Out Turn in Lakhs
2013-14	20478.68
2014-15	20732.01
2015-16	22098.3
2016-17	22513.21
2017-18	**25749.21**

(*Source: Railway Year Book 2017-18*)

Telecommunication

Telecommunication plays an important role in train control, operation and safety, Indian Railways has set up a state of the Art, nationwide telecom network for meeting its communication needs. RailTel, a Railways Central Public Sector Enterprise formed in September, 2000 is successfully exploiting surplus capacity of Indian Railway’s Telecom network commercially.

As on March 2018, Indian Railways has about 53,476 Route Kilometers of Optical Fibre Cable (OFC) that is carrying Gigabits of traffic. Railways Control Communication which is quintessential for train operation and control is also being transferred to OFC system. Till date control communication on 51,002 RKM has been shifted on OFC system. This OFC network is also contributing significantly in building National Knowledge Network through RailTel. It is also planning to provide Broadband connectivity to Panchayats through this OFC network.

Railways have planned Wi-Fi facility to be provided at 712 stations for internet facility to passengers which will aid in “Digital India” initiatives of Govt. of India. RailTel Corporation of India in association with Google has planned for providing Wi-Fi internet facility at 439 stations without any expenditure by Ministry of Railways and with revenue sharing model.

To enhance the security of passengers and premises and to work as a strong deterrent to crime in station premises particularly those against women and children, IR has planned to provide Video Surveillance System at 6,124 (A1, A, B, C, D and E category) stations on Indian Railways. In addition to these 6,124 stations, Video Surveillance System at 202 more stations has been sanctioned under ISS works, out of which 108 stations have been commissioned so far i.e. upto 31.08.2018.
Implementation of Upgradation of Security helpline: In phase-I the trial for provision of Security Helpline at Five Locations i.e. New Delhi, Allahabad, Jaipur, Bhopal and Pune have been successfully upgraded with required facilities. Automatic Call Distribution (ACD System) provided at security control of these divisions has been successfully integrated with CRM applications, developed by CRIS, for reading call related information. In phase-II, Security Helpline at remaining 65 locations is required to be upgraded and work has been in progress.

Indian Railways have decided to adopt Global System of Mobile Communication – Railways (GSM-R) based Mobile Train Radio Communication. The same has already been provided on 2,461 RKMS and is being extended in balance ‘A’,’B’ and ‘C’ routes.

Indian Railways has its own satellite hub that is being utilized for connecting remote locations for Freight Operation Information System (FOIS), Unreserved Ticketing System (UTS), Disaster Management System as well as for other critical communication needs. Besides Indian Railway network uses 16,451 data circuits that power its various data and voice networks across the country.

Railways have also established their Multi-Protocol Level Switching (MPLS) based Next Generation Network (NGN) for voice traffic. This Next Generation Network (NGN) has been used to interconnect more than 100 exchanges of Railways carrying the administrative voice traffic. Common User Group (CUG) mobile phones have also been hired to enable communication while on move to enhance safety, reliability and productivity. IR is also using 1.49 lakh VHF walkie-talkies sets to ensure safety and enhance reliability.

Telecom also plays a major role in ensuring passenger comfort. For the convenience of passengers, Train Information Boards have been provided at 1,090 Stations, Public Address (PA) Systems at 5,096 stations and Coach Guidance System at 576.

RailTel has also setup a next-generation-network to carry voice across the country. Point-of-interconnect has been established with all major telecom operators of the country. All zonal and divisional railway exchanges have also been connected to the NGN thereby modernizing the Railways voice Subscriber Trunk Dialling (STD) network.

(*Source: Railway Year Book 2017-18*)

Rolling Stock

Locomotives

The size of IR’s fleet of locomotive stock as on 31st March, 2018 consisted of 39 steam, 6,086 diesel and 5,639 electric locomotives. The number of locomotives, traction-wise, along with their average tractive effort is as follows:

Year	Number of locomotives				Tractive effort per loco (in kgs.)	
	Steam	Diesel	Electric	Total	B.G.	M.G.
1950-51	8,120	17	72	8,209	12,801	7,497
1960-61	10,312	181	131	10,624	14,733	8,201
1970-71	9,387	1,169	602	11,158	17,303	9,607

1980-81	7,469	2,403	1,036	10,908	19,848	10,429
1990-91	2,915	3,759	1,743	8,417	24,088	12,438
2000-01	54	4,702	2,810	7,566	29,203	18,537
2010-11	43	5,137	4,033	9,213	34,380	18,304
2015-16	39	5,869	5,214	11,122	37,483	17,853
2016-17	39	6,023	5,399	11,461	37,808	17,746
2017-18	39	6,086	5,639	11,764	38,166	16,879

Traction wise, average tractive effort per loco (Kgs.) for last four years is given below:

Year	Broad Gauge		Metre Gauge	
	Diesel	Electric	Diesel	Electric
2014-15	36,520	37,420	18,974	-
2015-16	37,186	37,801	18,896	-
2016-17	37,633	37,995	18,948	-
2017-18	38,244	38,086	18,960	-

Coach Upkeep

926 old coaches were given mid-life rehabilitation which brought substantial improvement in the condition of flooring, toilets and other passenger amenities.

Passenger Carrying Vehicles (PCVs) with aggregate seating capacity in different years and availability of Other Coaching Vehicles (OCVs) are shown below;

Year	Passenger Coaches						Other Coaching Vehicles (Number+)
	EMU Coaches		Conventional Coaches		DMU/DHMU		
	Number	Capacity $	Number @	Seating capacity	Number	Seating capacity	
1950-51	460	87,986	13,109	8,54,678	-	-	6,059
1960-61	846	1,50,854	20,178	12,80,797	-	-	7,415
1970-71	1,750	3,40,541	24,676	15,05,047	-	-	8,719
1980-81	2,625	5,00,607	27,478	16,95,127	-	-	8,230
1990-91	3,142	6,09,042	28,701	18,64,136	-	-	6,668
2000-01	4,526	8,59,701	33,258	23,72,729	142	142	4,731
2010-11	7,292	13,64,948	45,082	32,54,555	761	761	6,500
2015-16	8,805	15,78,868	53,171	37,94,954	1,469	1,469	6,704
2016-17	9,125	16,46,880	*53,668	*39,69,607	*1,492	*1,492	*6,699
2017-18	9,556	17,48,490	54,080	39,57,263	1,690	1,690	6,499

$ Includes standing accommodation.
@ Includes Rail Cars.
+ Includes luggage vans, mail vans, parcel vans, etc.
* Revised

Wagons:

As on 31st March, 2018, the size of IR's wagon fleet consisted of 2,79,308 units 66,167 covered, 1,58,795 open high-sided, 15,799 open low-sided, 23,602 other types and 14,945 brake vans/departmental wagons:

			Percentage of total number of wagons				
Year	Total wagons on line (In units)	Covered	Open high sided	Open low sided	Other types	Depart-mental	Total
1950-51	205,596	58.9	25.5	3.4	7.2	5	100
1960-61	307,907	57.3	25.5	2.5	10.6	4.1	100
1970-71	383,990	53.4	25.6	1.8	13	4.2	100
1980-81	400,946	53.3	28.3	3.2	11.8	3.4	100
1990-91	346,102	49.1	29.6	3.6	14.4	3.3	100

2000-01	222,193	34.1	41	3.6	17.5	3.8	100
2010-11	229,987	26.6	52.8	3.1	12	5.6	100
2015-16	2,51,295	24.9	55	5.5	9.3	5.3	100
2016-17	*2,77,992	24	56.1	5.4	9.3	5.2	100
2017-18	2,79,308	23.7	56.8	5.7	8.4	5.4	100

Carrying Capacity per Wagon on Broad Gauge and Metre gauge are indicated below:

	All Gauge		Broad Gauge		Metre Gauge	
Year	**Total number of wagons $ (000)**	**Total capacity (Million tonnes)**	**Number $ (000)**	**Average capacity (Tonnes)**	**Number $ (000)**	**Average capacity (Tonnes)**
1950-51	195	4.14	149	22.6	43	17.1
1960-61	295	6.3	207	23.1	83	18
1970-71	368	9.35	271	27.8	91	19.1
1980-81	387	11.14	299	30.6	83	23
1990-91	335	11.5	276	36.9	55	22.9
2000-01	214	10.19	199	48.7	14	34.4
2010-11	217	12.18	213	56.6	4	33
2015-16	237	14.39	235	60.8	2	33.7
2016-17	*264	*15.99	*262	60.9	1.9	34.2
2017-18	264	16.28	263	61.7	1.1	31.7

$ Excludes departmental service wagons and brake vans
* Revised

Some of the major types of wagons plying on Indian Railway as on 31.3.2018 are shown below:-

Types of Wagons fleet (BG)		
Types of Wagon	**Units available**	**Brief description**
BOXNHS	19117	Bogie open wagon, air brake, high speed.
BOXNS	643	Bogie open wagon, air brake, high speed.
BOXNLW	2182	Bogie open wagon, air brake, light weight.
BOXNCR	322	Bogie open wagon, air brake, made of corrosion resistant IRS M : 44 steel.
BOXNHA	776	Bogie open, air brake wagon of 22 t axle load with high side walls (higher than BOXN),designed for transportation of coal.
BOXNHL	56433	Bogie open air brake, stainless steel wagon
BOX' N'	45274	High - sided bogie open wagon with cast steel bogie, high tensile couplers, Cartridge Tapered Roller Bearings (CTRB), air brake, etc. for movement of bulk commodities like coal, iron ore etc.
BOY	1207	Standard Gondola wagon, air brake, to carry minerals / iron ore with an axle load of 22.9 t.
BCN / BCNA	41597	Bogie covered wagon, air brake fully riveted / welded construction for transportation of bagged cement, food grains, fertilizers, etc.
BCNAHS/BCNHS	8902	Bogie covered, air brake, all welded and riveted construction with High Speed bogie CASNUB – 22 HS BOGIE.

(*Source: Railway Year Book 2017-18*)

Increasing Production of LHB Coaches:

The production of LHB coaches in Production Units has continuously increased over the years, details are as under:

Year	**LHB coaches**
2013-14	543
2014-15	555
2015-16	1,044
2016-17	1,469

2017-18	2,480

(*Source: Railway Year Book 2017-18*)

Traction

Electric and Diesel traction constitute the principal modes of traction on IR. The share of traffic in terms of Train Kms. and Gross Tonnes Kilometres (GTKMs) for passenger and freight services hauled under different traction types over the years is given in the following tables:

Percentage of Train KMS. by Types of Traction

	Passenger				Freight		
Year	Steam	Diesel@	Electric Loco$	EMU	Steam	Diesel	Electric
1950-51	93	-	2	5	99	-	1
1960-61	91	-	2	7	94	5	1
1970-71	77	7	7	9	46	39	15
1980-81	49	25	14	12	18	62	20
1990-91	21.8	42.4	22.6	13.2	3	60.6	34.4
2000-01	-	56.2	31.2	12.7	-	43.5	56.5
2010-11	-	49.4	36.6	13.9	-	37.5	62.7
2015-16	-	48	37.9	14.1	-	37.5	62.5
2016-17	-	45.9	*40.0	14.1	-	38.3	61.7
2017-18	-	44.2	41.4	14.4	-	38.7	61.3

@ Includes DHMU and DEMU
$ Includes Rail Cars and Rail Buses
* Revised

Electric Traction

Highest-Ever Electric Loco Production:

Chittaranjan Locomotive Works (CLW) has turned out 350 three-phase electric loco in year 2017-18 which is the rarest feat achieved by CLW and this performance has been unprecedented in the history of CLW. A cumulative production of 377 electric locomotives has been achieved during 2017-18 utilizing the capacity of CLW, Disel Locomotive Work (DLW) and Diesel Loco Modernisation (Works DMW).

First-ever Electric Locomotive Manufactured at Diesel Modernization Works, Patiala:

In order to cater to the enhanced requirement of electric locomotives commensurate with 100% electrification and to utilize the infrastructure and manpower of DMW, mainly a Diesel loco rehabilitation workshop, was entrusted with the responsibility to manufacture Three Phase Insulated Gate Bipolar Transistors (IGBT) based electric locomotives and a target for production of two WAP-7 electric locomotives was assigned for year 2017-18. With enormous efforts put in by officers and staff, DMW has turned out first-ever electric locomotive in March 2018 and successfully fulfilled the assigned target of two locos.

Conversion of Diesel Locomotives to Electric Locomotives:

A WAGC3-class diesel locomotive which was due for a mid-life rehabilitation has been converted to electric and the new indigenous ‘Make in India’ Electric locomotive delivers 5,000 Hosre Power (HP) which is 92% more than the rail horse power of 2,600 HP of the older version of the locomotive.

High Speed Operation - WAP-5 Loco in MU with Single Pantry and 20 Coaches at 160 kmph:

WAP5 is the only locomotive available with IR which is having a speed potential of 160 kmph. Haulage power of this locomotive has been increased by making MU of two WAP5 locomotives, thereby making total Traction power of 11000 Horse Power is available and can haul 22-24 coach train upto 160 kmph speed. Three pair of WAP-5 locomotives provided with 25 kV jumper, high speed cattle guard and H-type couple have been commissioned for operation of trains at 160 Kmph. Successful trials have been carried out at 150/130 kmph between Hazrat Nizamuddin - Bandra Terminus.

Provision of Air Conditioning (AC) System in Electric Locomotive Cabs:

Loco Pilots are working in locomotive under extreme weather conditions of heat, humidity and dust prevalent across the country. Improvement in the working conditions of loco crew is a level on run and will make working environment of crew better and improve priority area for IR. Provision of Air-conditioning system in loco cab will reduce fatigue theirefficiency. Better working condition will also improve the alertness level of the loco pilots. Regular fitment of cab ACs has been started by CLW in year 2017-18.

(*Source: Railway Year Book 2017-18*)

High Speed Rail Corridor

The Diamond Quadrilateral railway project has the mandate to develop high speed rail network across several metros of India.

So far 6 corridors have been identified are;

1 Delhi-Mumbai.

2 Mumbai-Chennai

3 Chennai-Kolkata

4 Kolkata-Delhi

5 Delhi-Chennai

6 Mumbai-Kolkata routes

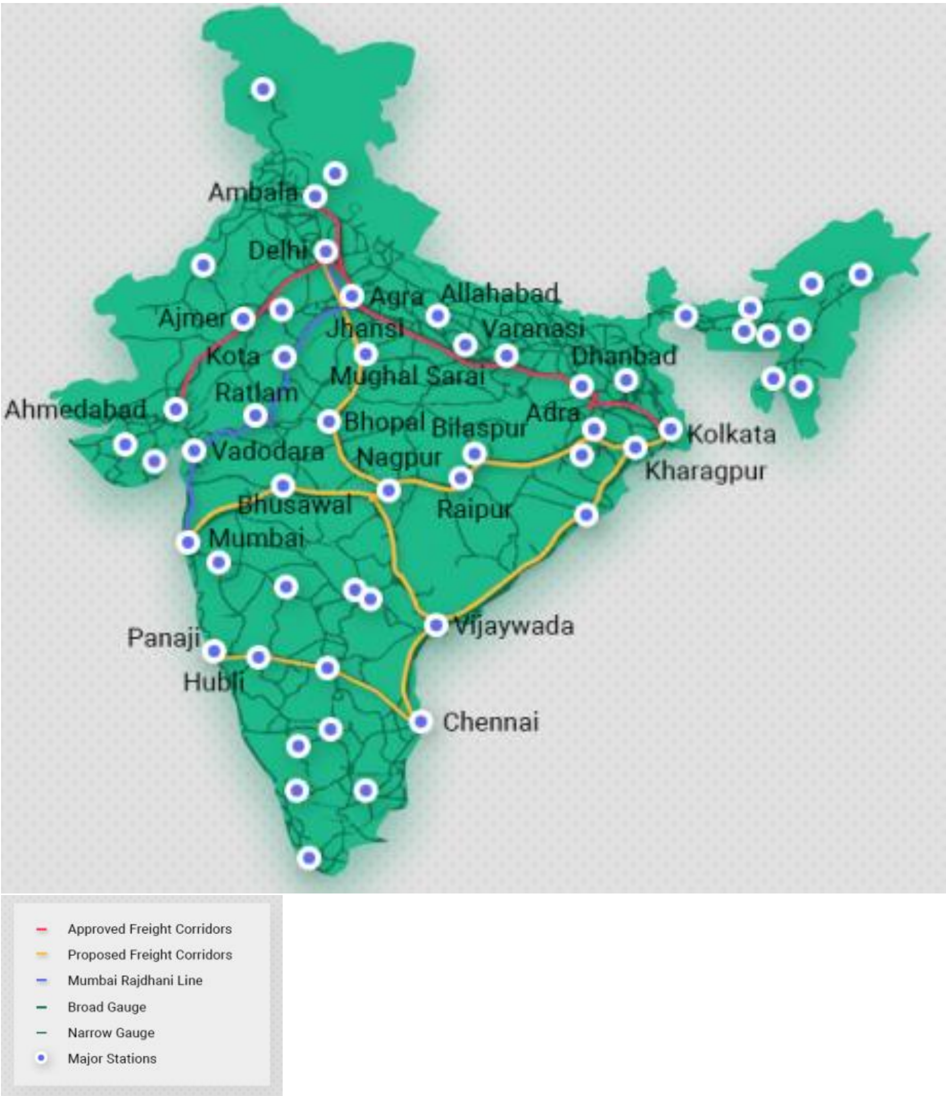
Note: Map not to scale

(*Source: https://www.investindia.gov.in/sector/railways*)

Dedicated Freight Corridor

The Indian Railways' quadrilateral linking the four metropolitan cities of Delhi, Mumbai, Chennai and Howrah, commonly known as the Golden Quadrilateral; and its two diagonals (Delhi-Chennai and Mumbai-Howrah), adding up to a total route length of 10,122 km comprising of 16% of the route carried more than 52% of the passenger traffic and 58% of revenue earning freight traffic of IR. The existing trunk routes of Howrah-Delhi on the Eastern Corridor and Mumbai-Delhi on the Western Corridor were highly saturated, line capacity utilization varying between 115% to 150%. Railways lost the share in freight traffic from 83% in 1950-51 to 35% in 2011-12.

(*Source: https://www.investindia.gov.in/sector/railways, Website for Dedicated Freight Corridor Corporation of India Limited*)



Note: Map not to scale

The rapid growth of Indian economy has created demand for additional capacity of rail freight transportation, and this is likely to grow further in the future. This burgeoning demand led to the conception of the dedicated freight corridors along the Eastern and Western Routes. Minister for Railways, made this historic announcement on the floor of the House in the Parliament while presenting the Railway Budget for 2005-06.

In April 2005, the Project was discussed at the Japan-India Summit Meeting. It was included in the declaration of co-operation signed between the Hon'ble Prime Ministers of India and Japan for a feasibility study and possible funding of the dedicated rail freight corridors by Japanese Government. The feasibility study report was submitted to Ministry of Railways in October 2007.

In the meanwhile, Ministry of Railways initiated action to establish a Special Purpose Vehicle for construction, operation and maintenance of the dedicated freight corridors. This led to the establishment of "Dedicated Freight Corridor Corporation of India Limited (DFCC)", to undertake planning and development, mobilisation of financial resources and construction, maintenance and operation of the dedicated freight corridors. DFCC was incorporated as a company under the Companies Act 1956 on 30th October 2006.

Need for Dedicated Freight Corridor Project

The Indian Railways' quadrilateral linking the four metropolitan cities of Delhi, Mumbai, Chennai and Howrah, commonly known as the Golden Quadrilateral; and its two diagonals (Delhi-Chennai and Mumbai-Howrah), adding up to a total route length of 10,122 km comprising of 16% of the route carried more than 52% of the passenger traffic and 58% of revenue earning freight traffic of IR. The existing trunk routes of Howrah-Delhi on

the Eastern Corridor and Mumbai-Delhi on the Western Corridor were highly saturated, line capacity utilization varying between 115% to 150%. Railways lost the share in freight traffic from 83% in 1950-51 to 35% in 2011-12. Not only this, the National highways along these corridors comprising 0.5% of the road network carried almost 40% of the road freight.
The surging power needs requiring heavy coal movement, booming infrastructure construction and growing international trade led to the conception of the Dedicated Freight Corridors along the Eastern and Western Routes, to begin with.

Salient Features

Dedicated Freight Corridors (DFC) are proposed to adopt world class and state-of-the-art technology. Significant improvement is proposed to be made in the existing carrying capacity by modifying basic design features. The permanent way will be constructed with significantly higher design features that will enable it to withstand heavier loads at higher speeds. Simultaneously, in order to optimize productive use of the right of way, dimensions of the rolling stock is proposed to be enlarged. Both these improvements will allow longer and heavier trains to ply on the Dedicated Freight Corridors.

The following tables provide comparative information of the existing standards on Indian Railways and the proposed standard for DFCC

Upgraded Dimensions of DFC:

Feature	Existing	On DFC
Moving Dimensions		
Height	4.265 m	7.1 m for Western DFC 5.1 m for Eastern DFC
Width	3200 mm	3660 mm
Container Stack	Single Stack	Double Stack
Train length	700 m	1500 m
Train Load	5,000 Ton	13,000 Ton

Upgraded Design Features of DFC:

Feature	Existing	On DFC
Heavier Axle Loads		
Axle Load	22.9t/25t	25 t Bridges & formation designed for 32.5 t
Track Loading Density	8.67 t/m	12 t/m
Maximum Speed	75 Kmph	100 Kmph
Grade	Up to 1 in 100	1 in 200
Curvature	Up to 10 degree	Up to 2.4 degree
Traction	Electrical(25 KV)	Electrical(25 KV AT Feeding)
Station Spacing	7-10 Km	40 Km
Signaling	Absolute/Automatic with 1 Km spacing	Automatic with 2 Km spacing
Communication	Emergency Sockets/Mobile Train Radio	Mobile Train Radio

Make in India Initiative

Major equipment which will be supplied first time such as transformer, auto transformer and other conductors will be supplied as per international specification. Part (upto 50%) quantity of such equipment can be supplied through technological transfer agreement through their Indian Partner under "Make in India" program. The developed indigenous capability will be useful for future corridors, high speed railways, Indian railways and other metro systems.

Signaling and Telecommunication:

1. Train Protection and Warning System (TPWS): Based on the principles of European Train Control System, Level- 1 (ETCS L-1) and solves problem of ‘Signal passing at danger’ (SPAD)
2. Train Management System (TMS): Train monitoring from a centralized location
3. Global System for Mobile Communication for Railways (GSM-R)

Civil Engineering

1. 32.5 T axle load- As compare to present 22.5 ton Axle load to facilitate movement of special wagons which can carry higher dimension and heavier cargo
2. Mechanized track laying- First time, new railway track is being laid using mechanized means such as NTC. It ensures accuracy and quality
3. Cant in turn out zone- First time in Indian Railways, to avoid change in rail plane, turn outs would also be canted. It will ensure smooth tiding and reduce rolling contact fatigue
4. Head Hardened Rail- Longer life, lesser maintenance

5. Use of Modern Turnout- (thick web with weldable CMS crossing)
6. Blanket thickness based on quality of base soil- resulting into economy in construction
7. Use of reinforced earth/wall- will reduce requirement of land in critical areas
8. Long Flash butt welded panels- To avoid field joints in rails
9. CWR-LWR through points and crossings- will enhance safety by avoiding free joint and reducing impact in turnout zone
10. GPS co-ordinates of proposed land boundary- For better management of land
11. Friction buffer stop- to enhance the safety of trains

Electrical System

1 Adoption of 2x25 KV (Kilovolt) at Feeding System - will enable long haul and heavy haul operation

2 High Rise Over Head Equipment (Ohe) - suitable for double stack operation on flat wagons on DFCC

3 Computer Simulation Tool - to optimize rating of major equipment such as traction transformers etc.

4 SCADA and Protection System - State of the art Supervisory Control and Data Acquisition (SCADA) system and numerical protection scheme will enhance safety of power system

5 Superior Composition and Profile of Contact and Catenary Wire with Improved Regulating Equipment

6 Earthing and Bonding Strategy- to comply international standards so as to achieve desired human/equipment safety as per EN 50122-1

7 Green Initiatives - DFCCIL is expected to offer reduction of more than 450 million ton of CO_2 in first 30 years of operation leading to reduced Green House Gas (GHG) emissions in transport sector in India

Western Corridor

The Western Dedicated Freight Corridor covers a distance of 1,504 km of double line electric (2 X 25 KV) track from Jawaharlal Nehru Port Trust (JNPT) to Dadri via Vadodara-Ahmedabad-Palanpur-Phulera-Rewari. Alignment has been generally kept parallel to existing lines except provision of detour at Diva, Surat, Ankleshwar, Bharuch, Vodadara, Anand, Ahmedabad, Palanpur, Phulera and Rewari. The Western Corridor passes through 5 states as follows:

States	KMs
Haryana	177
Rajasthan	567
Gujarat	565
Maharashtra	177
Uttar Pradesh	18
Total	**1,504**

Traffic Projections:

The traffic on the Western Corridor mainly comprises of ISO containers from JNPT and Mumbai Port in Maharashtra and ports of Pipavav, Mundra and Kandla in Gujarat destined for Inland Container Depots (ICDs) located in northern India, especially at Tughlakabad, Dadri and Dandharikalan. Besides Containers, other commodities moving on the Western DFC are Petroleum, Oil And Lubricants (POL), Fertilizers, Food grains, Salt, Coal, Iron and Steel and Cement. Further, owing to its faster growth as compared to other commodities, the share of container traffic is expected to progressively increase and reach a level of about 80% by 2021-22.

The rail share of container traffic on this corridor is slated to increase from 0.69 million Twenty-Foot Equivalent Units (TEUs) in 2005-06 to 6.2 million TEUs in 2021-22.

The other commodities are projected to increase from 23 million tonnes in 2005-06 to 40 million tonnes in 2021-22. As a result, the maximum number of trains in the section is projected as 109 trains each way in Ajmer-Palanpur section.

Projections on Western DFC (in million tons/year)

Direction/Commodity	2016-17	2021-22
UP Direction		
Food grains, Fertilizer	1.20	1.80
POL	0.30	0.50
Cement, Salt, Miscellaneous	0.40	0.80
Containers (in million TEUs)	1.90	2.70
Sub-Total excluding containers	1.90	3.10
DN Direction		
Coal, Cement, Iron & Steel	6.30	9.40
Fertilizer, Food grains, Salt	1.60	2.60
POL	1.00	1.50
Containers (in million TEUs)	1.90	2.60
Sub-Total excluding containers	8.90	13.50
Total excluding Containers	10.90	16.60
Total Containers (in million TEUs)	3.80	5.30
Rites Report: Table 12.3. of Western Corridor PETS Report		

Eastern Corridor

The Eastern Dedicated Freight Corridor with a route length of 1,856 km consists of two distinct segments: an electrified double-track segment of 1,409 km between Dankuni in West Bengal and Khurja in Uttar Pradesh (U.P.) and an electrified single-track segment of 447 km between Ludhiana (Dhandarikalan) - Khurja - Dadri in the state of Punjab, Haryana and Uttar Pradesh.

Eastern Corridor is projected to cater to a number of traffic streams-coal for the power plants in the northern region of U.P., Delhi, Haryana, Punjab and parts of Rajasthan from the Eastern coal fields, finished steel, food grains, cement, fertilizers, lime stone from Rajasthan to steel plants in the east and general goods. The total traffic in UP direction is projected to go up to 116 million tonnes in 2021-22.

Eastern DFC	
States	KMs
Punjab	88
Haryana	72
Uttar Pradesh	1058
Bihar	239
Jharkhand	196
West Bengal	203
Total	**1856**

Projections On Eastern DFC (in million tons/year)

Direction/Commodity	2016-17	2021-22
UP Direction		
Power House coal	54.46	61.96
Public Coal	0.61	0.95
Steel	8.24	9.74
Others	1.61	2.96
Logistic Park	1.20	2.40
Sub-Total	66.12	78.01
Down Direction		
Fertilizer	0.23	0.42
Cement	0.78	1.52
Limestone for the Steel Plants	4.99	5.00
Salt	0..68	1.03
Others	1.61	2.96
Logistic Park	1.20	2.40
Sub-Total	9.48	13.32
Grand Total	**75.60**	**91.33**
Rites Report: Table 14.3. of Eastern Corridor PETS Report		

Hydro-Electricity

The overall generation (Including generation from grid connected renewable sources) in the country has been increased from 1,110.458 Billion Units (BU) during 2014-15 to 1,173.603 BU during the year 2015-16, 1,241.689 BU during 2016-17, 1,308.146 BU during 2017-18 and 1,376.095 BU during 2018-19.

Fuel	MW	% of Total
Total Thermal	2,27,644	63.2%
Coal	1,95,810	54.3%
Lignite	6,260	1.7%
Gas	24,937	6.9%

Diesel	638	0.2%
Hydro (Renewable)	45,399	12.6%
Nuclear	6,780	1.9%
RES* (MNRE)	80,633	22.0%
Total	**360,456**	

(Source: https://powermin.nic.in)

Region-wise summary of the existing Hydro Electricity (HE) Stations in operation with installed capacity above 25 MW as on 31.3.2019 in the country vis-à-vis that on 31.3.2018 is given below

Region	**No of Stations as on**		**No of Units as on**		**Capacity (MW) as on**	
	31.03.19	**31.03.18**	**31.03.19**	**31.03.18**	**31.03.19**	**31.03.18**
Northern	71	73	245	245	19,023.27	18,969.27
Western	28	28	101	101	7,392.00	7,392.00
Southern	69	70	246	249	11,694.50	11,727.70
Eastern	23	23	84	84	5,862.45	5,862.45
N-Eastern	13	12	34	33	1,427.00	1,342.00
All India	204.00	206.00	710.00	712.00	45,399.22	45,293.42

(*Source: Review of Performance of Hydro Power Station 2018-19*)

The generation from the hydro electric power stations in the country during 2018-19 was 1,34,893.61 Million Unit (MU) (excluding import from Bhutan), which was about 6.95% higher than the generation during 2017-18 and about 3.76% higher than the generation targets for 2018-19.

Reassessment studies of Hydro-electric Potential in various river basins of the country were carried out by Central Electricity Authority during the period 1978-87. As per these studies, total Hydro-electric Power potential in the country was assessed as 84,044 Megawatts (MW) (at 60% load factor) from a total of 845 number of identified H.E. Schemes which when fully developed would result in an installed capacity of about 1,48,701 MW on the basis of probable average load factor.

The total energy potential is assessed as 600 billion units per year. The identified potential of H.E. schemes above 25 MW installed capacity works out to be 145,320 MW from a total of 592 H.E. schemes.

As on 31.03.2019, H.E. Schemes having total installed capacity of 40,613.6 MW (27.95%) excluding pumped storage stations of capacity of 4,785.60 MW have already been developed and the schemes under construction account for capacity of 10,829.5 MW (7.45%), (excluding PSS of 1,205 MW). As such, about 64.60% identified capacity is yet to be harnessed.

Region-Wise Status of Hydro-Electric Capacity

Region	**Identified Capacity as per reassessment study (MW)**		**Capacity Developed**		**Capacity Under construction**		**Capacity yet to be developed**	
	Total (MW)	**Above 25 MW**	**(MW)**	**(%)**	**(MW)**	**(%)**	**(MW)**	**(%)**
Northern	53,395	52,263	19,023.3	36.40	5,516.5	10.56	27,723.2	53.05
Western	8,928	8,131	5,552.0	68.28	400.0	4.92	2,179.0	26.80
Southern	16,458	15,890	9,688.9	60.97	1,060.0	6.67	5,141.1	32.35
Eastern	10,949	10,680	4,922.5	46.09	1,253.0	11.73	4,504.6	42.18

North Eastern	58,971	58,356	1,427.0	2.45	2,600.0	4.46	54,329.0	93.10
Al India	1,48,701	1,45,320	40,613.6	27.95	10,829.5	7.45	93,876.9	64.60

(*Source: Review of Performance of Hydro Power Station 2018-19*)

Steel Castings

The Indian foundry industry manufacturers metal cast components for applications in Auto, Tractor, Railways, Machine tools, Sanitary, Pipe Fittings, Defence, Aerospace, Earth Moving, Textile, Cement, Electrical, Power machinery, Pumps / Valves, Wind turbine generators etc. Foundry Industry has a turnover of approx. USD 19 billion with export approx. USD 2.7 billion.

However, Grey iron castings have the major share i.e. approx 68% of total castings produced. There are approx 5,000 units out of which 90% can be classified as Micro, Small & Medium Enterprises (MSMEs). Approx 1,500 units are having International Quality Accreditation. Several large foundries are modern and globally competitive. Many foundries use cupolas using LAM Coke. However, these are gradually shifting to Induction Melting. There is growing awareness about environment and many foundries are switching over to induction furnaces and some units in Agra are changing over to cokeless cupolas.
(*Source***:** *Foundry Informatics Centre, The Institute of Indian Foundrymen,* http://www.foundryinfo-india.org/profile_of_indian.aspx)

Major Foundry Clusters:

Each cluster is known for its products. The major foundry clusters are located in Batala, Jalandhar, Ludhiana, Agra, Pune, Kolhapur, Sholapur, Rajkot, Mumbai, Ahemdabad, Belgaum, Coimbatore, Chennai, Hyderabad, Howrah, Kolkata, Indore, Chennai, Ahemdabad, Faridabad, Gurgaon etc.

Typically, each foundry cluster is known for catering to some specific end-use markets. For example, the Coimbatore cluster is famous for pump-sets castings, the Kolhapur and the Belgaum clusters for automotive castings and the Rajkot cluster for diesel engine castings, Howrah cluster for sanitary castings etc.

Manpower:

The total Manpower in Foundry Sector is approx. 5,00,000 Directly and 1,50,00,00 indirectly. The foundry sector is highly labour intensive and currently generates employment for 2 Millions directly and indirectly mainly from socially and economically weaker sections of society. It has potential to generate additional employment of 2 Million in next 10 years.

Global Scenario:

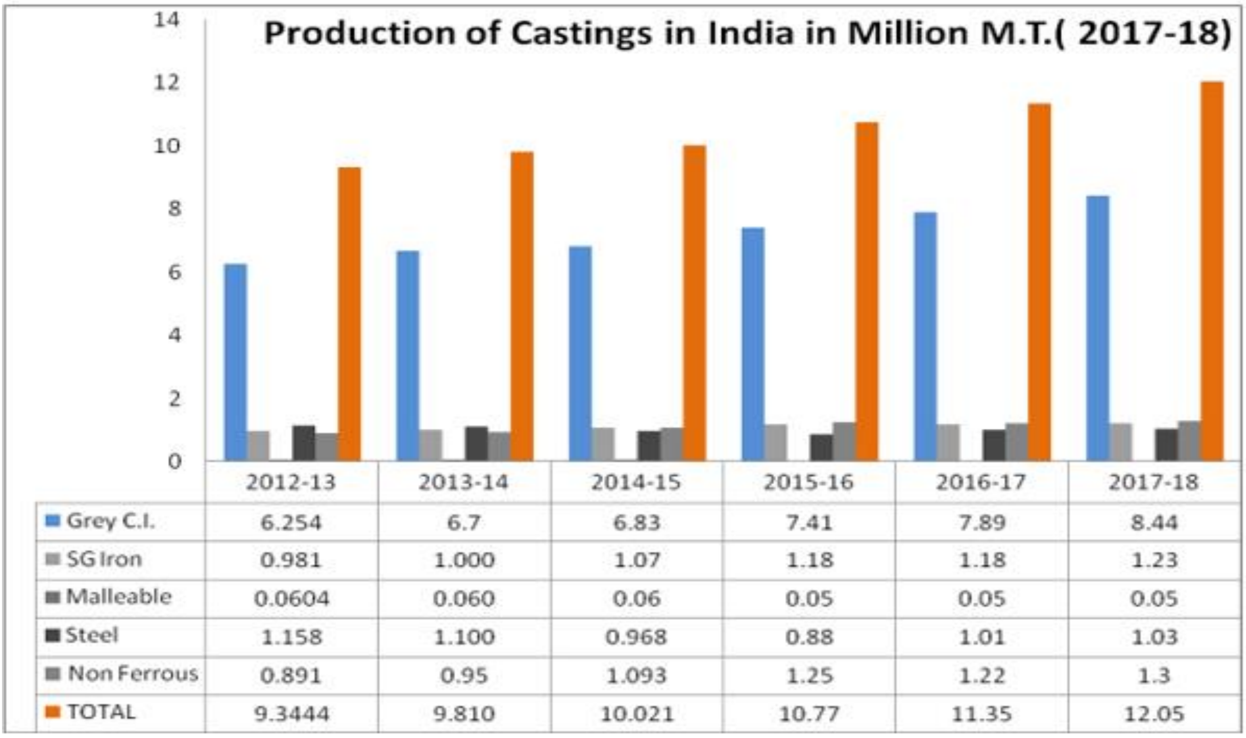
As per 52nd World casting Census published by Modern Castings USA in December 2018, Global Casting Production increased to more than 109.8 million metric tonnes, and increase of 5.3% when compared to the previous year. China increased its total production by two million metric tons to a total of 49.4 million, Meanwhile, the US was its tonnage increase by 4% and grey Iron heavy, India was an increase of 6.2% in compare to last year.

Total production of Iron increased, with grey iron growing 6% and ductile iron expanding by 3.8%, Steel output grew by 6% which aluminium production jumped by 6.7%.

Role in Manufacturing Sector:

The new manufacturing policy envisages the increase in the share of manufacturing in the GDP to 25% from current 15% and to create 100 Million additional jobs in next 10 years. Since all engineering and other sectors use metal castings in their manufacturing, the role of foundry industry to support manufacturing is very vital. It is not possible to achieve the above goal without the sustainable corresponding growth of the foundry sector.

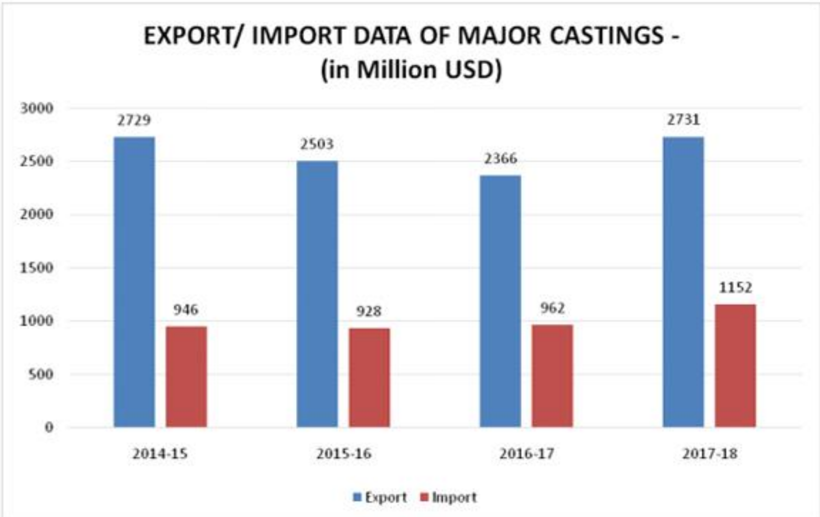
Production in Million Tonnes:



	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Grey C.I.	6.254	6.7	6.83	7.41	7.89	8.44
SG Iron	0.981	1.000	1.07	1.18	1.18	1.23
Malleable	0.0604	0.060	0.06	0.05	0.05	0.05
Steel	1.158	1.100	0.968	0.88	1.01	1.03
Non Ferrous	0.891	0.95	1.093	1.25	1.22	1.3
TOTAL	9.3444	9.810	10.021	10.77	11.35	12.05

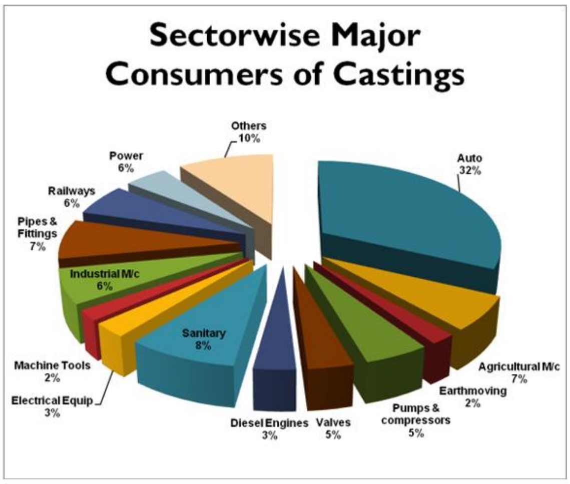
Exports Import trends

The Exports have been showing healthy trends approx 25-30% YOY till 2011-12 after that there was slow down in export. However, the current exports for FY 2017-18 are approx USD 2.73 billion.



In recent years, there is an increasing export potential for rail castings as well as industrial castings. Steel foundry is a labour intensive sector and the high labour cost involved in the operations of a steel foundry becomes a deterrent for setting up of such foundries. Therefore, operating a steel foundry is more cost efficient in developing countries as compared to developed countries. These developments make sourcing steel castings from developing countries like India and China much more attractive.

Sectorwise Consumption of Casting



OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page [●] for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in the section titled "Risk Factors" on page [●]. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from various government publications. This section should be read in conjunction with the "Industry Overview" on page [●].

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements, included in this Letter of Offer on page [●].

OVERVIEW

We are a part of the Adventz Group of companies, which are engaged in various sectors such as agri business, engineering, infrastructure, real estate, consumer durables and services sectors. We are one of the few private sector companies engaged in signalling, rail telecommunication, track constructions, and a leading player in the field of ballast less tracks for metro rail EPC. We are a diversified heavy engineering company, with products including railway freight wagons, hydromechanical equipment and industrial structures for infrastructure industry, locomotive components and locomotive shells, railway bridges, steel castings, and pressure vessels, etc. We also execute EPC contracts for execution of railway track, signalling and telecommunication projects on turnkey basis. Our Company became operational in April 1, 2010, post the demerger of the heavy engineering and steel foundry division of Texmaco Limited, a company founded in 1939. Texmaco Limited was set up as a textile machinery manufacturing unit and subsequently diversified into other engineering fields including wagon manufacturing, hydro-mechanical equipment, steel castings, providing services to core sectors and process industries in India and abroad.

Our major operating divisions presently are: (i) the heavy engineering division comprising of the manufacture and supply of wagons, hydro-mechanical equipment, and bridges and steel structures; (ii) the steel foundry division, and (iii) rail engineering procurement construction ("**EPC**") division. In addition, as a part of our heavy engineering division, we have set up a production facility comprising of the traction and coaching division to manufacture EMU, DEMU, MEMU coaches, passenger coaches, locomotive shells, locomotive components and assemblies. Of the aforesaid, we have manufactured ACEMU, locomotive shells, locomotive components and assemblies. Presently, we have five manufacturing facilities at four locations in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal. We have also acquired the steel foundry unit of Simplex Castings Limited located at Urla in Raipur.

We have also expanded our market overseas and have exported wagons and rolling stock to various countries. We have exported Phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreed naught ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa and Sri Lanka, and tank wagons to Bangladesh, Cameroon and Sri Lanka. We have strong in-house capabilities for the design and manufacture of commodity specific special purpose wagons for core sectors such as cement, coal, alumina, ammonia, steel, container freight wagons, oil, chemicals, fertilisers, and the defence sector among others. We have been certified by the RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Over the years, we have also built strong capabilities in designing, marketing, manufacturing, erecting and commissioning of hydro- mechanical equipment and executed several hydro-mechanical projects both in India and overseas. In addition, we also manufacture steel super structure for railway bridges. We are also one of the largest suppliers of steel castings in India, with an annual production capacity of 42,000 metric tonnes of steel castings. Our steel foundry division located at Belgharia is engaged in manufacturing of railway castings such as bogies, couplers, draft gears, cast manganese steel ("**CMS**") crossings, and industrial castings such as shrouds for mining equipments, and hub castings for hydro equipment. We supply steel castings to the Indian Railways and other wagon builders in India. We are also exporting steel castings to USA, Australia, Mexico and Malaysia.

During the Fiscals 2019 and 2018 we have witnessed a 52% and 105% increase in exports, respectively. We designed, manufactured, supplied, transported, erected, and commissioned the hydromechanical equipment for Stage V of the Teesta Hydroelectric Project in Sikkim. We were awarded the ‘Star Performer Award’ by the Engineering Export Council of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Council of India, Eastern Region, for Fiscal 2017.

During Fiscal 2014, our Company merged with Kalindee Rail Nirman (Engineers) Limited (“**Kalindee**”), a company engaged in the business of providing EPC services to railways and metros, especially in the field of signaling track, telecommunication and auto fare collection machines. We have also entered into joint ventures with global companies such as the Touax Group in France, and Wabtec Corporation in the United States of America in order to improve our capability for executing complex projects. We have also commenced providing rail EPC services to metro rail projects in addition to the Indian rail network.

We had expanded our business by entering into strategic collaborations with renowned multi-national companies which have diverse experience in the rail industry. For instance, one of our joint ventures with the Touax Group in France, Touax Texmaco Railcar Leasing Private Limited, has helped us diversify our income stream by commencing leasing of railway wagons. Additionally, Wabtec Texmaco Rail Private Limited, our joint venture with Wabtec Corporation in the United States of America, is geared towards the production of high value components including bogie mounted brake systems, low and high friction brake blocks, and friction wedges.

The order book of our Company, as on August 1, 2019 stands at ₹5,76,553.02 lakhs, respectively.

The table below sets forth the composition of our Company’s total revenues and profit after tax, for Fiscal 2019, Fiscal 2018 and Fiscal 2017:

(In ₹ Lakhs)

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Income			
- Heavy Engineering Division	78,535.78	30,329.05	64,606.23
- Steel Foundry Division	26,879.55	13,524.09	19,582.02
- Rail EPC Division	95,102.26	75,407.11	61,861.59
Total Income	2,00,517.59	1,19,260.25	1,46,049.84
Profit after tax	7,541.27	1,264.65	2,937.54

OUR STRENGTHS

Our principal competitive strengths are set forth below:

Total rail solution provider

We have transformed our Company into a total rail solution provider, capable of meeting requirements ranging from track-laying, ballastless track, signalling, auto fare collection, locomotive shells and wagon manufacturing, overhead electrification, steel casting for railway applications, and other critical components for the railways such as draft gears, etc. Our merger with Kalindee has enabled us to improve our capacity for in the field of signaling track, telecommunication and auto fare collection machines. Similarly, our merger with Bright Power Projects (India) Private Limited, a former subsidiary, has resulted in us improving our ability to set up overhead electrification for railway lines. We have recently completed the overhead electrification of the Nagpur Metro Rail.

This has enabled us to promote ourselves as a total rail solution provider to countries such as Bangladesh, and the United States of America.

Leading manufacturer of wagons in India

We have been in the business of manufacturing wagons through Texmaco Limited. The Ministry of Railways, Government of India has recognised us as one of the suppliers of wagons to the Indian Railways, supplying approximately 16.19 %, 12.06 % and 22.10 % of the total wagon demand for Fiscal 2019, Fiscal 2018, and Fiscal 2017, respectively. We have been certified by RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Additionally, our wagon manufacturing facility, located at Agarpara, is the one of the largest single location wagon manufacturing facilities in India. Our Company is capable of manufacturing wagons that are catered towards carrying specific types of cargo, such as cement wagons, alumina wagons, car carrying wagons, liquid petroleum and gas carrying wagons, fly ash carrying wagons, coal hopper wagons, steel coil carrying wagons and container wagons.

In the past, we have also exported our wagons to various European, African and South East Asian countries. For instance, we have exported our phosphoric acid stainless steel wagons to Senegal, tank and container flat wagons to Mali and Sri Lanka, and tank wagons to Bangladesh, Cameroon and Sri Lanka.

For Fiscal 2019, Fiscal 2018 and Fiscal 2017, our revenue from our sales of wagons, locomotive shells and rolling stock was ₹68,832.26 lakhs, ₹21,291.77 lakhs, and ₹54,276.10 lakhs, which comprised 36.64%, 17.94% and 38.69% of our total income, respectively.

Leading manufacturer of railway steel castings

Our Company is equipped with a steel foundry equipped with twin high pressure moulding production lines. Our steel foundry, inclusive of the new steel foundry division of Simplex Castings Limited acquired by us, has annual production capacity of 42,000 metric tonnes of steel castings. We have received certification as a "Class A" foundry by RDSO, Ministry of Railways. We have also been certified as an approved source for manufacturing bogies, couplers, CMS crossings and draft gears. Further, we are certified by the Association of American Railroads ("**AAR**") for railroad castings. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for achieving the highest level of exports of steel castings in the eastern region of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Council of India, Eastern Region, for Fiscal 2017.

We manufacture bogie castings that are catered towards the requirements of the North American market, as well as meter gauge bogies for railroads in Thailand. Our foundry is capable of supplying 30 ton axle load barber design bogies to the North American market. Additionally, in Fiscal 2018 we commenced the export of two new railway components, namely three designs of yokes and center plates, for the North American market. We believe that these new components have a significant demand in the concerned market, and thus will result in a significant boost to our exports. We export our products to niche markets located in North America, Australia, and Malaysia.

For Fiscal 2019, Fiscal 2018 and Fiscal 2017, our revenue from our steel foundry division was ₹26,879.55 lakhs, ₹13,524.09 lakhs, and ₹19,582.02 lakhs, which comprised 13.41%, 11.34% and 13.41% of our total income, respectively.

Expertise in hydro mechanical equipment and geographical locational advantage

We believe that we are one of the leading manufacturers of hydro-mechanical equipment in India and our strength lies in offering a one point solution to our customers from designing to commissioning of hydro mechanical equipment and in providing after sales services. We manufacture a wide range of hydro-mechanical equipment such as radial and vertical gates, flap gates, hoists (of all types), and support equipment such as gantry cranes, electric overhead travelling ("**EOT**") cranes, penstocks and specials, trash rack cleaning machines ("**TRCM**"), stop logs and other heavy steel structures including barrage equipment. Our Company has also developed an economical design of lining application for dam radial weir channels.

Our expertise in design capabilities for high head radial gates was instrumental in securing a contract for design to commissioning of hydro-mechanical equipment for Stage V of the Teesta Hydroelectric Project in Sikkim. Further, we also manufactured and supplied hydromechanical equipment and the penstock steel liner for the 114 MW Dagachhu Hydroelectric Project in Bhutan.
We believe that our geographical location of our hydro mechanical equipment in eastern India enhances our prospects in the hydro mechanical equipment business. As a majority of the Indian hydro power projects are being executed in the north eastern part of India, we believe that our proximity to the project sites gives us an edge over our competitors in the procurement of orders.

Well-equipped manufacturing facilities

We own well-equipped manufacturing facilities having the requisite technology and infrastructure to manufacture a wide range of our various product offerings. Our infrastructure facilities located at Belgharia and Agarpura are spread over approximately 113.86 acres of land, and have approximately 15,00,000 square feet of covered manufacturing space. These facilities also have a large network of 15 railway lines inside their compound, which are capable of holding three to four full rakes of wagons.

Our manufacturing units are equipped with standard rooms with sophisticated measuring equipment related to calibration apparatus/devices providing maximum accuracy measurement, in-house x-ray testing facility to check welding quality, cold spun dished end manufacturing, stress relieving furnace for complete wagons, special purpose machine tools, battery of CNC air/plasma profile cutting machines, large sized robotic welding equipment, automated welding equipment, CNC plate bending machine with a capacity bending of 100 mm thick plates up to three metres in width, heavy duty press machines, horizontal and vertical turning machines, hydraulic load testing facilities, shot blasting, painting and baking facility and other sophisticated equipment. We also have significant storage facilities for raw materials used for manufacturing our wagons. We leverage our infrastructure facilities to manufacture eight different types of wagon simultaneously at any given point of time.

We also have facilities comprising over 41.98 acres of area at Panihati and Sodepur, which contain wagon manufacturing, bridge fabrication, locomotive shell manufacturing facilities, and hydro mechanical equipment manufacturing facilities. Our Sodepur facility is connected to the mainline railway siding as well as to the state highway system, while our Panihati facility is connected to the state highway system. Additionally, our Agarpara facility is connected to the mainline railway siding and internal city roads. All our manufacturing facilities have access to ports such as the Kolkata port and the Haldia port. The strategic location of our manufacturing facilities enhances our abilities to deliver our products to our customers.

Our steel foundry is equipped with twin automatic high pressure moulding production lines, and along with the new steel foundry division of Simplex Castings Limited acquired by us, is equipped with the capacity of 42,000 metric tonnes of steel castings per annum. We manufacture railway castings such as bogies, couplers, draft gears and draw bars which are used in the manufacture of wagons by our wagon manufacturing unit as well as sold to other manufacturers in the wagon industry domestically and overseas. Additionally, we also manufacture CMS crossings for railway tracks, and castings for mining equipments.

We believe that we are in a position to leverage on our strong infrastructure facilities to maintain our position as one of the market leaders in the wagon manufacturing and steel castings and hydro mechanical equipment sectors.

Strong focus on research and development, leading to successful commercialization of innovative products

We have a well-appointed research and development centre which has been registered and recognised by the Department of Scientific and Industrial Research, Government of India. As of June 30, 2019, the centre has 14 permanent employees, as well as interns on a temporary basis from various engineering institutes and is engaged in developing various new products and processes. Our research and development centre has helped our Company improve profit margins by developing new products and improving the quality of existing products.

Some of the products and processes developed by our research and development centre include the following:

- Four new centre plate castings that are designed to cater to the requirements of the North American market;
- Development of 22 new components for ground excavating applications with improved wear resistance;
- Development of a unique heat treatment process for components to be engaged in ground excavating applications in order to improve their toughness and wear resistance; and
- Development of alloy steel yoke castings for the North American market.

Experienced management team with a proven track record

Our operations are led by an experienced senior management group who we believe has the professional expertise and vision to maintain our position as a leading total rail solutions provider. Our Company’s senior management includes highly qualified people with extensive experience in our Company includes highly qualified with extensive experience in our Company’s business with commercial, engineering and technical background. Sandeep Fuller, the Managing Director of our Company, has 20 years of experience, having worked with the Indian Railways in various capacities, with core expertise in metro coaches, locomotives, traction operation and maintenance. Our Executive Director and CEO (Steel Foundry Division), D H Kela has more than 18 years of experience in our Company in the engineering and metallurgical industries, and our Executive Director and CEO (Heavy Engineering Division), G C Agarwal is a graduate of the Indian Railways Institute of Mechanical and Electrical Engineering, culminating in his retirement as the General Manager of the Western Railway. Our Board is also adequately supported by a team of professional managers with varied experience.

OUR STRATEGIES

We have the following strategies to develop our business and continue to grow further:

Focusing on the rail EPC division to consolidate position as a total rail solutions provider and tapping global opportunities in the Rail EPC

We believe that the Indian Railway is proposing to undertake significant upgradation of the existing rail network in India, including addition of new railway lines, doubling and gauge conversion of existing railway lines, as well as electrification of existing railway lines. Additionally, we also anticipate that the Indian Railways will also emphasise on the improvement of rail safety and the installation of rail safety devices on the rail network. Further, by virtue of our subsidiary in South Africa, namely Texrail SA (Pty) Limited, we also intend to explore opportunities for expansion of our rail EPC business in Africa and the Middle East.

By virtue of our mergers with Kalindee and Bright Power Projects (India) Private Limited, we have enhanced our capabilities to provide EPC services to metro rail systems as well as to national rail systems, especially in the fields of overhead electrification, signalling, track laying, rail telecommunication and auto fare collection machines. Accordingly, we believe that by focusing on the rail EPC division, we can consolidate our position as a total rail solutions provider.

Leveraging on the capabilities of our foundry

Our Company has a steel foundry equipped with twin high pressure moulding production lines. Our steel foundry, along with the new steel foundry division of Simplex Castings Limited acquired by us, has annual production capacity of 42,000 metric tonnes of steel castings. We intend to maximise the utilisation of our installed production capacity in order to meet the significant supply requirements of the steel castings market.

We have developed over five designs of export potential bogies, which are used by wagon builders across markets of the United States of America, Canada, Mexico and Australia. We have also received certification for our foundry by AAR for infrastructure and manufacturing process. Accordingly, we intend to leverage our certification to develop new products and expand our range of offerings in the North American market.

We believe that by leveraging on the capabilities of our foundry we will be able to ensure steady growth and increasing revenues for our Company, and increase profitability.

Focus on strengthening exports and targeting new markets

We export wagons, hydro mechanical equipment and steel castings abroad. We have expanded our export business and earned ₹15,645.64 lakhs, ₹10,292.15 lakhs and ₹5,024.38 lakhs from exports in Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively, resulting in a significant increase in comparison to the previous years. We intend to continue to focus on international markets, particularly markets in African countries to sell our products. For this purpose, we have incorporated a subsidiary in South Africa, namely Texrail SA (Pty) Limited, to introduce our Company’s products and services across countries in Africa.

AAR has also certified that our steel foundry has met the requirements of the AAR’s quality assurance program as specified in M-1003 for manufacture of freight wagon side frames and bolsters and centre plates. This certification enables us to market certain certified steel casting products for wagons in the United States of America. In Fiscal 2019, our Company exported 45% of the castings produced in the steel foundry.

We also intend increase our export related activities in the field of rail EPC and have participated in various large exported related enquiries. For example, our Company is currently executing a project in Bangladesh for constructing a box culvert for the railway line connecting Tripura, India, to Bangladesh. Additionally, we are also executing a project for designing, supplying, installing, testing, and commissioning of an electronic interlocking-based signalling system in Nepal.

Development of new technological products

We have entered into joint ventures with international groups such as the Touax Group from France, and the Wabtec Corporation from the United States of America. Through these joint ventures, particularly our joint venture with the Wabtec Corporation, we intend to manufacture products such as bogie mounted break systems, cushioning systems and freely suspended systems. We have also recently incorporated a subsidiary, Texmaco Rail

Systems Private Limited in order to enhance our rail EPC business, and have been commissioned by the Mumbai Metro Rail Corporation Limited to design, manufacture, supply, install, test and commission the automatic fare collection system.

Entering into manufacturing for the Indian defence sector

As a part of the 'Make in India' campaign aimed at boosting domestic manufacturing in India, the Government of India has emphasised on encouraging domestic manufacturers into producing the equipment required by the armed forces and paramilitary forces of India. We intend to exploit such beneficial policies and diversify our manufacturing facilities into also manufacturing defence equipment. For this purpose, we have also established a subsidiary company, namely Texmaco Defence Systems Private Limited, in order to explore the possibility of manufacturing products such as armoured vehicles and parts of small armoured components in order to meet the needs of the defence sector.

Improving working capital levels

The nature of the manufacturing sector that our Company operates in requires the availability of significant working capital in order to meet various business needs. Accordingly, we aim to use a portion of the net proceeds of this Issue in order to augment our working capital levels, so as to ensure we are able to undertake our business activities without interruption. We also intend to enhance our working capital limits with our lenders in a manner commensurate with the growth of our business.

OUR BUSINESS DIVISIONS

Heavy Engineering Division

Our heavy engineering division comprises of sub-divisions for rolling stock, electric locomotive shells and components, hydro-mechanical equipment, bridges and heavy structures.

Rolling Stock Division

Freight cars, wagons and coaches

We are presently one of the largest suppliers of wagons in India, with the Indian Railways as our largest customer. We also cater to other customers including container freight operators and industries involved in the production of commodities such as cement, alumina, coal, steel, oil, chemicals, food grains and fertilisers. We have also been successful in securing an order from the Ministry of Defence to supply wagons to carry defence equipment.

We manufacture a diverse product offering in wagons through our manufacturing facilities at Agarpara and Sodepur in West Bengal. Our product range in this segment includes conventional wagons, commodity specific wagons (including merry-go-round wagons with electro pneumatically door opening mechanism, food grain wagons, cement wagons, alumina wagons, caustic soda wagons, guard vans and container flat wagons), multi axled wagons for bulky/oversised consignments and wagons for exports.

We have been certified by RDSO for manufacture of an annual production of 6,800 wagons, based on our past production.

Coaches, locomotive components and assemblies

We have set up a production facility to manufacture EMU (electrical multiple units), DEMU (diesel electric multiple unit) and MEMU (mainline electric multiple units) coaches, passenger coaches, locomotive shell, locomotive assemblies and sub-assemblies. Our coach manufacturing facility is located at Sodepur, West Bengal, as a part of our traction and coaching division. We also manufacture electric locomotive shells, assemblies and sub-assemblies and have secured orders from the Indian Railways for these products. We are currently under contract with Alstom in order to supply them with locomotive shells. Further, we have also entered into a contract with GE India Industrial Private Limited in order to supply them with locomotive sub-assemblies.

Hydro-Mechanical Equipment

We believe that we are one of the major manufacturers of hydro-mechanical equipment in India. With the hydro-mechanical structures, designed and fabricated at our Company's manufacturing facilities at Panihati and Sodepur, we believe we have made significant contribution to several infrastructure projects such as hydro- electric power plants, irrigation projects and flood control projects among others, in India and abroad. We have successfully exported hydro-mechanical equipment to various hydro-electric projects in countries such as Bhutan. We supplied, installed and commissioned hydro-mechanical equipment to the 114 MW Dagacchu hydro-electric project in Bhutan. We have also installed the hydromechanical equipment for the Teesta V hydro power project in Sikkim, and the Teesta Lower Dam project in West Bengal. We have also installed the hydromechanical equipment for Farakka barrage in West Bengal.

Bridges and other steel structures

We manufacture steel superstructure (steel girders) for large bridges for railways as well as roads from our manufacturing facility at Panihati and Sodepur. We manufacture the steel girders based on the designs and requirements of our customers, as well as supervise their installation. Additionally, our steel girders are also used for the construction of railway station buildings.

Our Company has also established export credentials in the field of steel girder bridges and structures, through our successful execution of large contracts secured from various EPC contractors in India.

Our revenue from our heavy engineering division was ₹78,535.78 lakhs in Fiscal 2019, ₹30,329.05 lakhs in Fiscal 2018 and ₹64,606.23 lakhs in Fiscal 2017, comprising of 39.17%, 25.43% and 44.24% of our total income, respectively.

Raw materials

We typically use raw materials such as steel long and flat products, MS and CI scrap, wheel sets, steel castings, bearings, rubber components, forged components, paints and weld material.

Manufacturing process

<u>Rolling stock division</u>

Our manufacturing process for wagons to be exported commences with the release of the initial drawing of the product to the client. Based on the client's review and suggestions, the drawing is finalised and approved. For wagons to be utilised in the domestic segment, the manufacturing process begins with the payment of design loan charges to RDSO by us, as we are required to mandatorily use designs specified by RDSO for our wagons. In case our customers require any customizations, these customizations are submitted to the RDSO for its final approval.

Our team determines the ability of our suppliers to supply the desired raw material, and accordingly execute purchase orders for the procurement of raw material. The raw material is then released to the shop floor as per the requirement.

The products undergo several stages of inspection during the manufacturing stage. While we have an inhouse inspection team, some of our clients also engage in private third-party inspectors to ensure the quality of our products. The final product is approved by the RDSO before dispatch.

<u>Hydro-mechanical equipment, bridges, and other steel structures</u>

We receive orders and preliminary designs from our customers. Our in-house design team uses the preliminary designs and enters into discussions with the customer in order to finalise a design that is suitable for the requirement of the particular project. We manufacture the product at our facilities located at Panihati and Sodepur. We also install the product at the desired location depending on the requirements of our customers.

Our Products

Rolling stock division

We manufacture products such as conventional wagons, commodity specific wagons, and high payload wagons, and locomotive components and shells.

Hydro-mechanical equipment

We manufacture hydro-mechanical equipment such as radial and vertical gates, flap gates, hoists (of all types), gantry cranes, EOT cranes, penstocks and specials, TRCM, stop-logs and other heavy steel structures including barrage equipment.

Bridges and other steel structures

We manufacture heavy steel structures including girders, hull blocks and other parts of bridges for railways and road over bridges.

Steel Foundry Division

Our steel foundry is located at Belgharia, Kolkata and is engaged in manufacturing industrial products for steel plants and the engineering industry. Our steel foundry division, along with the steel foundry division of Simplex Castings Limited acquired by us, is presently capable of producing 42,000 metric tonnes of steel castings on an annual basis. The facilities of the foundry consist of high pressure molding line and automated sand plant with on-line sand testing equipment.

Our steel foundry consists of two programmable logic controllers ("**PLC**") automated high pressure moulding lines and has been accredited by the Indian Railways as a Class 'A' Foundry.

The AAR has certified that our steel foundry has met the requirements of the AAR quality assurance program as specified in M-1003 for manufacture of freight yokes, freight side frames and bolsters, and center plates. Such certification enables us to market certain certified steel casting products for wagons in the United States of America.

Our steel foundry at Belgharia has been accredited by the Bureau Veritas Certification (India) Private Limited with the ISO 9001:2015 management system certification for manufacture and despatch of (a) open, covered, hopper and tank type wagons, (b) fabricated coaches, and (c) hydromechanical equipment.

Our steel foundry division recorded a revenue of ₹26,879.55 lakhs in Fiscal 2019, ₹13,524.09 lakhs in Fiscal 2018 and ₹19,582.02 lakhs in Fiscal 2017, comprising of 13.41%, 11.34% and 13.41% of our total income, respectively.

Raw materials

We typically use raw materials such as scrap steel, graphite electrodes, sand, binders, aluminium, ferro-alloys, refractories and light diesel oil.

Manufacturing process

We use our steel foundry to manufacture steel castings. Steel scrap such as low alloy steel and carbon steel is melted and poured into various moulds, depending on the shape required. The mould is removed after the steel has solidified in order to extract the castings. These castings are subsequently subjected to several treatments such as fettling, heat treatment, and finishing in order improve the quality. The finished products are then inspected for dimension and mechanical properties before dispatch.

Our Products

The products of the steel foundry include:

(a) Bogies (HS, HL, NLB, BLC and Amsted);
  - side frames;

- bolster;
- pivot (top and bottom); and
- side bearer (top and bottom).

(b) Couplers (TT and NTT)
- coupler body;
- yoke;
- tight lock couplers;
- striker casting;
- back stop;
- knuckle;
- lock;
- yoke pin;
- draft gear; and
- follower.

(c) CMS crossings.

(d) Export castings
- Shrouds; and
- 30T axle load bogie casting.

(e) Others
- manganese crossing;
- bracket casting;
- hub casting; and
- lip casting.

Our Customers

Our primary customer is the Indian Railways. Our other major customers are other wagon manufacturers in India. We also export our steel castings products overseas to markets in the United States of America and Canada.

Rail EPC Division

Our merger with Kalindee has enabled us to improve our capacity for in the field of signalling, track-laying, telecommunication and auto fare collection machines. Similarly, our merger with Bright Power Projects (India) Private Limited, a former subsidiary, has resulted in us improving our ability to set up overhead electrification for railway lines. We have been successful in completing a track-laying project in Bangladesh, and have also been actively bidding for other projects in countries such as Bangladesh. We have also commenced providing rail EPC services to metro rail projects in addition to the Indian rail network.

Our rail EPC division recorded a revenue of ₹95,102.26 lakhs in Fiscal 2019, ₹75,407.11 lakhs in Fiscal 2018 and ₹61,861.59 lakhs in Fiscal 2017, comprising of 47.43%, 63.23% and 42.36% of our total income, respectively.

Our Products

The products and services offered by our rail EPC division include track laying, signalling, rail tele-communication, ballast-less tracks, automated fare collection systems, and overheard electrification and transmission.

EXPORTS

We export wagons, hydro mechanical equipment and steel castings abroad. We have expanded our export business in the last fiscal and earned ₹15,645.64 lakhs, ₹10,292.15 lakhs and ₹ 5,024.38 lakhs from our export operations in Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively, resulting in a significant increase in comparison to the previous years.

We intend to continue to focus on international markets to sell our products. We have stepped up our efforts to further strengthen and establish our presence in international markets. For this purpose, we have established a subsidiary, namely Texrail SA (Pty) Limited, in order to explore opportunities for expansion of our rail EPC business in Africa and the Middle East. We are also exporting steel castings to USA, Australia and South East Asia. We believe this will provide us with further opportunities to expand our markets in these countries. Additionally, we have also commenced export of our rail EPC services to countries such as Bangladesh, and have actively participated in several large export enquiries which are currently under evaluation. We are also bidding for contracts in Africa, Bangladesh, etc. Additionally, we are also planning to extend our market abroad for construction of Railway bridges.

MANUFACTURING FACILITIES

We have five manufacturing facilities in the outskirts of Kolkata, in Agarpara, Belgharia, Sodepur and Panihati, West Bengal at present. All five manufacturing facilities are located within a five Km radius. Our infrastructure facilities are spread over approximately 155 acres of land and include two million square feet of manufacturing facilities. We have 15 railway lines inside our facility with a capacity of carrying three to four rakes at a time. Our manufacturing facilities adhere to strict quality standards. We also have quality testing facilities in our premises located at Belgharia and Agarpara.

Details of our manufacturing facilities are set forth below:

Agarpara: Our Agarpara facility manufactures wagons for our heavy engineering division. The Agarpara facility together with our Belgharia facility is spread across 113.86 acres of land. Our Agarpara facility has been certified by the SGS Societe Generale de Surveillance SA with the OHSAS 18001:2007 standard and by SGS United Kingdom Limited with the ISO 14001:2015 management system certification for: (a) manufacture of open, covered, hopper and tank type wagons including special purpose wagons of stainless steel and mild steel suitable for metre, standard and broad gauge lines for Indian railways and export purposes; (b) manufacture of fabricated coaches including bogies for passenger coaches; and (c) design and manufacture of hydro-mechanical equipment, fabricated structures and pressure vessels to various national and international standards.

Our Agarpara facility has also been accredited by SGS United Kingdom Limited Systems with the ISO 9001: 2015 certification management system certification for: : (a) manufacture of open, covered, hopper and tank type wagons including special purpose wagons of stainless steel and mild steel suitable for metre, standard and broad gauge lines for Indian railways and export purposes; (b) manufacture of fabricated coaches including bogies for passenger coaches; (c) design and manufacture of hydro-mechanical equipment, fabricated structures and pressure vessels; and (d) signalling items.

Belgharia: Our steel foundry division is located at the Belgharia manufacturing facility and we manufacture railway castings, bogies, couplers, export castings (shrouds, managanese crossing/track, 30 ton axle load bogie casting) and other steel products (manganese crossing, bracket casting, hub casting, and lip casting).

Our Belgharia facility together with our Agarpara facility is spread across 113.86 acres of land. Our Belgharia facility has been accredited by the Bureau Veritas Certification (India) Private Limited with the ISO 9001:2015 management system certification for manufacture and despatch of (a) machined and assembled carbon and alloy steel castings for bogies, wagon coupler, coach coupler, draw bar and draft gear, and (b) cast manganese steel crossings (frogs) and allow steel castings for mining application. Further, the AAR has certified that our steel foundry has met the requirements of the AAR’s quality assurance program as specified in M-1003 for manufacture of freight frames, side frames and centre plates.

Sodepur: We manufacture wagons and hydro-mechanical equipment for our heavy engineering division from the Sodepur facility. In addition, we have commissioned a coaching making facility, which is a part of the traction and coaching division, at Sodepur to manufacture EMU, DEMU and MEMU coaches, passenger coaches, locomotive shells, locomotive components, assemblies and sub-assemblies.

Our Sodepur facility is spread across an area of 30.18 acres of land. Our Sodepur facility has been accredited by the SGS Societe Generale de Surveillance SA with the OHSAS 18001:2007 standard and by SGS United Kingdom Limited with the ISO 14001:2015 and the ISO 9001: 2015 management system certifications for (a) manufacture of open, covered, hopper and tank type wagons including special purpose wagons of stainless steel and mild steel suitable for metre, standard and broad gauge lines for Indian railways and export purposes; (b) manufacture of fabricated coaches including bogies for passenger coaches; and (c) design and manufacture of hydro-mechanical equipment, fabricated structures and pressure vessels to various national and international standards.

Panihati: We manufacture hydro-mechanical equipment including radial/vertical gates, flap gates, hoists (of all types), gantry cranes, EOT cranes, pen stocks and specials, TRCM, stop logs and other heavy steel structures including barrage equipment from the Panihati facility. In addition, we also manufacture steel super structure for railway bridges, girders, hull blocks and other parts of bridges for railways and road over bridges, as a part of the bridges and structural division from this facility.

Our Panihati facility is spread across 11.80 acres of land. Our Panihati facility has been accredited by the SGS Societe Generale de Surveillance SA with the OHSAS 18001:2007 standard and by SGS United Kingdom Limited with the ISO 14001:2015 and the ISO 9001:2015 management system certifications for the manufacture of hydro-mechanical equipment and fabricated structures, and for machining and assembly of loose castings for bogies, coupler and manganese steel crossings along with loose components as per the specifications of our customers.

As of June 30, 2019, our manufacturing facilities had the following aggregate production capacities:

Location	**Heavy engineering**	**Steel foundry**	**Rail EPC**	**Total**
Agarpara	4,700 VUs	NA	NA	4,700 VUs
Sodepur	2,100 VUs	NA	NA	2,100 VUs
	22,320 MT	NA	NA	22,320 MT
Panihati	9,600 MT	NA	NA	9,600 MT
Belgharia	NA	30,000 MT	NA	30,000 MT
Urla*	NA	12,000 MT	NA	12,000 MT

* *The facility at Urla has been added with effect from April 26, 2019, pursuant to a business transfer agreement between our Company and Simplex Castings Limited.*

The following tables indicate the respective capacity utilisation of our manufacturing facilities for Fiscal 2019, Fiscal 2018, and Fiscal 2017:

(a) Agarpura

Period	**Heavy engineering**	**Steel foundry**	**Rail EPC**	**Total (number of units)**
Fiscal 2019	1,065 VUs	NA	NA	**1,065 VUs**
Fiscal 2018	673 VUs	NA	NA	**673 VUs**
Fiscal 2017	1,223 VUs	NA	NA	**1,223 VUs**

(b) Belgharia

Period	**Heavy engineering**	**Steel foundry**	**Rail EPC**	**Total**
Fiscal 2019	NA	18,567 MT	NA	**18,567 MT**
Fiscal 2018	NA	12,147 MT	NA	**12,147 MT**
Fiscal 2017	NA	16,444 MT	NA	**16,444 MT**

(c) Sodepur

Period	**Heavy engineering**	**Steel foundry**	**Rail EPC**	**Total**
Fiscal 2019	826 VUs	NA	NA	**826 VUs**
	3,621.49 MT			**3,621.49 MT**
Fiscal 2018	56 VUs	NA	NA	**56 VUs**
	2,924.22 MT			**2,924.22 MT**
Fiscal 2017	695 VUs	NA	NA	**695 VUs**
	1,713.40 MT			**1,713.40 MT**

(d) Panihati

Period	Heavy engineering	Steel foundry	Rail EPC	Total
Fiscal 2019	2,854.21 MT	NA	NA	**2,854.21 MT**
Fiscal 2018	973.88 MT	NA	NA	**973.88 MT**
Fiscal 2017	4,782.50 MT	NA	NA	**4,782.50 MT**

RESEARCH AND DEVELOPMENT

We have a research and development centre which has been registered and recognised by the Department of Scientific and Industrial Research, Government of India. We have a dedicated team, comprising of 14 permanent employees for carrying out in-house research and development activities.

Our research and development centre has been instrumental in aiding our Company in reducing costs by developing new products for international and domestic markets, improving the quality of existing products, and developing new processes. These efforts have helped our Company reduce wastage of resources and improve cost efficiency.

Some of the programmes undertaken by in relation to the steel foundry division are:

- the development of four new designs of centre plate castings, specifically catered for the North American market;
- the development of 22 new components for ground excavating applications with improved wear resistance; and
- the development of a unique heat treatment process for components to be engaged in ground excavating applications in order to improve their toughness and wear resistance.

MARKETING

Our marketing network is spread across the country. Most of the orders procured by our Company are through tenders floated by our major customers.

EMPLOYEES

As on June 30, 2019, we have 3,855 employees. The following table illustrates the break-up of our work force on the basis of the functions carried out by them:

Category	Number of employees
Management and staff	2,484
Workmen	1,371
TOTAL	**3,855**

We conduct various programs and workshops to bridge skill gaps and increase our employees' motivation and participation level. These include personality grooming, improving communication skills, health and safety, housekeeping, productivity improvement, total quality management and 5S Kaizen initiatives. We also regular structured training and learning programs at the entry and other levels to our workforce to enable them to improve their skills.

Through a dedicated training and placement department we consistently train our workforce to enhance their knowledge and equip them with the latest technological and engineering skills. Trainees from various engineering institutions and trainees nominated by government agencies undergo training at our various manufacturing facilities.

There are four registered trade unions affiliated with central trade unions. They are as follows:

Name of the union	Affiliation
Texmaco Workers' Union	CITU
Texmaco Engineering Employees Union	INTUC
Texmaco Mazdoor Union	INTTUC
Texmaco Permanent Shramik Sangh	Independent

In addition to its workforce, our Company's third party contractors also employ contract labour for production and construction works.

INSURANCE

We maintain a range of insurance policies to cover our assets, including a standard fire and special perils policy for our manufacturing facilities situated at Agarpara, Belgharia, Sodepur, Panihati and the steel foundry division at Belgharia. The total sum insured in this regard is ₹493,085.99 lakhs as of June 30, 2019.

We also maintain erection all risks/ storage cum erection insurance policy in relation to the hydro mechanical equipment supplied and installed by us for various hydro-mechanical projects. We have also maintained certain marine open cover policies (cargo).

Our Company believes that the amount of insurance cover presently maintained by us represent the appropriate level of coverage required to insure our businesses.

PROPERTY

Immovable property

Our registered and corporate office is located at Belgharia, Kolkata – 700 056.

Our Company currently owns the properties as described below:

Location	Purpose	Total land area (sq. ft.)	Ownership
Panihati	Industrial	11.80 acres	Company
Sodepur	Industrial	30.18 acres	Company
Belgharia and Agarpara (Basudevpur, Osmanpur, Tarapukuria)	Industrial	113.86 acres	Company

Intellectual property

We have registered our business logo as a trademark under Classes 9, 12, 37, 38 and 42.

ENVIRONMENTAL MATTERS

Our Company is committed to improve the environment and health and safety of its work environment by continuous training and coaching its employees, contractors and other stakeholders. We have undertaken various activities to promote green technology and reduce waste generation towards environmental protection, such as installing solar power plants on our rooftops. We have also installed pollution control measures at some of our facilities to minimise the impact on environment. Additionally, we have commenced the practice of sending all notices, annual reports and other documents to our shareholders in electronic format only, with a printed copy being provided only on request from the shareholder.

CORPORATE SOCIAL RESPONSIBILITY

We are actively engaged in corporate social responsibility activities that we believe are vital towards fulfilling critical societal need gaps in the communities we operate in. We have established the Texmaco Neighbourhood Welfare Society Trust for extending assistance in the field of healthcare and education to the impoverished section of the society residing in the neighbouring areas of our registered office in Belgharia.

We promote computer literacy through distribution of computers for the benefit of the family members of our employees. We have also contributed to the welfare of children by providing grants, special rewards and scholarships towards educational needs. We have also provided job opportunities, training and special assistance for health and education to people residing in the neighbourhood of our manufacturing facilities. Texmaco Neighbourhood Welfare Society Trust provides financial assistance to the poor and needy for their health, education and social needs.

We have also taken steps to establish a vocational training institute in order to aid youth from financially backward classes to become employable and improve their living conditions.

REGULATIONS AND POLICIES

The following is an overview of the important laws and regulations which are relevant to our business in India. The description of laws and regulations set out below is not exhaustive, and is only intended to provide general information, and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

(A) Indian Railways

Wagon Procurement Policy: Competitive Bidding

Wagon procurement for the use of Indian Railways is centralised in the railway board. Wagon acquisition is a need based activity which is dependent inter alia upon the traffic needs and availability of funds after taking into consideration the replacement of wagons due for condemnation. Target for acquisition of wagons for a particular year are fixed on the basis of traffic projections as intimated by planning/traffic directorate of railway board. The bulk of this acquisition of wagons is funded through railway's own budget and funded through the Indian Railway Finance Corporation.

Until 1993-94, orders for wagons were placed directly on member units of Wagon Indian Limited (a company especially created to procure orders and their equitable distribution among all wagon manufacturers), without calling for tenders and the prices of wagons were determined on the basis of cost analysis by following a cost plus approach which consists 81 per cent material cost including free issue materials, 1 3 per cent fabrication cost and six per cent transportation markup/contribution etc. cost. Subsequently, a decision was taken to go for competitive tender for part (10 per cent) requirement for the year 1994-95. Procurement through competitive tender brought in reduction in prices and resulted in financial savings to the Indian Railways. Keeping in view the financial savings which accrued to Indian Railways against the tender for 1994-95, it was decided to increase the percentage of procurement of wagons through tender to 50 per cent in 1995-96 and 1996-97. Subsequently, the Ministry of Railways decided to go in for open tender for 100 per cent requirement from 1998-99 onwards to obtain competitive prices Subsequently, through Circular no 2017/Trans/01/Pt-S dated March 28, 2018, Ministry of Railways decided to follow the procedure of electronic reverse auction to save at least 10-20 per cent of its total cost. The process of procurement through reverse auction is followed in case of tenders where there are at least five approved vendors i.e. vendors approved by Research Design and Standards Organisation / Central Organisation Railway Electrification / PUs etc. or at least three proven / likely competitive sources, prima facie competent for execution of work / provision of service / bulk ordering.

100 per cent procurement is being made through tender and distribution of entire tendered quantity is done on competitive bidding basis. Orders are placed only to the tenderer who holds G-105 (2011) certificate issued by RDSO, valid as on the date of closing of tender. Further, the tenderer must have supplied a minimum of 500 wagons against Railway Boards Contract or against WIS/ MWIS/ Leasing Scheme of Railways (other than private wagon production) prior to the date of closing of tender of which 250 wagons should have been in satisfactory service for a period of at least one year to be eligible for regular order under the tender. The quantity of wagons are distributed on the tenderer on the basis of "Bucket Filling" criteria i.e. capacity to supply within prescribed delivery schedule. Initially, quantities are allocated to level L1 tenderers suitable for regular order upto such tenderer's net capacity out of its proven capacity less outstanding orders, as per formula prescribed by Indian Railways from time to time. After such allocation, only balance quantity are allocated to level L2 and subsequent tenderers.

Design Policy

In the year 1957, the already existing Central Standards Office and the Railway Testing and Research Centre were integrated into a single unit named RDSO, under Ministry of Railways at Lucknow. RDSO is the sole research and development organisation of Indian Railways and functions as the technical advisor to railway board, zonal railways and production units and performs important functions including technical investigation, statutory clearances, testing and inspection of critical and safety items of rolling stock, locomotives, signaling and telecommunication equipment and track components. Indian Railways procure wagons based on RDSO's designs. In the railway budget 2007-08, a new policy was formulated whereby wagon manufacturers were permitted to supply wagons of their own designs with RDSO recommended bogies, coupler, draft and brake gear. RDSO was required to certify and approve the new designs of wagons from the safety angle. To encourage the development of such new technology wagons, a new freight discount policy was also announced. New wagon design policy was further amended in December 2009, in which the Design Proposer ("**DP**") is required to approach the executive director, mechanical engineering (freight) in the Railway Board to offer any new non- RDSO design wagon for Indian Railway network. In case the wagon is found acceptable during initial scrutiny by Railway Board, DP is advised to approach Wagon Directorate of RDSO, Lucknow, for further necessary action. The new wagon design shall be better than the existing designs and conform to certain conditions, including inter alia Track Loading Density and Pay to Tare ratio.

Wagon Leasing Scheme

The Ministry of Railways formulated a new wagon leasing scheme which came into effect from April 15, 2008 (and as amended by various circulars, including circular No. 2 of 2011 dated February 17, 2011), which allowed private companies to own and lease wagons, hitherto the prerogative of Indian Railway Finance Corporation.. Companies eligible for the scheme are required to procure wagons directly from wagon manufacturers, container train operators, Special freight train operator, Automobile freight train operator and end users with prior approval of ministry of railways or through imports. The wagon leasing policy was revised in December 12, 2014 which came into effect on December 16, 2014 to allow third party leasing of wagons. As per the policy, the wagon leasing company ("**WLC**") will procure the wagons directly from the manufacturers. Such procurement of wagons was required to be in units of prescribed composition of block rakes for such wagons plus 4% wagons as a maintenance spare along with a brake van for each rake. For getting registered under the scheme, wagon leasing companies should have a minimum net worth of ₹ 10,00,000,000 and will have to deposit ₹ 5,00,00,000 as registration fee. Registration will be valid for 35 years from the date of registration and further extendable on rendering satisfactory services. Leasing companies will lease out special purpose wagons, high capacity wagons and operator for only such type of wagons as permitted under the concession granted.

Liberalised Wagon Investment Scheme

The Ministry of Railways had formulated a liberalised wagon investment scheme, under which high capacity wagons with a payload of at least two tonne more than the prevalent 25 tonne and 22.9 tonne axle load wagons or special purpose wagons for specific commodities can be owned and leased out by private companies. Vide Freight marketing circular No. 11 of 2011 dated February 2, 2012, issued by the Ministry of Railways, the existing liberalised wagon investment scheme was reviewed. Now, under this scheme only high capacity wagons and special purpose wagons can be procured. The Ministry of Railways reviewed the existing Liberalized Wagon Investment Scheme ("**LWIS**") which was in suppression of existing LWIS issued vide Freight Marketing Circular No. 11 of 2011 dated January 1, 2012 and all its amendments dated September 17, 2012, June 10, 2013, August 21, 2013, September 1, 2014; October 27, 2014. The scheme came into force on July 2, 2018. The terms and conditions of the revised LWIS are applicable to the customers who had already made investment for the procurement of wagons or had obtained approval from Ministry of Railways for procuring the wagons under LWIS. As per the policy, only WLC, End users and the logistics providers of the end user company can procure wagons under this scheme. The procurement of wagons is allowed only with prior administrative approval of Ministry of Railways. The MOR reserves the right to terminate the agreement with any investor procuring wagons under LWIS on payment of the residual value as assessed by IR. If the investor has availed of any concession, subsidy or any other financial benefit for procurement of wagons from any other ministry or from ministry of Railways under any other scheme he will not be eligible under this scheme.

Following types of wagons may be procured under this scheme:

- High Capacity Wagons (HCW)
- Special Purpose Wagon (SPW) – covering commodity specific such as Cement, Alumina, Fly Ash, Liquid Chemicals e.g. Caustic Soda etc.

Automobile Freight Train Operator Scheme

The Ministry of Railways has formulated Automobile Freight Train Operator Scheme, 2018 under which opportunity is provided to logistics service providers and road transporters to invest in wagons and use advantage of rail transport to tie up with end users and market train services. It is imperative that auto carriers of suitable design are inducted in Indian Railway to facilitate bulk transportation of automobiles. The companies eligible to avail this scheme should be (a) registered companies under The Companies Act 1956; or (b) a subsidiary of the registered company; or (c) a joint venture company or partnership; or (d) a public sector enterprise in the business of logistics. Further, the company should have minimum one year experience in any of the following (a) transport and logistics (b) port and land terminal operations (c) warehousing (d) container train operations (e) manufacturers of automobiles (f) wagon leasing company. The company should have a net worth of minimum of ₹ 20,00,00,000 or an annual turnover of minimum 30,00,00,000 as on 31st March of the previous financial year. The concession agreement for operation of Automobile Freight Train will be valid for a period of 20 years from the date of commencement of commercial operation of train by Automobile Freight Train Operator, extendable till expiry of the codal life of wagons, based on the satisfactory performance of the operator. Procurement of wagons for induction under this policy will be allowed only with prior administrative approval of MOR.

Special Freight Train Operator Scheme

The Ministry of Railways had formulated Special Freight Train Operator Scheme, 2018 to increase share of railways in transportation of non conventional traffic in high capacity and special purpose wagons, increasing the commodity base of Indian Railways. It provides an opportunity to logistics service providers or manufacturers to invest in wagons and use advantages of rail transport to tie up with the end users and market the train services owned by them for rail transportation of selected commodity. Eligibility to avail this scheme is provided as follows: be (a) registered companies under The Companies Act 1956; or (b) a subsidiary company; or (c) a joint venture company or partnership; or (d) a public sector enterprise in the business of logistics. Further , the company is required to have a minimum one year experience in any of the following (a) transport and logistics (b) port and land terminal operations (c) warehousing (d) container train operations (e) manufacturers of automobiles (f) wagon leasing company. The company should have a net worth of minimum ₹ 50,00,00,000 or an annual turnover of minimum ₹ 75,00,00,000 as on 31st March of the last financial year. The concession agreement for operation of Special Freight Train will be valid for a period of 20 years from the date of commencement of commercial operation of train by Special Freight Train Operator, extendable till expiry of the codal life of wagons.

General purpose Wagon Investment Scheme (GPWIS)

In view of long term demand from Railway Freight Wagon users and to achieve desired growth in Freight Traffic on Indian Railways, a policy on General purpose Wagon Investment Scheme (GPWIS) was introduced in April 2018. Under this scheme general purpose wagons such as BOXNHL, BCNHL, BOBRN, BTPN etc. can be procured by producers or consumers of the goods to be transported by Rail , Logistic Providers, Port Owners / Port Rail Companies, Mine Owners, Wagon Leasing Company etc. This scheme meets the long term demand from Railway Freight Wagon Users for better and timely availability of General Purpose Wagons

(B) Export Promotion of Capital Goods

The Government of India, Ministry of Commerce and Industries announces Export Import Policy ("**Exim Policy**") after every five years. The Exim Policy is updated every year on the 31st of March and the modifications, improvements and new schemes become effective from 1st April of every year. The EPCG scheme, as contained in chapter five of the Exim Policy, allows import of capital goods for pre production, production and post production at a concessional rate of customs duty (currently at three per cent), subject to an export obligation which is worked out on the basis of the concession on duty obtained. For this purpose EPCG licenses are required to be obtained.

The current EXIM policy covers the period 2015-2020. The EPCG scheme as contained in chapter five of the Exim Policy (2015-2020) EPCG scheme allows import of capital goods for pre-production, production and post production (including CKD/SKD)subject to an export obligation equivalent to 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from authorisation issue-date. Authorisation under the EPCG scheme shall be valid for imports for 18 months from the date of authorisation. The revalidation of EPGC authorisation is not permitted.

(C) Foreign Investment in Manufacturing Sector

Foreign investment in Indian securities is regulated through the industrial policy of the Government of India and FEMA. While the industrial policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the industrial policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The individual departments of the government in consultation with Department of Industrial Policy and Promotion are responsible for granting foreign investment approvals.

As per the sector specific guidelines of the Government of India, FDI up to 100 per cent is permitted in the manufacturing sector under the automatic route.

(D) Environmental Regulations

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Environment Protection Act, 1986 ("**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**").

The Central Pollution Control Board ("**CPCB**") was constituted in 1974 under the Water Act. Further, CPCB was entrusted with the powers and functions under the Air Act. Principal functions of the CPCB, as spelt out in the Water Act are (i) to promote cleanliness of streams and wells in different areas of the states by prevention, control and abatement of water pollution, and (ii) to improve the quality of air and to prevent, control or abate air pollution in the country.

State pollution control boards ("**SPCB**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. Apart from the Water Act and the Air Act, the SPCB also enforce various other legislations. In exercise of its powers and performance of its functions, the SPCB can issue any directions to any person and such person shall be bound to comply with such directions.

The management, storage and disposal of hazardous waste are regulated by the Hazardous Waste Management Rules, 1989 made under the Environment Protection Act.

Water (Prevention and Control of Pollution) Act 1974

The Water Act mandates that the previous consent of the SPCB be taken before establishing any industry, operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewages or trade effluent into a stream or well or sewer or on land; or bring into use any new or altered outlet for the discharge of sewage; or begin to make any new discharge of sewage. In addition, a cess is payable under the Water (Prevention and Control of Pollution) Cess Act, 1977 by a person carrying on any specified industry. The person in charge is to affix meters of prescribed standards to measure and record the quantity of water consumed. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

Air (Prevention and Control of Pollution) Act, 1981

The Air Act was enacted for the prevention, control and abatement of air pollution. The state government may declare any area as air pollution control area and the previous consent of the SPCB is required for establishing or operating any industrial plant in such an. Further, no person operating any industrial plant, in any air pollution control area is permitted to discharge any air pollutant in excess of the standard laid down by the SPCB.

The Environment (Protection) Act, 1986

The Environment Protection Act provides for the protection and improvement of the environment and for matters connected there with, including without limitation the standards of quality of air, water or soil for various areas and purposes, the maximum allowable units of concentration of various environmental pollutants, procedure for handling of hazardous substances, the prohibition and restrictions on the location of industries and the carrying on of processes and operations in different areas. Among other things, these laws regulate the environmental impact of construction and development activities, emission of air pollutants and discharge of chemicals into surrounding water bodies. These various environmental laws give primary environmental oversight authority to the Ministry of Environment and Forest ("**MoEF**"), the CPCB and the SPCB. Penalties for violation of the EPA include fines up to ₹ 100,000 or imprisonment of up to five years, or both. The MoEF by a circular dated November 1, 2010, decided that proposals for obtaining environment clearance for projects that rely on the availability of coal as a raw material, including thermal power projects, will be considered only after the availability of firm coal linkage and the status of environment and forestry clearances of the source of the coal, i.e., the linked coal mine or block, are known. If a project is dependent on coal sourced from outside India, a copy of a signed memorandum of understanding between the foreign coal supplier and project proponent is required to be submitted to the MoEF prior to environment clearance being granted

Environment Impact Assessment

The MoEF looks into Environment Impact Assessment ("**EIA**"). The MoEF receives proposals for expansion, modernisation and setting up of certain projects and the impact, which such projects would have on the environment, is assessed by the MoEF before granting clearances for the proposed projects. The EIA Notification issued under the EPA and the Environment (Protection) Rules, 1986 requires prior MoEF approval if any new project in certain specified areas is proposed to be undertaken. To obtain environmental clearance, a no-objection certificate must first be obtained from the applicable regulatory authority. This is granted after a notified public hearing, submission and approval of an environmental impact assessment r eport that sets out the operating parameters such as the permissible pollution load and any mitigating measures for the mine or production facility and an environmental management plan. For projects that require preparation of an EIA report, public consultation involving public hearing and written responses is conducted by the State PCB, prior to submission of a final EIA report. The environment clearance (for commencement of the project) is valid for up to 30 years for mining projects and five years for all other projects and activities. This period of validity may be extended by the concerned regulator for up to five years. The EIA Notification states that obtaining of prior environment clearance includes four stages, i.e., screening, scoping, public consultation and appraisal.

The Explosives Act, 1884 and the Explosive Rules, 1983

The Explosives Act, 1884 regulates the manufacture, possession, use, sale, transport, import and export of explosives. It providers that no person shall posses, sell or use any explosive except under the license granted under the Explosives Rules, 1983.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules are to be read with the Environment Protection Act. The term "hazardous waste" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Furthermore, in terms of the Hazardous Waste Rules, the occupier has been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment and shall require license/authorisation for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste from the State Pollution Control Board. Vide its notification dated March 6, 2019, Solid plastic waste has been prohibited from import into the country including in Special Economic Zones (SEZ) and by Export Oriented Units (EOU). Further, Exporters of silk waste have now been given exemption from requiring permission from the Ministry of Environment, Forest and Climate Change.

(E) Labour Legislations

As part of our business, we are required to comply from time to time with the laws, rules and regulations in relation to hiring and employment of labour.

A brief description of certain legislations which are applicable to our operations and our workmen is set forth below:

Factories Act, 1948

The Factories Act, 1948 defines a factory as any premises on which 10 or more workers are working on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules requiring previous permission for the site on which a factory is to be situated and for the construction or extension of any factory and requiring the registration and licensing of factories. There is a prohibition on employing children below the age of 14 years in a factory. If there is a contravention of any provisions of the Factories Act or rules framed there under the occupier and manager of the factory may be punished with imprisonment for a term up to two years or with a fine up to ₹ 100,000 or with both, and in case of contravention continuing after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than ₹ 25,000 in the case of an accident causing death, and ₹ 5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine is ₹ 3,00,000 and in case such contravention results in death or serious bodily injury the fine would be a minimum of ₹ 35,000 and ₹ 10,000, respectively.

Minimum Wages Act, 1948

The legislation provides a framework for State governments to stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the official gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate Government. Any contravention may result in imprisonment up to six months or a fine as stipulated in the Minimum Wages Act, 1948.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year, is eligible to be paid a bonus. An employee shall be disqualified from receiving bonus under this Act, if he is dismissed from service for, fraud; or riotous or violent behaviour while on the premises of the establishment; or theft, misappropriation or sabotage of any property of the establishment. The minimum bonus to be paid is the higher of 8.33 per cent of the salary or wage or ₹100 and must be paid irrespective of the existence of any allocable surplus. If allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20 per cent of such salary or wage. The maximum bonus payable must not exceed ₹ 500. Contravention of the Payment of Bonus Act, 1965 by a company will be punishable by proceedings for imprisonment up to six months or a fine up to ₹ 1,000 or both against those individuals in charge at the time of contravention.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948, ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952, provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. The provisions of this act apply to every establishment which is a factory engaged in any industry specified in Schedule I and in which twenty or more persons are employed and to any other establishment employing twenty or more persons or class of such establishments which the Central Government may, by notification in the Official Gazette, specify. Liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above. The contribution to be made by the employer is 10 percent of the basic wages, dearness allowance and retaining allowance, if any, payable to each of the employees whether employed by him, directly or through a contractor, and the employees' contribution should be equal to the contribution payable by the employer in respect of him and may, if the employee so desires, be an amount exceeding 10 percent of his basic wages, dearness allowance and retaining allowance, subject to the condition that the employer shall not be under an obligation to pay any contribution over and above the contribution payable by him. An employer who makes default in making such contribution shall be punishable for a term which may extend to three years, but which shall not be less than one year and fine of ₹ 10,000 in case of default in payment of the employees' contribution which has been deducted by the employer from the employees' wages.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA places an obligation on the principal employer of an establishment to which the CLRA applies to make an application for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities, provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. A person in contravention of the provisions of the CLRA may be punished with a fine or imprisonment, or both.

In addition to the above, and depending upon the nature of the projects undertaken by the Company, the Company is required to comply with other applicable labour laws and regulations, which include the following:

- Industrial Disputes Act, 1947
- Industrial Employment (Standing Orders) Act, 1946
- Inter State Migrant Workers Act, 1979
- Maternity Benefit Act, 1961
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Shops and Commercial Establishments Acts, where applicable
- Workmen’s Compensation Act, 1923
- The Maternity Benefit Act, 1961
- Equal Remuneration Act, 1976

HISTORY AND OTHER CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated on June 25, 1998 under the Companies Act, 1956 as 'Texmaco Machines Private Limited'. The name of our Company was changed to 'Texmaco Machines Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to 'Texmaco Rail & Engineering Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on April 23, 2010.

Pursuant to an order dated December 19, 2016, the High Court of Calcutta and pursuant to the order dated August 26, 2016, the High Court of Delhi, sanctioned a scheme of amalgamation amongst our Company, Kalindee Rail Nirman (Engineers) Limited ("**Kalindee**") and their respective shareholders and creditors (the "**Kalindee Scheme of Amalgamation**") under Section 391 to 394 of the Companies Act, 1956. Pursuant to the Kalindee Scheme of Amalgamation, Kalindee was amalgamated with our Company with effect from April 1, 2014.

Thereafter, pursuant to an order dated April 4, 2019, the National Company Law Tribunal, Kolkata Bench, sanctioned a scheme of amalgamation amongst our Company, Texmaco Hi-tech Private Limited ("**Hi-tech**"), Bright Power Projects (India) Private Limited ("**Bright Power**") and our Company and their respective shareholders and creditors (the "**Bright Power Scheme of Amalgamation**"), under Section 230 and 232 of the Companies Act, 2013. Pursuant to the Bright Power Scheme of Amalgamation, Hi-tech and Bright Power were amalgamated with our Company with effect from April 1, 2017.

Change in registered office of our Company

There has been no change in the registered office of our Company since incorporation.

Change in the name our Company

The details of change in the name of our Company since incorporation are given below:

Effective date	Details of change	Reasons for change
March 3, 2010	The name of our Company was changed from Texmaco Machines Private Limited to Texmaco Machines Limited	To reflect the change from private limited company to public limited company
April 23, 2010	The name of our Company was changed from Texmaco Machines Limited to Texmaco Rail & Engineering Limited	To reflect the change in the nature of activities of our Company

Main Objects as set out in the Memorandum of Association of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *"To carry on business of all kind of Rolling Stocks, Foundries, Power Plant Equipment, Process Engineering Equipment, agricultural implements and other metal-works, boilers, iron and steel, electrical equipments, Heavy and light engineering products and hardware of all kinds, and to carry on other businesses (manufacturing or otherwise) which the Company may be capable of carrying out conveniently in connection with the above including obtaining sole or other agencies for sell, buy and deal in all of the products, or otherwise calculated, directly or indirectly, to enhance the value of the common property and rights for the time being. To carry on any other trade or business whatsoever as the case may be, which in the opinion of the Company be advantageously or conveniently be carried on by the Company by way of extension or in connection with any of the Company's business or as calculated directly or indirectly to develop any division of the Company's business or to increase the value of any of the Company's assets, property and rights. To acquire and take over the whole or part of the business property, goodwill and liabilities of any person, firm or Company carrying on or about to carry on any business which the Company is authorised to carry on or possessed of any property or rights suitable for the purpose of this Company. To take or otherwise acquire or hold shares in any other Company, having objects altogether or in part similar to these of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company.*

2. *To carry on business as general merchants and commission agents and to buy, sell, deal in , export and import to any part of the world, any and every kind of goods manufactured or otherwise, ores, minerals, agricultural and natural products of all kinds. To buy, sell, deal in, export and import of steel, and all other kind of metals and generally all manufactured goods, other materials, pipes, etc. To carry on business clearing and forwarding agent shipping agents and cargo agents whether within or outside the territories of India or to appoint clearing agents, shipping agents and cargo agents on commission basis or on behalf other parties. To carry on the manufacture supply and erection of Coal preparation plants, Mineral preparation plants, Coal handling systems, Coal washeries, Material handling systems, Screening plants, Conveyors, Barge loading systems, Coal and Mineral breakers, Crushers, Driers Washers, Pumps, Haulages, Dumpers, Wagon retarders, Bins, Feeders, Valves, Pulleys, Collectors, Sheaves. Sprockets, Hoppers, Sewage, disposal plants and all classes of Machinery and Supply used in or suitable for Industries such as Paper, Sugar, Breweries, Distilleries, Chemical, Food processing, Rubber, Shipping, and of all industries of all other kinds or usually supplied by Engineers, Fabricators, Iron and Steel Founders.*

3. *To carry on business of manufacturing, supplying, assembling, repairing, converting, buying, selling, exchanging, altering, importing, exporting, hiring, letting on hire, distributing or dealing in all types of freight containers, machines, sugar mill machinery, textile machineries, road building equipment mining machinery, equipment for environment control, industrial and residential doors and other industrial machineries, engines, boilers, turbines pumps, compressors, dynamos, generators, motors, presses, meters, gauges, monitoring equipment, valves, steam trap and stainers, heat exchangers, gears, drills and other tools, implements, instruments, hardware appliances, engineering goods, electrical goods, electronics, control panels, cables, wires, foundry and factory supplies, mill supplies, apparatus and things and those required for or capable of being used in connection with the generation distribution, supply, accumulation and employment of electricity, industrial articles and engineering products of all kinds and description and for all types of applications and industrial vehicles of all kinds and all components parts, accessories, equipment and apparatus for use in connection therewith.*

4. *To carry on the business of manufacturing, buying, selling, stocking, distributing, importing, exporting, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in polyester polyamide, cellulose, viscose rayon yarns and fibres, synthetic fibres and yarns, staple fibre yarns, polyester and other man made fibre, raw silk, silk yarns, waster silks, cotton, flax, jute, hemp, wool, Hessian, linen or any other types of man-made fibres or natural fibres (whether textile, felted, looped or otherwise) manufactured and/ or processed from any base whether organic or inorganic or compounds or mixtures thereof, by physical, chemical or any other process or treatment now prevalent or as may be devised in future and auxiliary products bye-products or substances or substitutes for all or any of them or yarn or yarns for textile or any other use of waterproof materials and fibres, tarpaulins, American Cloths, hosiery, canvas, oil cloth, linoleums and all kinds of imitation leathers and of spinning, blending, combing, weaving, knitting, carding, twisting, mixing, cutting, reeling, printing, bleaching, dyeing, making or otherwise turning to account any other fabrics or finished articles hereof and of manufacturing the chemicals, dyestuffs, equipments, washing, bleaching and dyeing materials, raw materials, packing materials, and all other requisites needed for any of the above purposes and of the byeproducts which can be produced there from and carry on any other operations of whatever kind and nature, in relation thereto.*

5. *To carry on business as contractors and engineers for all engineering projects and civil construction including the work of mechanical engineers, electrical engineers, electronic engineers, tele communication engineers, illumination engineers, power engineers, hydraulic engineers, atomic and nuclear engineers, construction and structural engineers, chemical engineers, computer engineers, electricians, builders and to enter into engineering procurement and undertaking contract in relation to and to erect, construct, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons oil and gas facilities, petrochemical and chemical plants, fertilizer plants, refineries, power plants, generating stations, power distribution and transmission centers and lines, public works, infrastructural facilities and works of all descriptions including plants factories mills officers, shops, stores, mines, ports wharves, docks, piers, airports, railways, tramways, waterways, pipelines, roads, highways, bridges, stations, works and gas works and townships and works and conveniences of every description and to undertake turnkey projects of every description and to undertake the supervision of any such operations or in any other manner take part in any such operations.*

6. *To carry on the business as manufacturers, producers, processors, winders, job-workers, assemblers, designers, developers, fabricators, builders, contractors, importers, exporters, buyers, sellers, stockists, commission agents, distributors, providers of repair and services in the line of telecommunication, including*

telegraph, telephone, telex, teleprinters, wireless equipment, signals and similar apparatus and their components and accessories and electrical goods, wires, cables and wire ropes to be used in telecommunication or otherwise.

7. *To promote, establish, acquire and run or otherwise carry on the business of Electrical Engineering, Manufacturing of and·· trading in Industrial Goods and equipments. execution of Electro-mechanical. overhead electrification, substation installation, power transmission line works and Contracts. providing consultancy services and advising in electro mechanical engineering matters for Industries.*

8. *To carry on the business of designing, manufacturing, producing, processing, importing, exporting, marketing, trading, distributing, supplying. servicing, assembling, warehousing, developing, engineering, testing, integrating, altering, customizing, building, converting, dismantling, fabricating, maintaining, managing, modifying, refitting, refurbishing, repairing, reconstructing. remanufacturing, renovating, reconditioning, remodelling. advising, consulting and dealing in all descriptions. specifications, modalities, capacities. strengths, shapes, sizes, varieties, of fabricated locomotive bogie frames and wagons and to provide customer support services, after sales services, logistics suppo11 services, business management systems, back office operations, engineering support services, system integration services, integrations and management systems .. market research and market support services, information technology support services, calibration, research and development, management services and other services in relation to the activities mentioned hereinabove.*"

Amendments to the Memorandum of Association of our Company

The following amendments have been made to the MoA in the ten years preceding the date of this Letter of Offer:

Date of Shareholders Resolution	Particulars
February 8, 2010	Clause V of the MoA was substituted to reflect the increase in authorized capital of our Company from ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹10 each to ₹20,00,00,000 divided into 20,00,00,000 Equity Shares of ₹1 each.
April 5, 2010	Clause (III) A was replaced to adopt a new set of objects adding to the existing main objects of the Company with a revised Clause (III) A, which inserted sub-clauses 1 and 2 before the earlier sub-clause 1 of Clause (III) A. The Main objects clause of the MoA was also altered to insert new sub-clause 6 of Clause III (A) to the other main objects of our Company.
September 4, 2014	Clause V of the MoA was substituted to reflect the increase in authorized capital of our Company from ₹20,00,00,000 divided into 20,00,00,000 Equity Shares of ₹1 each to ₹30,00,00,000 divided into 30,00,00,000 Equity Shares of ₹1 each.
July 14, 2015	Alteration of the Main objects clause of the MoA to insert new sub-clause 6 of Clause III(A) to the other main objects of our Company. The earlier sub-clause 6 of Clause (III) A has been moved to sub-clause 7.
April 4, 2019	Alteration of the Main objects clause of the MoA to insert new sub-clause 7 of Clause III(A) to the other main objects of our Company. The earlier sub-clause 7 of Clause (III) A has been moved to sub-clause 8.
April 4, 2019	Clause V of the MoA was substituted to reflect the increase in authorized capital of our Company from ₹30,00,00,000 divided into 30,00,00,000 Equity Shares of ₹1 each to ₹197,00,00,000 divided into 197,00,00,000 Equity Shares of ₹1 each.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Date	Events and milestones
2011	Incorporation of a joint venture: Touax Texmaco Railcar Leasing Private Limited
2014	Qualified institutions placement of Equity Shares by our Company
2015	Incorporation of a joint venture: Wabtec Texmaco Rail Private Limited
2017	Merger with Kalindee Rail Nirman (Engineers) Limited
2019	Merger with Bright Power Projects (India) Private Limited and Texmaco Hi-Tech Private Limited
2019	Business Transfer Agreement with Simplex Castings Limited

Awards, accreditations, certifications or recognitions

Our Company has received the following awards, accreditation, certifications and recognition:

Award	Presenter	Fiscal Year
Star Performer Award	Engineering Export Council of India	2016
Award for export of excellence	Engineering Export Council of India, Eastern Region	2017

Our holding company

As on the date of the Letter of Offer, we do not have a holding company.

Our Subsidiaries

1. **Texmaco Defence Systems Private Limited ("Texmaco Defence")**

Corporate Information

Texmaco Defence was incorporated on January 10, 2018 under the Companies Act, 2013 as a private limited company. The registered office of Texmaco Defence is situated at Birla Mills Compound G. T. Road, Clock Tower, New Delhi 110007.

Nature of business

Texmaco Defence is primarily authorised to, *inter alia*, undertake, engage in manufacture of defence & engineering equipment and assemblies inclusive of manufacture of design, development, manufacture, assembly and upgrade of armoured vehicles, armoured tanks, etc.

Capital structure

The authorized share capital of Texmaco Defence is ₹50,00,000 divided into 5,00,000 equity shares of ₹10 each.

The total issued capital of Texmaco Defence is ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each. The total subscribed and paid-up capital is ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each.

Shareholding of our Company

Our Company holds 50,990 equity shares of ₹10 each in Texmaco Defence, which represents 51% of the total paid-up capital of Texmaco Defence.

There are no accumulated profits or losses that are not accounted for by our Company.

2. **Belur Engineering Private Limited ("Belur")**

Corporate Information

Belur Engineering Private Limited was incorporated on February 20, 2017 under the Companies Act, 2013. The registered office of Belur is situated at Belgharia, Kolkata – 700 056.

Nature of business

Belur is primarily authorised to, *inter alia,* engage in the business of procuring, producing, fabricating and engineering of infrastructure items such as bridges, fly-overs and other engineering structures.

Capital structure

The authorized share capital of Belur is ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each.

The total issued capital of Belur is ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each. The total subscribed and paid-up capital is ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each.

Our Company holds 1,00,000 equity shares of ₹10 each in Belur, which represents 100% of the total paid-up capital of Belur.

Shareholding of our Company

Our Company holds 100 percent of the shares of Belur Engineering Private Limited.

There are no accumulated profits or losses that are not accounted for by our Company.

3. Texmaco Transtrak Private Limited ("Transtrak")

Capital Information

Texmaco Transtrak Private Limited was incorporated on December 8, 2017 under the Companies Act, 2013. The registered office of Transtrak is situated at 238A, AJC Bose Road Unit 5D/2, 5th Floor Kolkata 700020.

Nature of business

Transtrak is primarily authorised to, *inter alia,* engage in the business of manufacture and supply of railway signalling systems and work related to engineering infrastructure, procurement and construction related to railways.

Capital structure

The authorized share capital of Transtrak is ₹2,00,000 divided into 20,000 equity shares of ₹10 each.

The total issued capital of Transtrak is ₹1,00,000 divided into 10,000 equity shares of ₹10 each. The total subscribed and paid-up capital is ₹1,00,000 divided into 10,000 equity shares of ₹10 each.

Shareholding of our Company

Our Company holds 5,101 equity shares of ₹10 each in Transtrak, which represents 51.01% of the total paid-up capital of Transtrak.

There are no accumulated profits or losses that are not accounted for by our Company.

4. Texmaco Rail Systems Private Limited ("Texmaco Rail")

Capital Information

Texmaco Rail was incorporated on March 5, 2019 under the Companies Act, 2013 as Texmaco Signalling Systems Private Limited. With effect from June 5, 2019, the name of Texmaco Rail was changed from Texmaco Signalling Systems Private Limited to Texmaco Rail Systems Private Limited.

The registered office of Texmaco Rail is situated at Belgharia, Kolkata – 700 056.

Nature of business

Texmaco Rail is primarily authorised to, *inter alia,* engage in the business as trader, seller, supplier of railway signalling and transportation systems.

Capital structure

The authorized share capital of Texmaco Rail is ₹5,00,000 divided into 50,000 equity shares of ₹10 each.

The total issued capital of Texmaco Rail is ₹1,00,000 divided into 10,000 equity shares of ₹10 each. The total subscribed and paid-up capital is ₹1,00,000 divided into 10,000 equity shares of ₹10 each.

Shareholding of our Company

Our Company holds 10,000 equity shares of ₹10 each in Texmaco Rail, which represents 100 % of the total paid-up capital of Texmaco Rail.

There are no accumulated profits or losses that are not accounted for by our Company**.**

5. Texrail SA (Pty) Limited ("Texrail")

Capital Information

Texrail was incorporated on March 22, 2018 under the Companies Act, 2008 of South Africa as a private company. The registered office of Texrail is situated at Atrium, 9th Floor 5th Street, Sandton, Johannesburg, Gauteng 2196.

Nature of business

The business activities of Texrail are not restricted by its incorporation documents.

Capital structure

Texrail does not have a share capital. It is the wholly owned subsidiary of our Company, as our Company has 100 percent management control over it.

Shareholding of our Company

Texrail does not have a share capital. It is the wholly owned subsidiary of our Company, as our Company has 100 percent management control over it.

There are no accumulated profits or losses that are not accounted for by our Company**.**

Our Joint Ventures

1. Wabtec Texmaco Rail Private Limited ("Wabtec Texmaco")

Corporate Information

Wabtec Texmaco was incorporated on July 15, 2015 under the Companies Act, 2013. The registered office of Wabtec Texmaco is situated at Belgharia, Kolkata – 700 056

Nature of business

The Company is primarily engaged in the trading / manufacturing of draft gears, bogie mounted brake system, non-asbestos composition brake blocks and friction wedge with non-asbestos composition liner for Railways industry as authorized by the memorandum of association.

Capital structure

The authorized share capital of Wabtec Texmaco is ₹10,00,00,000 divided into 1,00,00,000 equity shares of ₹10 each.

The total issued capital of Wabtec Texmaco is ₹ 8,20,42,500 divided into 82,04,250 equity shares of ₹10 each. The total subscribed and paid-up capital is ₹ 82,04,250 equity shares of ₹10 each

Shareholding of our Company

Our Company holds 32,81,700 equity shares of ₹10 each in Wabtec Texmaco, which represents 40 % of the total paid-up capital of Wabtec Texmaco.

There are no accumulated profits or losses that are not accounted for by our Company**.**

2. **Touax Texmaco Railcar Leasing Private Limited ("Touax Texmaco")**

Corporate Information

Touax Texmaco was incorporated on September 17, 2011 under the Companies Act, 1956.
The registered office of Touax Texmaco is situated at Belgharia, Kolkata – 700 056.

Nature of business

Touax Texmaco is primarily engaged in the business of leasing, sub-leasing, buying, selling, providing on rent all types of wagons and rail cars as authorised by the memorandum of association. .

Capital structure

The authorized share capital of Touax Texmaco is ₹30,00,00,000 divided into 3,00,00,000 equity shares of ₹10 each.

The total issued capital of Touax Texmaco is ₹25,30,00,000 divided into 2,53,00,000 equity shares of ₹10 each. The total subscribed and paid-up capital is ₹25,30,00,000 divided into 2,53,00,000 equity shares of ₹10 each.

Shareholding of our Company

Our Company holds 1,26,49,999 equity shares of ₹10 each in Touax, which represents 50% of the total paid-up capital of Touax Texmaco.

There are no accumulated profits or losses that are not accounted for by our Company.

Other details regarding our Company

Details regarding acquisition of business/undertakings, mergers and amalgamation

Except as disclosed below, our Company has not acquired any business or undertaking, and has not undertaken any merger and/or amalgamation:

Kalindee Scheme of Amalgamation

Pursuant to an order dated February 26, 2016, the High Court of Calcutta sanctioned the Kalindee Scheme of Amalgamation amongst our Company, Kalindee and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956. Pursuant to the Kalindee Scheme of Amalgamation, Kalindee was amalgamated with our Company with effect from April 1, 2014. Upon the scheme coming into effect and consequent to the transfer and merger of the existing authorised share capital of Kalindee, the authorized share capital of our Company was enhanced by an aggregate amount of ₹ 65,00,00,000, resulting in the authorised share capital to become ₹95,00,00,000 divided into 95,00,00,000 equity shares of ₹1 each. The entire undertaking of the Kalindee including all assets, properties, liabilities, debts, rights and obligations, immovable and movable assets of Kalindee were transferred to and vested in our Company as a going concern. The Company in consideration of the transfer and vesting of all assets and liabilities of Kalindee into and with the Company, issued, in aggregate, 8,912,395 fully paid – up Equity Shares to the shareholders of Kalindee. Pursuant to the scheme, each equity shareholder of Kalindee who held 100 fully paid-up equity shares of ₹10 each, 106 fully paid-up equity shares of ₹1 each of our Company were issued.

Bright Power Scheme of Amalgamation

Pursuant to an order dated April 4, 2019, the National Company Law tribunal sanctioned the Bright Power Scheme of Amalgamation amongst Hi-tech, Bright Power, and our Company and their respective shareholders and creditors, under Section 230 and 232 of the Companies Act, 2013. Pursuant to the Scheme of Amalgamation, between Bright Power and, Hi-tech were amalgamated with our Company with effect from April 1, 2017. Upon the scheme coming into effect and consequent to the transfer and merger of the existing authorised share capital of Hi-Tech and Bright Power, the authorized share capital of our Company was enhanced by an aggregate amount of ₹1,02,00,00,000, resulting in the authorised share capital to become ₹1,97,00,00,000 divided into 1,97,00,00,000 equity shares of ₹1 each. The clause V of the MOA of our company has been amended accordingly. All the property, rights and undertakings including all debts, liabilities, duties and obligations as well as the entire business of Hi-tech and Bright Power were transferred to and vested in our Company as a going concern. Since Hi-tech was the wholly owned subsidiary of our Company, no new Equity Shares were issued pursuant to the Hi Tech Scheme of Amalgamation and in case of Bright Power the Company had issued 47,85,300 Equity Shares to the Shareholders of Bright Power. Each equity shareholder of Bright Power who held 100 fully paid-up equity shares of ₹10 of Bright Power, 818 fully paid-up equity shares of ₹1 each of our Company were issued. The shareholding of our company in both Hi-Tech and Bright Power were cancelled without any consideration.

Revaluation of Assets

Our Company has not revalued its assets in the ten years preceding the date of this Letter of Offer.

Shareholders' Agreement and other key agreements

Details of key agreements in relation to our Company are as mentioned below:

Joint venture agreement dated August 1, 2011 between Wabtec International Inc, and our Company ("Wabtec Joint Venture Agreement")

On August 1, 2011, our Company entered into a joint venture with Wabtec International Inc. ("**Wabtec**", and together with our Company, the "**Parties**"), for the purpose of developing, marketing and selling products produced or licensed by Wabtec for the railway industry. Pursuant to the Wabtec Joint Venture Agreement, our Company and Wabtec have established Wabtec Texmaco India Private Limited ("**Wabtec Texmaco**") as a joint venture enterprise.

As per the terms of the Wabtec Joint Venture Agreement, our Company shall own 40% of the share capital of Wabtec Texmaco and Wabtec shall 60% of share capital of Wabtec Texmaco. Additionally, the Parties have agreed that during the term of the Wabtec Joint Venture Agreement**,** neither of the Parties shall directly or indirectly compete with the business of Wabtec Texmaco by manufacturing or selling products similar to the products manufactured by Wabtec Texmaco.

The joint venture between the Parties shall stand dissolved if any of the following events occur:

(a) On occurrence of any of triggering events and if the non-triggering Party elects to dissolve the joint venture. The triggering events are as follows –

   (i) One of the Parties commits a material breach of the Wabtec Joint Venture Agreement, or the joint venture license agreement or the supply agreement executed by the Parties (the "**Ancillary Agreements**"), or makes a material misrepresentation with respect to any condition, warranty, representation or agreement contained in the Wabtec Joint Venture Agreement or the Ancillary Agreements, and such breach or misrepresentation is not cured within 30 days after such Party receives written notice of the same from the other Party;

   (ii) One of the Parties has become the subject of a voluntary or involuntary petition in bankruptcy or any proceeding relating to insolvency, or composition for the benefit of creditors, and such petition or proceeding is not dismissed within 60 days after filing; or

   (iii) Unless otherwise agreed by the Parties, a third party acquires a greater than 50% ownership interest in or control over one of the Parties and the other Party does not wish to purchase the interest of such Party in the joint venture.

(b) Our Company and Wabtec mutually agree to dissolve Wabtec Texmaco.

(c) Wabtec Texmaco incurs losses naturally in excess of its annual operating budget, has an inability to satisfy its debts as they become due, fails to meet its operational objectives in a material way, or force majeure events take place.

Joint venture agreement dated May 16, 2012 between Touax Rail Limited, Touax Texmaco Railcar Leasing Private Limited and our Company ("Touax Joint Venture Agreement")

Our Company incorporated Touax Texmaco Railcar Leasing Private Limited ("**Touax Texmaco**") as joint venture with Touax Rail Limited ("**Touax**", and together with our Company, the "**Parties**") for the purpose of operating lease solutions of various types of railcars, and providing advisory and consultancy services to the rail industry. On May 16, 2012, our Company executed the Touax Joint Venture Agreement with Touax and Touax Texmaco in order to make provisions for the terms of funding of Touax Texmaco and to record the rights and obligations of the Parties.

As per the terms of the Touax Joint Venture Agreement, our Company shall own 50% of the share capital of Touax Texmaco and Touax shall own 50% of share capital of Touax Texmaco. Additionally, the Parties have agreed that during the term of the Touax Joint Venture Agreement**,** neither of the Parties shall directly or indirectly compete with the business of Touax Texmaco by establishing or enabling a third person in carrying on any business of manufacturing, selling or maintenance of railcars in the territory that Touax Texmaco operates in.

The joint venture between the Parties shall stand dissolved if any of the following events occur:

(a) On occurrence of any of termination events and if the non-terminated Party elects to terminate the joint venture. The triggering events are as follows –
    (i) One of the Parties commits a material breach of any of the provisions of the Touax Joint Venture Agreement;

    (ii) Occurrence of an insolvency event vis-à-vis the terminated Party.

(b) The Parties mutually agree to dissolve Touax Texmaco.

(c) In the event our Company or Touax along with their respective affiliates cease to be a shareholders of Touax Texmaco, this Touax Joint Venture Agreement shall also stand terminated automatically in relation to such exiting shareholder.

Business Transfer agreement dated April 26, 2019 between Simplex Casting Limited and our Company ("Simplex Business Transfer Agreement")

On April 26, 2019, our Company entered into a business transfer agreement with Simplex Casting Limited ("**Simplex**", and together with our Company, the "**Parties**"), for the purpose of purchasing a steel casting foundry, located at Urla Industrial Estate, Raipur – 493221, Chhattisgarh, on a 'going concern' basis by way of a slump sale. The purchase consideration for the saleand transfer was a slump sale amount of ₹57,50,00,000 net of working capital utilisation of ₹30,00,00,000. The purchase consideration is to be paid in the following manner:

(a) ₹25,00,00,000 shall be paid in the following manner:

    (i) ₹11,55,00,000 payable on the effective date of the Simplex Business Transfer Agreement by electronic RTGS/NEFT in favour of Bank of Baroda, Emerging Corporate Bank, Pundry, Raipur.

    (ii) ₹5,50,00,000 payable on April 29, 2019 by way of cheque drawn in favour of The State Bank of India, Commercial Branch, Pujari Chambers, Pachpedi Naka, Raipur;

    (iii) ₹1,89,00,000 each payable on April 29, 2019, May 4, 2019 and May 10, 2019, by way of cheques drawn in favour of Simplex;

    (iv) ₹2,28,00,000 payable on April 30, 2019 by way of cheque drawn in favour of Simplex.

(b) ₹24,00 ,00,000 shall be paid to Simplex on or before June 15, 2019 subject to satisfactory completion of Diligence Exercise by our Company.

(c) ₹8,50,00,000 shall be paid by way of transfer of the term loan from the bank/lender of Simplex to the name of our Company, being a liability that pertains to the undertaking being sold. Such transfer of the term loan shall be exercised as soon as practicable.

Memorandum of Understanding dated October 14, 2014 between Kawasaki Heavy Industries Limited and our Company ("Kawasaki MOU")

On October 14, 2014, our Company entered into a memorandum of understanding with Kawasaki Heavy Industries Limited ("**Kawasaki**", and together with our Company, the "**Parties**"), for indigenised manufacture of body shells and bogie frames of electric locomotives as required by the Ministry of Railways ("**MOR**") for as a condition for awarding the contract of manufacturing and maintaining electrical locomotives (the "**Project**") to the consortium of Japanese industries (the "**Japanese Consortium**"), of which Kawasaki is a member..

The memorandum of understanding between the Parties shall stand terminated upon the occurrence of certain events, including:

(a) MOR cancels the Project;
(b) the Japanese Consortium is unable to return the tender to MOR;
(c) The Project is awarded to the tenderer other than the Japanese Consortium; or
(d) Our Company and Kawasaki mutually agree to terminate this Kawasaki MOU.

Memorandum of Understanding dated September 18, 2014 between Freightcar America Incorporated and our Company ("Freightcar MOU")

On September 18, 2014, our Company entered into a memorandum of understanding with Freightcar America Incorporated ("**Freightcar**", and together with our Company, the "**Parties**"), for the purpose of exploring the feasibility of cooperation in the design and manufacture of components/sub-assemblies for railroad for freight cars (the "**Cooperation**"). In terms of the Freightcar MoU, the Parties have agreed to engage and seek avenues to develop the Cooperation as per the scope, specifications, price and commercial terms. Further, the Parties have agreed to use commercially reasonable endeavours to execute the agreement for the Cooperation on or before September 18, 2019.

The memorandum of understanding between the Parties shall stand terminated either by September 18, 2019, or upon the earliest of the following events to occur, whichever earlier:

(a) Termination of the non-disclosure agreement by either Party;
(b) Execution of an agreement by the Parties; or
(c) Both parties agree in writing to terminate the Freightcar MOU.

Common pursuits amongst Group Companies and Subsidiaries

For details of related business transactions between our Company and Subsidiaries and their significance on financial performance, see "*Related Party Transactions*" on page [•].

For details regarding the common pursuits among our Group Companies and our Company, see "*Group Companies - Common pursuits among Group Companies*" on page [•].

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Business interest between our Company and our Subsidiaries

Except as disclosed below, our Subsidiaries have no business interest in our Company:

- Payment of rent to Belur Engineering Private Limited for use of land located in Sodepur.

For details regarding the business interest of our Group Companies in our Company, see "*Group Companies*" on page [●].

Other confirmations

Except for the business transfer agreement with Simplex, our Company has not entered into any material contract or agreement which is not in the ordinary course of business carried on or intended to be carried on by our Company.

Our Company has not defaulted, rescheduled or restructured the payment of any borrowings with financial institutions or banks.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board of Directors shall comprise of not less than three Directors and not more than 15 Directors including Independent Directors with at least one-woman Director. As on the date of this Letter of Offer, we have 12 Directors on our Board, comprising of five Executive Directors, one Non-Executive Director and six Independent Directors. Our Board also includes a woman Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as on the date of this Letter of Offer:

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
Saroj Kumar Poddar *Designation*: Executive Chairman *Date of birth*: September 15, 1945 *Address*: Poddar Niket, 2 Gurusaday Road, Kolkata – 700 019. *Occupation:* Businessman *Term*: Five years with effect from September 25, 2015, i.e. until September 24, 2020 *Period of directorship*: Director since September 25, 2010 *DIN*: 00008654	74	*Indian companies* 1. Adventz Finance Private Limited; 2. Adventz Homecare Private Limited; 3. Chambal Fertilisers and Chemicals Limited; 4. Forte Furniture Products India Private Limited; 5. HePo India Private Limited; 6. Hettich India Private Limited; 7. Lionel India Limited; 8. Paradeep Phosphates Limited; 9. Texmaco Infrastructure & Holdings Limited; 10. Texmaco Rail & Engineering Limited; 11. Zuari Agro Chemicals Limited; and 12. Zuari Global Limited *Foreign Companies* 1. Calcutta Tramways Company Limited; and 2. Indo Maroc Phosphore S.A. (IMACID).
Akshay Poddar *Designation*: Non-executive Director *Date of birth*: July 20, 1976 *Address*: Villa P-86 (W- Sub Meter), 394-Emirates Hill Third, Premise Number: 394997883, Post Office Box: 117809, Dubai *Occupation*: Businessman *Term*: From September 2, 2011 and liable to retire by rotation *Period of directorship*: Director since September 2, 2011 *DIN*: 00008686	43	*Indian companies* 1. Hettich India Private Limited; 2. Zuari Agro Chemicals Limited; 3. Touax Texmaco Railcar Leasing Private Limited; 4. Adventz Homecare Private Limited; 5. Texmaco Infrastructure & Holdings Limited; 6. Adventz Securities Enterprises Limited; 7. Mangalore Chemicals and Fertilisers Limited; 8. Lionel India Limited; 9. Adventz Finance Private Limited; 10. Lionel Edwards Limited; 11. Adventz Investment Company Private Limited; 12. Greenland Trading Private Limited; 13. Indrakshi Trading Company Private Limited; and 14. Abhishek Holdings Private Limited *Foreign Companies*

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
		1. Adventz General Trading LLCC; 2. Adventz Investments Limited; 3. Adventz Properties Limited; 4. Adventz Trading DMCC; 5. Felicabo Worldwide Limited; 6. Globalware Holdings Limited; and 7. Hettich Middle East DMCC.
Sandeep Fuller *Designation:* Managing Director *Date of birth:* April 17, 1966 *Address:* C/O, D-1103, IRWO Classic, Apartments, Rail Vihar Sector – 57, Bloom Plaza, Gurgaon, Sector 56, Gurgaon 122 011. *Occupation:* Service *Term:* Five years with effect from May 15, 2018, i.e. until May 14, 2023 *Period of directorship:* Director since February 1, 2014 *DIN:* 06754262	53	*Indian companies* 1. Simon India Limited 2. Touax Texmaco Railcar Leasing Private Limited; 3. Wabtec Texmaco Rail Private Limited; 4. Belur Engineering Private Limited; and 5. Texmaco Transtrak Private Limited. *Foreign Companies* 1. Texrail SA (Pty) Limited
Amal Chandra Chakrabortti *Designation:* Independent Director Date of birth: October 2, 1930 *Address*: 22/2A, Gorachand Road, Entally, Circus Avenue, Kolkata – 700 014. *Occupation*: Professional *Term*: Three years with effect from September 04, 2019, i.e. until September 03, 2022 *Period of directorship*: Director since September 25, 2010 DIN: 00015622	88	*Indian companies* 1. Asian Hotels (East) Limited 2. La Opala R G Limited; 3. Chandras' Chemical Enterprises Private Limited; 4. Gwalior Webbing Co. Private Limited; 5. East India Investment Company Private Limited; and 6. Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited.
Utsav Parekh *Designation:* Independent Director *Date of birth*: August 28, 1956 *Address*: 2/3, Sarat Bose Road, Kolkata 700 020. *Occupation*: Businessman *Term*: Five years with effect from September 4, 2018, i.e. until September 4, 2023 *Period of directorship*: Director since September 4, 2018 *DIN*: 00027642	63	*Indian Companies* 1. Nexome Real Estates Private Limited; 2. Aar Indamer Technics Private Limited; 3. Spencer's Retail Limited; 4. Texmaco Infrastructure & Holdings Limited; 5. Bengal Aerotropolis Projects Limited; 6. Wizcraft International Entertainment Private Limited; 7. SMIFS Capital Services Limited; 8. McLeod Russel India Limited; 9. Xpro India Limited; 10. Lend Lease Company (India) Limited; and 11. SMIFS Capital Markets Limited.

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
Sunil Mitra *Designation:* Independent Director *Date of birth:* June 24, 1951 *Address:* 241, Shantipally, 2nd Floor, Rajdanga, Kolkata – 700 107. *Occupation:* Retired Government Official *Term:* Five years with effect from September 04, 2019, i.e. until September 03, 2024 *Period of directorship:* Director since November 5, 2012. *DIN:* 00113473	68	*Indian Companies* 1. Dollar Industries Limited; 2. IPE Global Limited; 3. Patton International Limited; 4. Nicco Parks & Resorts Limited; 5. Century Plyboards (India) Limited; 6. Firstsource Solutions Limited; 7. Magma HDI General Insurance Company Limited; 8. Sekura Energy Limited; and 9. Sekura Roads Limited.
Kaarthikeyan Devarayapuram Ramasamy *Designation*: Independent Director *Date of birth:* October 2, 1939 *Address*: 102, Anand Lok, New Delhi – 110 049. *Occupation*: Retired Government Official *Term*: Five years with effect from September 04, 2019, i.e. until September 03, 2024 *Period of directorship*: Director since September 2, 2011 DIN: 00327907	79	*Indian companies* 1. Texmaco Infrastructure & Holdings Limited; 2. Lotus Eye Hospital and Institute Limited; 3. Roots Auto Products Private Limited; 4. Life Positive Private Limited; 5. Star Health and Allied Insurance Company Limited; 6. Raj Television Network Limited; and 7. Taj Gvk Hotels and Resorts Limited.
Damodar Hazarimal Kela *Designation*: Executive Director *Date of birth*: April 30, 1941 *Address*: Pankaj Apartment, 86, Ballygunge Place, Ballygunge, Kolkata – 700 019. *Occupation*: Service *Term:* Five years with effect from September 25, 2016 i.e. until September 24, 2021 *Period of directorship*: Director since September 25, 2010 *DIN:* 01050842	78	*Indian companies* 1. Wabtec Texmaco Rail Private Limited; and 2. Belur Engineering Private Limited.
Mridula Jhunjhunwala *Designation*: Independent Director *Date of birth*: July 30, 1970 *Address*: 33 C, Manohar Pukur Road, Kolkata – 700 071. *Occupation*: Professional	49	-

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
Term: Three years with effect from March 20, 2018, i.e. until March 19, 2021 *Period of directorship*: Director since March 20, 2015 *DIN*: 05339373		
Indrajit Mookerjee *Designation*: Independent Director *Date of birth*: September 19, 1947 *Address*: 7/1A, Sunny Park, Apartment no B202, Ballygunge, Kolkata 700 019 *Occupation*: Service *Term*: Five years with effect from September 9, 2019, i.e. until September 8, 2024 *Period of directorship*: Director since September 9, 2019 *DIN:* 01419627	71	*Indian Companies* 1. Lorch Welding Products Private Limited; and 2. Pacific Consolidated Industries (PCI) Gases India Private Limited.
Ashok Kumar Vijay *Designation:* Executive Director *Date of birth:* July 4, 1953 *Address:* 12, Park Street, Queens Mansion, P. S. Shakespeare Sarani, Kolkata – 700 071. *Occupation:* Service *Term:* Five years with effect from January 01, 2018, i.e. until December 31, 2022 *Period of directorship:* Director since January 1, 2015 *DIN:* 01103278	66	*Indian companies* 1. Magnacon Electricals India Limited; 2. Touax Texmaco Railcar Leasing Private Limited; 3. Belur Engineering Private Limited; and 4. Texmaco Transtrak Private Limited
Girish Chandra Agrawal *Designation*: Executive Director *Date of birth*: February 15, 1957 *Address*: House no. 22, Ashok Nagar, Agra – 282 002. *Occupation*: Service *Term*: Five years with effect from May 15, 2018 i.e. until May 14, 2023. *Period of directorship:* Director since May 15, 2018 *DIN:* 08132434	62	*Indian Companies* 1. Touax Texmaco Railcar Leasing Private Limited

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Brief profiles of our Directors

Saroj Kumar Poddar

Saroj Kumar Poddar, aged 74 years, is the Chairman of our Company. He has been associated with our Company since September 25, 2010. He holds a bachelor's degree in commerce from St. Xavier's College, University of Calcutta. He has served as the President of the Federation of Indian Chambers of Commerce and Industry and the President of International Chamber of Commerce in India. He was also appointed as a member of the Board of Trade and a member of the Court of the Indian Institute of Science, Bangalore by the Government of India. He was also on the Advisory Board of N M Rothschild (India) Limited. He is a recipient of the Rashtriya Samman award from the Central Board of Direct Taxes.

Akshay Poddar

Akshay Poddar, aged 43 years, is a Non-Executive Director of our Company. He has been associated with our Company since September 2, 2011. He holds a bachelor's degree in Science with honours in accounting and finance from the London School of Economics and Political Science, University of London. He also holds a master's degree of science in leadership and strategy from London Business School. He was also a member of the Entrepreneurs' Organisation, Kolkata and Young Presidents' Organisation.

Sandeep Fuller

Sandeep Fuller, aged 53 years, is Managing Director of our Company. He has been associated with our Company since February 1, 2014. He holds a Post-Graduation Degree in Management from Indira Gandhi National Open University. He has 20 years of experience with Indian Railways in various capacities and in Larsen & Toubro, in the domain of rolling stock, metro coaches, locomotives, traction and maintenance.

Amal Chandra Chakrabortti

Amal Chandra Chakrabortti, aged 88 years, is an independent director of our Company. He has been associated with our Company since September 25, 2010. He is a qualified Chartered Accountant and has held the position of President of the Institute of Chartered Accountants of India.

Utsav Parekh

Utsav Parekh, aged 63 years, is an Independent Director of our Company. He has been associated with our Company since September 4, 2018. He has a bachelor's degree from the Calcutta University. He is the Promoter and Non – Executive Chairman of SMIFS Capital Market Limited. He has an experience of over 29 years in the Investment Banking field.

Sunil Mitra

Sunil Mitra, aged 68 years, is an Independent Director of our Company. He is associated with our Company since November 5, 2012. He holds bachelor's degree in chemistry and had a public service career spanning over three and a half decades. He held the offices of Disinvestment Secretary, Revenue & Finance Secretary, Government of India and was also appointed as a non-official member of the eastern local board of the RBI.

Kaarthikeyan Devarayapuram Ramasamy

Kaarthikeyan Devarayapuram Ramasamy, aged 79 years, is an Independent Director of our Company. He has been associated with our company since September 2, 2011. He holds a Bachelor of Law degree from University of Madras. He was also associated with the Central Bureau of Investigation. After practising as Lawyer for three years, he got selected and appointed to the elite Indian Police Service and in that capacity, he has held several positions including District Superintendent of Police districts like Gulbarga, Dharwar and Belgaum, which are major Districts of Karnataka State in India.

Damodar Hazarimal Kela

Damodar Hazarimal Kela, aged 78 years, is an Executive Director of our Company. He has been associated with our Company since November 14, 2000. He holds a degree of bachelor's in engineering (Metallurgy). He has extensive experience in the engineering and metallurgical industry and has held various positions in engineering and metallurgical companies.

Mridula Jhunjhunwala

Mridula Jhunjhunwala, aged 49 years, is an Independent Director of our Company. She has been associated with our Company since March 20, 2015. She is a qualified Chartered Accountant with 22 years of professional experience. She is a partner of Doshi, Chatterjeee, Bagri & Co. LLP, Chartered Accountants.

Indrajit Mookerjee

Indrajit Mookerjee, aged 71 years, is an Independent Director of our Company. He has been associated with our Company since September 9, 2019. He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Kharagpur. He also holds master's degree in Chemical Engineering from Georgia Institute of Technology, Atlanta, USA. He has worked across various industries including Ellenbarrie Industrial Gases Limited, Lorch Welding Products Private Limited.

Ashok Kumar Vijay

Ashok Kumar Vijay, aged 66 years, is an Executive Director of our Company. He has been associated with our Company since October 17, 2001. He is a qualified chartered accountant and company secretary. He has about 19 years of experience in the finance sector.

Girish Chandra Agrawal

Girish Chandra Agrawal, aged 62 years, is an Executive Director of our Company. He has been associated with our Company since May 15, 2018. He holds a Bachelor of Engineering degree in Mechanical Engineering from Institution of Engineers (India). He has also obtained engineering degrees in Electrical and Electronics and Telecommunications from Institution of Engineers (India). He has served as a General Manager, Western Railway in the Indian Railway Services of Mechanical Engineering. He has experience of working in various capacities in the Indian Railways including as an Additional Divisional Railway Manager-Katihar, Divisional Railway Manager- Jodhpur and as a Chief Mechanical Engineer-West Central Railway & Rail Coach Factory-Kapurthala.

Confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Family relationships between our Directors and Key Managerial Personnel

Except for Akshay Poddar who is the son of Saroj Kumar Poddar, none of our Directors are related to each other.

Details of directorship in companies suspended or delisted

Except as stated below, none of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchanges, during the last five years prior to the date of this Letter of Offer, during the term of his/her directorship in such company.

Name of the Director	Name of the company	Name of the stock exchange(s) on which the company was listed	Date of suspension on stock exchanges	Whether suspended for more than three months	Reasons for suspension and period of suspension, if the suspension has been for more than three months	Whether the suspension has been revoked	Date of revocation of suspension, if suspension has been revoked	Term of directorship (along with relevant dates) in the company
Amal Chandra Chakrabortti	Texmaco Rail & Engineering Limited	CSE	March 21, 2014	Yes	Non-compliances with the listing agreement with CSE in respect of various disclosures and in submission of required information to CSE Period of suspension: March 21, 2014 to November 17, 2014	Yes	November 17, 2014	September 25, 2010 to September 3, 2022
Sunil Mitra	Texmaco Rail & Engineering Limited	CSE	March 21, 2014	Yes		Yes	November 17, 2014	November 5, 2012 to September 3, 2024
Sandeep Fuller	Texmaco Rail & Engineering Limited	CSE	March 21, 2014	Yes		Yes	November 17, 2014	February 1, 2014 to May 14, 2023
Damodar Hazarimal Kela	Texmaco Rail & Engineering Limited	CSE	March 21, 2014	Yes		Yes	November 17, 2014	September 25, 2010 to September 24, 2021
Saroj Kumar Poddar	Texmaco Rail & Engineering Limited	CSE	March 21, 2014	Yes		Yes	November 17, 2014	September 25, 2010 to September 25, 2020
Akshay Poddar	Texmaco Rail & Engineering Limited	CSE	March 21, 2014	Yes		Yes	November 17, 2014	September 2, 2011 (liable to retire by rotation)
D R Kaarthikeyan	Texmaco Rail & Engineering Limited	CSE	March 21, 2014	Yes		Yes	November 17, 2014	September 2, 2011 to September 3, 2024
D R Kaarthikeyan	Texmaco Infrastructure &	CSE	March 21, 2014	Yes		Yes	February 1, 2019	July 25, 2016 to July 24, 2024

Name of the Director	Name of the company	Name of the stock exchange(s) on which the company was listed	Date of suspension on stock exchanges	Whether suspended for more than three months	Reasons for suspension and period of suspension, if the suspension has been for more than three months	Whether the suspension has been revoked	Date of revocation of suspension, if suspension has been revoked	Term of directorship (along with relevant dates) in the company
	Holdings Limited							
Saroj Kumar Poddar	Texmaco Infrastructure & Holdings Limited	CSE	March 21, 2014	Yes	Non-compliance with the listing agreement with CSE in respect of various disclosures and in submission of required information to CSE Period of suspension: March 21, 2014 to February 1, 2019	Yes	February1, 2019	February 14, 1991 (liable to retire by rotation)
Akshay Poddar	Texmaco Infrastructure & Holdings Limited	CSE	March 21, 2014	Yes		Yes	February1, 2019	September 11, 2008 (Retire by rotation)
Utsav Parekh	Texmaco Infrastructure & Holdings Limited	CSE	March 21, 2014	Yes		Yes	February1, 2019	September 25, 2010 to September 3, 2024

Except as disclosed below, none of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange:

Our directors, Saroj Kumar Poddar and Akshay Poddar were directors on the board of Adventz Investments & Holdings Limited.

Sr. No.	Particulars	Details	
1.	Name of the Company	Adventz Investments & Holdings Limited	
2.	Name of the stock exchange(s) on which the company was listed	Calcutta Stock Exchange	Uttar Pradesh Stock Exchange
3.	Date of delisting on stock exchanges	February 10, 2014	February 14, 2014
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary	
5.	Reasons for delisting	Adventz Investments & Holdings Limited was merged with Adventz Finance Private Limited	
6.	Whether the company has been relisted	No	
7.	Date of relisting, in the event the company is relisting	Not Applicable	
8.	Name of the stock exchange(s) on which the company was relisted	Not Applicable	
9.	Tenure of their directorships (along with relevant dates) in the company	Saroj Kumar Poddar was a Director on the board of Adventz Investments & Holdings Limited from December 18, 1995 to April 1, 2013. Akshay Poddar was a Director on the board of Adventz Investments & Holdings Limited from September 16, 2008 to April 1, 2013.	

Our director, Amal Chandra Chakrabortti was a director on the board of Denso India Limited.

Sr. No.	Particulars	Details
1.	Name of the Company	Denso India Limited.
2.	Name of the stock exchange(s) on which the company was listed	BSE Limited. Delhi Stock Exchange Limited (DSE) Madras Stock Exchange Limited (MSE) National Stock Exchange of India Limited (NSE)
3.	Date of delisting on stock exchanges	September 23, 2013
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary
5.	Reasons for delisting	A Japanese Company, which was a majority shareholder, wanted to acquire 100% control in it.”
6.	Whether the company has been relisted	No
7.	Date of relisting, in the event the company is relisting	Not Applicable
8.	Name of the stock exchange(s) on which the company was relisted	Not Applicable
9.	Tenure of their directorships (along with relevant dates) in the company	Amal Chandra Chakrabortti was the Independent Director under the Companies Act. Date of resignation - November 9, 2013

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been nominated or appointed or selected, as a director or member of the senior management, pursuant to any arrangement or understanding with any of our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment.

Borrowing powers of the Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. Pursuant to a resolution of the Shareholders of our Company passed in their annual general meeting held on September 9, 2019 under Section 179, 180(1)(c) of the Companies Act, 2013, our Board is authorised to borrow up to an amount ₹20,000 lakhs, apart from the temporary loans obtained by our Company in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of our Company and for creation of charge/providing security for the sum borrowed on the assets of our Company.

Remuneration details and terms of employment of our Managing Director

Sandeep Fuller – Managing Director

Sandeep Fuller was appointed as our Managing Director for a period of five years with effect from May 15, 2018 pursuant to the resolution passed by our Board on May 15, 2018 and our shareholders on September 4, 2018.

Pursuant to the Board resolution dated May 15, 2018, Sandeep Fuller is entitled to remuneration as enumerated below:

Salary

Salary of ₹4,03,500 per month with increments as may be decided by the Board of Directors from time to time subject to a yearly ceiling of 25% of last paid remuneration.

Perquisites and Allowances

Sandeep Fuller is entitled to housing allowance subject to a maximum of 30% of salary, medical reimbursement, leave travel concession, bonus, leave and club fees. Further, he is entitled to other allowances amounting to ₹1,85,000 per month. He is also entitled to contribution to provident fund and superannuation fund and gratuity.

The annual variation and increase in the remuneration of Sandeep Fuller shall not exceed 5% of the profits of the Company as calculated under Section 197 and 198 of the Companies Act, 2013, read with the limits specified in Schedule V.

Payments or benefits to Directors

Except as disclosed under "*Remuneration details and terms of employment of our Managing Director*" on page [●], our Company has not entered into any contract appointing or fixing the remuneration of a Director, Whole-time Director, or Manager in the two years preceding the date of this Letter of Offer.

Except as disclosed under "*Compensation paid to our Directors*" on page [●], in Fiscal 2019, our Company has not paid any commission, sitting fees, remuneration or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation).

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.
Other than as disclosed under "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page [●], none of our Directors hold any shares in our Company or the Subsidiaries as on the date of this Letter of Offer.

Compensation paid to our Directors

The Nomination and Remuneration Committee determines and recommends to the Board, the compensation of the Directors.

(a) Executive Directors

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites), professional fee, consultancy fee paid to our Executive Directors for the Fiscal 2019:

(in ₹ lakhs)

Sr. No.	Name of the Executive Director	Remuneration for Fiscal 2019
1.	Saroj Kumar Poddar	386.00
2.	Sandeep Fuller	121.85
3.	Damodar Hazarimal Kela	137.03
4.	Girish Chandra Agrawal	59.50
5.	Ashok Kumar Vijay	76.94

Non-Executive Directors

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites), professional fee, consultancy fee paid to our Non-Executive Director for the Fiscal 2019:

(in ₹ lakhs)

Sr. No.	Name of the Non-Executive Director	Remuneration for Fiscal 2019
1.	Akshay Poddar	3.50

(b) Independent Directors

Pursuant to the resolution passed by our Board on May 13, 2019, our Non-Executive Directors and Independent Directors are entitled to receive a sitting fee of ₹40,000 for attending each meeting of our Board, ₹40,000 for attending the meeting of the Audit Committee and ₹25,000 for attending meetings of other Committees constituted by the Board.

Our Independent Directors were paid sitting fees for attending each meeting of the Board and its committees as under:

(in ₹ lakhs)

Sr. No.	Name of the Independent Director	Remuneration for Fiscal 2019
1.	Amal Chandra Chakrabortti	5.40
2.	Kaarthikeyan Devarayapuram Ramasamy	4.60
3.	Sunil Mitra	4.60
4.	Sabyasachi Hajara*	1.29
5.	Mridula Jhunjhunwala	5.40
6.	Vinod Kumar Sharma#	2.90
7.	Utsav Parekh	1.95
8.	Indrajit Mookerjee**	-

**ceased with effect from September 28, 2018.*
 # ceased with effect from June 29, 2019
*** Appointed on the board with effect from September 9, 2019*

Contingent and deferred compensation payable to the Directors

As on the date of this Letter of Offer, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Remuneration paid or payable to our Directors from Subsidiaries or Associates:

No remuneration has been paid to our Directors by any of our Subsidiaries or Joint ventures in Fiscal 2019.

Bonus or profit-sharing plan for the Directors

Our Company does not have any performance-linked bonus or profit-sharing plan for our Directors.

Loans to Directors

Our Company and Subsidiaries have not provided any loan to our Directors.

Further, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as commission and reimbursement of expenses, if any, payable to them by our Company. Further our Executive Directors and Managing Director may be interested to the extent of remuneration payable to them. For further details, see "- *Terms of Appointment of our Managing Director*", "- *Compensation Paid to our Non-Executive and Independent Directors*" on pages [●] and [●] respectively.

Our Executive Directors and Managing Director may also be regarded as interested to the extent of the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of these Equity Shares. Our Directors may also be interested to the extent of Equity Shares held by their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or that may be subscribed by or allotted to the companies, firms, ventures or trusts, in which they are interested as directors, members, partners, proprietors, trustees or promoters, pursuant to the Issue. For further details regarding the shareholding of our Directors, see "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" and "*Related Party Transactions*" on pages [●] and [●], respectively.

Some of our Directors may hold positions as directors on the board of directors of our Subsidiaries and Group Companies and as heads of certain business verticals. In consideration for these services, they are not paid any sitting fees and commission. Akshay Poddar and Saroj Poddar are also interested as the promoters of Zuari Investments Limited and promoters of Texmao Infrastructure & Holdings Limited.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company on which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

There is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Issue.

Interest in the promotion of our Company

As on the date of this Letter of Offer, except for Akshay Poddar and Saroj Kumar Poddar, none of our other Directors are interested in the promotion of our Company. For further details, see "*Our Promoters and Promoter Group*" on page [●].

Interest in the properties of our Company

Our Directors do not have any other interest in any property acquired or proposed to be acquired of or by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business interest

Except as disclosed below and as stated in the section "*Related Party Transactions*" on page [●]], and to the extent of the shareholding of our Directors in the Company, none of our Directors have any other interest in our business or our Company.

Other than, as disclosed in "*Related Party Transactions*" on pages [●], no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given, to any of our ; Directors except for the sitting fees and commission paid to the Non-executive Director and Independent Directors of the Company.

Changes in the Board in the last three years

Name	Designation	Date of change	Reason
Ramesh Maheshwari	Executive Vice Chairman	September 25, 2016	Expiry of term
V K Sharma	Independent Director	June 29, 2016	Appointment as an Independent Director
Girish Chandra Agrawal	Executive Director	May 15, 2018	Appointment as Executive Director
Sandeep Fuller	Managing Director	May 15, 2018	Re-designated as the Managing Director
Utsav Parekh	Independent Director	September 4, 2018	Appointment as an Independent Director
Sabyasachi Hajara	Independent Director	September 28, 2018	Cessation of Directorship
Vinod Kumar Sharma	Independent Director	June 29, 2019	Cessation of Directorship
Indrajit Mookerjee	Independent Director	September 9, 2019	Appointment as an Independent Director

Corporate Governance

Our Company is in compliance with the requirements of applicable regulations in accordance with the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof.

As on date of this Letter of Offer, we have 12 Directors on our Board, comprising of five Executive Director, one Non-Executive Directors and six Independent Directors. Our Board also includes a woman Independent Director.

None of our Directors have been or were identified as a wilful defaulter as defined under the SEBI ICDR Regulations.

Our Directors do not hold any outstanding vested options, pursuant to any employee stock option scheme implemented by our Company.

Except as otherwise stated in this Letter of Offer, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Letter of Offer in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on March 31, 2019, no Director has taken any loans from our Company.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit committee;
(b) Nomination and Remuneration committee;
(c) Stakeholders' Relationship committee; and
(d) Corporate Social Responsibility committee;

Audit Committee

Our Audit Committee was constituted by a resolution of our Board dated September 25, 2010 and last reconstituted by a resolution of our Board dated September 3, 2016 and is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Amal Chandra Chakrabortti	Chairperson	Independent Director
Kaarthikeyan Devarayapuram Ramasamy	Member	Independent Director
Mridula Jhunjhunwala	Member	Independent Director

Name of Director	Position in the Committee	Designation
Sandeep Fuller	Member	Managing Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act and the SEBI Listing Regulations and its terms of reference, *inter alia,* includes the following:

The roles and responsibilities of the Audit Committee include the following:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;

(b) To seek information from any employee of the Company;

(c) To obtain outside legal or other professional advice;

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and

(e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;

(c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act;

(ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(j) Scrutiny of inter-corporate loans and investments;

(k) Valuation of undertakings or assets of the company, wherever it is necessary;

(l) Evaluation of internal financial controls and risk management systems;

(m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) Discussion with internal auditors of any significant findings and follow up there on;

(p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) Reviewing the functioning of the whistle blower mechanism;

(t) Approval of the appointment of the Chief Financial Officer of the Company ("**CFO**") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

(u) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

(v) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(w) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(x) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

(y) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management's discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

   ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and

(g) Such other information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Audit Committee shall have the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board and for this purpose, shall have the power to obtain professional advice from external sources and have full access to information contained in the records of our Company

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations.

The quorum for a meeting of the Audit Committee shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

Nomination and Remuneration Committee

Our Nomination and Remuneration committee was constituted by a resolution of our Board February 11, 2013 and was last reconstituted by a resolution of our Board dated May 30, 2016. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Amal Chandra Chakrabortti	Chairperson	Independent Director
Akshay Poddar	Member	Non-executive and Non-independent Director
Sunil Mitra	Member	Independent Director
Mridula Jhunjhunwala	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee are in conformity with the requirements of the SEBI Listing Regulations and Section 178 of the Companies Act. The terms of reference of the Nomination and Remuneration Committee, *inter alia,* includes the following:

The Nomination and Remuneration Committee shall be responsible for:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; Provided that such policy shall be disclosed in the Board's report;

(d) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(e) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
(f) Devising a policy on diversity of board of directors;

(g) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal; and

(h) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall either be two members or one third of the members of the Nomination and Remuneration committee, whichever is greater, with at least one independent director.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by our Board on September 25, 2010 and last reconstituted by a resolution of our Board dated September 3, 2016. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship committee is as follows:

Name of Director	Position in the Committee	Designation
Akshay Poddar	Chairperson	Non-executive and Non-independent Director
Damodar Hazarimal Kela	Member	Executive Director
Sunil Mitra	Member	Independent Director
Ashok Kumar Vijay	Member	Executive Director

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee, inter alia includes the following:

- To oversee the performance of the share transfer work;
- To review the redressal of shareholders and investors complaints; and
- To recommend measures to improve levels of investor services
- The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Stakeholders' Relationship Committee, *inter alia*, shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

Corporate Social Responsibility Committee

The Corporate Social Responsibility committee was constituted by a resolution of our Board dated February 11, 2013 and last reconstituted by a resolution of our Board dated September 3, 2016. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of Director	Position in the Committee	Designation
Damodar Hazarimal Kela	Chairperson	Executive Director
Ashok Kumar Vijay	Member	Executive Director
Sunil Mitra	Member	Independent Director

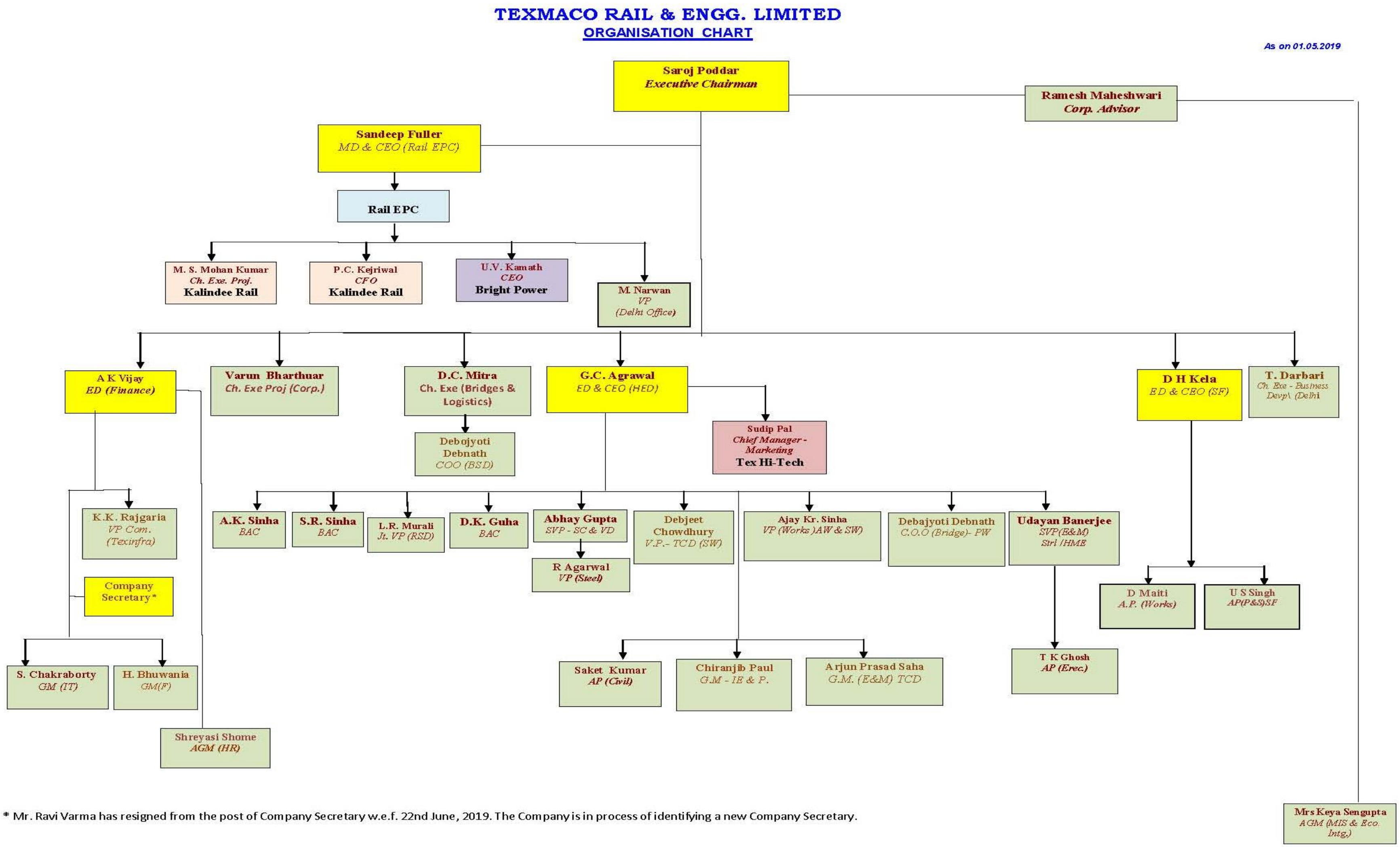
The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act. The terms of reference of the Corporate Social Responsibility Committee, *inter alia* includes the following:

1. to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013;

2. to recommend the amount of expenditure to be incurred on the CSR activities referred to in (a) above; and

3. to monitor the Corporate Social Responsibility Policy of the company from time to time.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Management Personnel of our Company as on the date of this Letter of Offer are as follows:

Saroj Kumar Poddar is the Executive Director and Chairman of our Company. For a brief profile of Saroj Kumar Poddar, see "- *Brief Profiles of our Directors*" on page [●].

Sandeep Fuller is the Managing Director of our Company. For a brief profile of Sandeep Fuller, our Managing Director, see "- *Brief Profiles of our Directors*" on page [●].

Damodar Hazarimal Kela is the Executive Director and the Chief executive officer (Steel Foundry division). For brief profile of Damodar Hazarimal Kela, see "- *Brief Profiles of our Directors*" on page [●].

Girish Chandra Agrawal is the Executive Director and the Chief executive officer (heavy engineering division). For brief profile of Girish Chandra Agrawal, see "- *Brief Profiles of our Directors*" on page [●].

Ashok Kumar Vijay is the Executive Director and the Chief Financial Officer of our Company. For brief profile of Ashok Kumar Vijay, see "- *Brief Profiles of our Directors*" on page [●].

Family relationships of Directors with Key Management Personnel

Except Saroj Kumar Poddar who is the father of Akshay Poddar, none of our Key Managerial Personnel are related to each other or to the Directors of our Company.

Status of Key Managerial Personnel

As on the date of this Letter of Offer, all our Key Managerial Personnel are permanent employees of our Company.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company which include termination/retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Key Managerial Personnel is entitled to any benefit upon termination of such officer's employment or superannuation.

Arrangements or understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been selected, as key managerial personnel, pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of Key Managerial Personnel

As on the date of this Letter of Offer, the shareholding of our Key Managerial Personnel are as follows:

SL No.	Name of KMP	Number of Equity Shares held
1.	Saroj Kumar Poddar	34,47,020
2.	Sandeep Fuller	50,000
3.	Damodar Hazarimal Kela	32,000
4.	Girish Chandra Agrawal	-
5.	Ashok Kumar Vijay	52,530

Loans taken by Key Managerial Personnel

As on the date of this Letter of Offer, our Company and Subsidiaries have not provided loans to our Key Management Personnel. Further, except as disclosed in "*Related Party Transactions*" on page [•], none of the beneficiaries of loans, advances and sundry debtors are related to the Key Management Personnel of our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Letter of Offer, there is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company has no profit-sharing plan for the Key Managerial Personnel. Our Company makes bonus payments, in accordance with their terms of appointment.

Interests of Key Managerial Personnel

Our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of their service.

Our Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company. In consideration for these services, they may be paid managerial remuneration in accordance with the provisions of the applicable law.

Further, some of our Key Management Personnel may hold positions on the board of directors of our Subsidiaries, Joint Ventures and/or Group Companies.

Changes in the Key Management Personnel in last three years

Except as mentioned below, there have been no changes in the Key Management Personnel in the last three years are as follows:

Name of KMP	Designation	Date of change	Reason for change
Girish Chandra Agrawal	Executive Director	May 15, 2018	Appointment as an Executive Director
Sandeep Fuller	Managing Director	May 15, 2018	Re-designated as Managing Director
Ravi Varma	Company Secretary	June 22, 2019	Cessation as the Company Secretary*

**Our Company is currently in the process of identifying and appointing a Company Secretary in accordance with applicable law*.

Employees Stock Option Plan

For details regarding ESOP Scheme, see "*Capital structure*" on pages [●] and [●] respectively.

Payment of non-salary related benefits to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of officer of our Company within the two years preceding the date of filing of Letter of Offer, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Texmaco Infrastructure & Holdings Limited and Zuari Investments Limited. As on the date of this Letter of Offer, our Promoters collectively hold 8,35,63,900 Equity Shares constituting 37.16% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, see *"Capital Structure – History of build-up of Promoters' shareholding*" on page [•].

Our Company and Promoters confirm that details of the PANs, company registration numbers, and bank account numbers of our Promoters and the addresses of the respective registrar of companies where each such Promoter is registered shall be submitted to the Stock Exchanges at the time of filing of this Letter of Offer with the Stock Exchanges.

Details of our Promoters

1. Texmaco Infrastructure & Holdings Limited ("TIHL")

Corporate Information

TIHL was originally incorporated on August 4, 1939 under the Companies Act 1956 as Textile Machinery Corporation Limited. On January 1, 1974, the name of Textile Machinery Corporation Limited was changed to Texmaco Limited. On February 20, 2012, the name of Texmaco Limited was changed to Texmaco Infrastructure & Holdings Limited**.**

TIHL is primarily engaged in the business of real estate and generation of hydro-electric power. Its registered office is located at Belgharia, Kolkata, West Bengal - 700056 and its CIN is L70101WB1939PLC009800.

TIHL is one of the original promoters of the Company. There has been no change in the control of TIHL in the preceding three years prior to the filing of this Letter of Offer.

Except as disclosed below, there has been no change in its business activities:

TIHL underwent a demerger in the year 2010, demerging its heavy industry and steel foundry business into our Company.

The equity shares of TIHL are currently listed on BSE, NSE & CSE.

Shareholding Pattern

The authorised share capital of TIHL is ₹20,00,00,000 divided into 20,00,00,000 equity shares of face value of ₹1 each.

Set forth below is the shareholding pattern of TIHL as on the date of this Letter of Offer.

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of shares pledged or otherwise encumbered	Pledged or encumbered shares as a % of total shares held	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	26	8,09,33,786	8,09,33,786	63.51	8,09,33,786	63.51	7,38,800	0.91	8,09,33,786
(B) Public	18,100	4,64,92,804	4,64,92,804	36.49	4,64,92,804	36.49	0	0	4,56,35,646
(C1) Shares underlying DRs	0	0	0	0	0	0	0	0	0
(C2) Shares held by Employee Trust	0	0	0	0	0	0	0	0	0

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of shares pledged or otherwise encumbered	Pledged or encumbered shares as a % of total shares held	No. of equity shares held in dematerialized form
(C) Non Promoter-Non Public	0	0	0	0	0	0	0	0	0
Grand Total	0	0	0	0	0	0	0	0	0

Promoter of TIHL

As disclosed to the stock exchanges, the promoters and members of the promoter group of TIHL as on June 30, 2019 are as follows:

1. New Eros Tradecom Limited;
2. Adventz Securities Enterprises Limited;
3. Adventz Investment Company Private Limited;
4. Abhishek Holdings Private Limited;
5. Texmaco Rail & Engineering Limited;
6. Greenland Trading Private Limited;
7. Duke Commerce Limited;
8. Adventz Finance Private Limited;
9. Jeewan Jyoti Medical Society;
10. Zuari Global Limited;
11. Zuari Investments Limited;
12. Premium Exchange and Finance Limited;
13. Indrakshi Trading Company Private Limited;
14. Eureka Traders Private Limited;
15. Aasthti Agarwala;
16. Kumari Anisha Agarwala;
17. Saroj Kumar Poddar (HUF);
18. Saroj Kumar Poddar (as trustee);
19. Saroj Kumar Poddar;
20. Jyotsna Poddar (as trustee);
21. Jyotsna Poddar;
22. Shradha Agarwala;
23. Akshay Poddar; and
24. Puja Poddar.

Natural persons in control of TIHL

Akshay Poddar and Saroj Kumar Poddar are the natural persons in control of TIHL. For details, see "*Our Promoters and Promoter Group – Natural persons in control of our Promoters*" on page [●].

Board of Directors

The Board of Directors of TIHL as on the date of this Letter of Offer is as below:

1. Saroj Kumar Poddar
2. Akshay Poddar
3. Narayanan Suresh Krishnan
4. Utsav Parekh
5. Santosh Kumar Rungta
6. Jyotsna Poddar
7. Kaarthikeyan Devarayapuram Ramasamy
8. Kalpataru Tripathy

TIHL has not made any public or rights issue in the preceding five years.

2. Zuari Investments Limited ("ZIL")

Corporate Information

ZIL was incorporated on October 9, 1995 under the Companies Act 1956 as a public limited company. There has been no change in the name of ZIL since incorporation

ZIL is primarily engaged in strategic investment. Its registered office is located at Jai Kissan Bhawan, Zuarinagar, GA 403726 and its CIN is U65993GA1995PLC001942.

ZIL is not the original promoter of the Company and have acquired control of the Company in Fiscal 2011 by way of Scheme of Demerger. There has been no change in the control of ZIL in the preceding three years prior to the filing of this Letter of Offer.

Securities of ZIL are not listed on any stock exchange.

Except as disclosed below, ZIL has not changed its activities from the date of incorporation:

By way of corporate restructuring in Fiscal 2019, ZIL transferred its insurance broking and commodity trading businesses to Zuari Finserv Limited. ZIL is now engaged in the business of strategic investment.

Shareholding Pattern

The authorised share capital of ZIL is ₹67,00,00,000 divided into 6,70,00,000 equity shares of face value of ₹10 each.

Set forth below is the shareholding pattern of ZIL as on the date of this Letter of Offer.

Name of Shareholder	Number of equity shares of ₹ 1 each	% of issued capital
Zuari Global Limited*	1,94,57,364	100%
Total	1,94,57,364	100%

*Zuari Global Limited holds the entire shareholding of ZIL alongwith its nominee shareholders.

Promoter of ZIL

Zuari Global Limited is the promoter of ZIL.

Natural persons in control of ZIL

Akshay Poddar and Saroj Kumar Poddar are the natural persons in control of ZIL. For details, see *Our Promoters and Promoter Group – Natural persons in control of our Promoters*" on page [●].

Board of Directors

The Board of Directors of ZIL as on the date of this Letter of Offer is as below:

1. Vijay Kumar Kathuria
2. Bhaskar Chatterjee
3. Alok Banerjee
4. Seshadri Venkatadriagharam

ZIL has not made any public or rights issue in the preceding five years.

Natural persons in control of our Promoters

1. Saroj Kumar Poddar

Saroj Kumar Poddar, born on September 15, 1945, aged 74 years, holds a bachelor's degree in commerce from St. Xavier's College, University of Calcutta. He has served as the President of the Federation of Indian Chambers of Commerce and Industry and the President of International Chamber of Commerce in India. He was also appointed as a member of the Board of Trade and a member of the Court of the Indian Institute of Science, Bangalore by the Government of India. He was also on the Advisory Board of N M Rothschild (India) Limited. He is also a recipient of the Rashtriya Samman award from the Central Board of Direct Taxes.

Driving license number: WB – 0119650093238

Permanent account number: AFTPP2386N

Aadhaar card number: 3770 1729 2678

2. Akshay Poddar

Akshay Poddar, born on July 20, 1976, aged 43 years, holds a bachelor's degree in Science with honours in accounting and finance from the London School of Economics and Political Science, University of London. He also holds a master's degree of science in leadership and strategy from London Business School. He was also a member of the Entrepreneurs' Organisation, Kolkata and Young Presidents' Organisation.

Driving license number: WB – 0210050252080

Permanent account number: AFUPP0096C

Aadhaar card number: 3302 6679 9961

Other Disclosures, Undertakings and Confirmations of Promoters

None of the persons in control of our Promoters or directors of our Promoters have been declared as a wilful defaulter by any bank or financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters or their promoters or directors in the past and no proceedings for violation of securities laws are pending against them.

None of the directors or promoters of our Promoters have been declared a fugitive economic offender within the meaning of the Fugitive Economic Offenders Act, 2018.

Our Promoters and members of the Promoter Group have not settled any alleged violation of securities laws with SEBI during the three years immediately prior to the filing of this Letter of Offer.

No show cause notices have been issued or prosecution proceedings have been initiated against our Promoters by SEBI.
None of our Promoters or our Promoter Group or our Directors or natural persons in control of our Promoters has been restrained from accessing the capital markets for any reasons by SEBI or any other entity. Further, as on the date of this Letter of Offer, our Promoters are not and have never been promoters, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or government authority.

There has been no change in the control of any of our Promoters in the three years preceding the date of this Letter of Offer.

Disassociation by the Promoters in the last three years

There are no ventures with which any of our Promoters have disassociated during the three years preceding the date of filing of this Letter of Offer.

Interest of our Promoters

1. *Interest in our Company*

Our Promoters are interested in our Company to the extent they have promoted our Company, or to the extent of their shareholding in our Company, dividend or other distributions payable, if any and to the extent of appointment of directors and or key managerial personnel to us, and the payment of their respective salaries or remuneration. For details on the shareholding of our Promoters in our Company, see the chapter titled "*Capital Structure - Notes to Capital Structure*" on page [●]. For further details of interest of our Promoters in our Company, see "*Related Party Transactions*" on page [●].

2. *Interest of Promoter in the property of our Company*

Except as disclosed below or in the section "*Related Party Transactions*" on page [●], our Promoters have no interest in any of the properties acquired within the three years preceding the date of this Letter of Offer or proposed to be acquired by our Company as on the date of this Letter of Offer.

For further details, see "*Risk Factors - Certain of our Directors and Promoters are interested in our Company in addition to their remuneration and reimbursement of expenses."* on page [●].

3. *Interest of Promoter in transactions for acquisition of land, construction of building and supply of machinery, etc.*

Except as disclosed in the section "*Our Promoters and Promoter Group – Interest of Promoter in the property of our Company*" on page [●], our Promoters are not interested in any transactions for the acquisition of land, construction of building or supply of machinery etc:

4. *Interest in the intellectual property rights used by our Company*

Our Promoters are not interested in any intellectual property rights which are used by our Company, or the entities owning or licensing such intellectual property rights to the Company.

5. *Interest of Promoters in our Company other than as promoter*

Except as mentioned in this section and in "*Business*", "*Objects of the Issue*", *"History and Other Corporate Matters*", "*Financial Indebtedness*" and "*Related Party Transactions*" on pages [●] respectively, our Promoters do not have any interest in our Company other than as a promoter.

6. *Other interests*

Our Promoters are not interested as a member of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a Promoter or a Director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Payment of amount or benefits to our Promoter or Promoter Group during the last two years

Except as stated in the chapter titled "*Related Party Transactions*" on page [●] about the related party transactions entered into during the last three Fiscals and in "*Our Management*" on page [●], no amount or benefits were paid or were intended to be paid to our Promoters or Promoter Group during the last two years from the date of filing of this Letter of Offer.

Litigation

For information on details relating to the litigation in relation to our Promoters, see "*Outstanding Litigation and Material Developments*" on page [●].

Material Guarantees

Our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Company.

There are no common pursuits among any of our Promoters and our Company.

Promoter Group

In addition to our Promoters, the following individuals and entities form part of our Promoter Group:

Individuals:

1. Akshay Poddar
2. Kumari Anisha Agarwala
3. Jyotsna Poddar
4. Aashti Agarwala
5. Puja Poddar
6. Saroj Kumar Poddar
7. Sharadha Agarwala

Corporate entities:

1. Abhishek Holdings Private Limited
2. Adventz Finance Private Limited
3. Adventz Securities Enterprises Limited
4. Adventz Investment Company Private Limited
5. Duke Commerce Limited
6. Eureka Traders Private Limited
7. Greenland Trading Private Limited
8. Indrakshi Trading Company Private Limited
9. Jeewan Jyoti Medical Society
10. Master Exchange & Finance Limited
11. New Eros Tradecom Limited
12. Premium Exchange and Finance Limited
13. Zuari Global Limited

GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'Group Companies', our Company has considered (i) all companies disclosed as related parties in accordance with the applicable accounting standards and with whom our Company has had any transactions in the Restated Ind AS Consolidated Summary Statements; and (ii) companies which are considered material by our Board.

For the above, such companies which are members of the Promoter Group and with which there were transactions in Fiscal 2019 in respect of the Restated Ind AS Consolidated Summary Statements, which, individually or in the aggregate, exceed 10% of the total restated consolidated revenues of our Company for Fiscal 2019; or (iii) such related parties with which there were transactions for the period after the period, in respect of which, the Restated Ind AS Consolidated Summary Statements are included in this Letter of Offer.

Accordingly, in terms of the policy adopted by our Board for determining group companies on August 8, 2019, we have set out herein the details of our Group Companies. Our Board has also approved that, as on the date of the aforesaid resolution, there are no other group companies of our Company other than the companies disclosed herein.

As on the date of this Letter of Offer, following companies are the 'Group Companies' of our Company:

1. Duke Commerce Limited;
2. Adventz Securities Enterprises Limited;
3. Zuari Global Limited;
4. New Eros Tradecom Limited;
5. Master Exchange & Finance Limited;
6. Adventz Investments Co. Private Limited;
7. Adventz Finance Private Limited;
8. Eureka Traders Private Limited;
9. Abhishek Holdings Private Limited;
10. Greenland Trading Private Limited;
11. Indrakshi Trading Company Private Limited;
12. Zuari Management Services Limited;
13. Lionel Edwards Limited;
14. India Furniture Products Limited;
15. High Quality Steels Limited;
16. Lionel India Limited; and
17. Paradeep Phosphate Limited

Our top five Group Companies

In accordance with the requirement of the SEBI ICDR Regulations, the following are our top five Group Companies, including our listed group company and our largest unlisted group companies (based on turnover):

1. Zuari Global Limited;
2. Duke Commerce Limited;
3. Paradeep Phosphate Limited;
4. Zuari Management Services Limited; and
5. . Adventz Securities Enterprises Limited.

1. Zuari Global Limited

Corporate Information

Zuari Global Limited was incorporated on May 12, 1967 under the Companies Act, 1956 as a public limited company with the name Zuari Agro Chemicals Limited. Its CIN is L65921GA1967PLC000157 and its registered office is located at Jai Kisaan Bhawan, Zuarinagar, Goa - 403726. The name of the company was changed from Zuari Agro Chemicals Limited to Zuari Industries Limited with effect from February 12, 1998. The name of the company was further changed to Zuari Global Limited on June 26, 2012.

Nature of activities

Zuari Global is engaged in the business of business of contractors, erectors, construction of buildings, houses, apartments, structures or residential complexes and offices, set up, develop and providing of infrastructural facilities.

The securities of Zuari Global Limited are listed on the NSE and BSE.

Financial Information

The financial information derived from the standalone audited financial statements of Zuari Global Limited for Fiscals 2019, 2018 and 2017 are set forth below:

(*in ₹ lakhs, except otherwise stated*)

Particulars	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2017**
Equity capital	2,944.11	2,944.11	2,944.11
Reserves and surplus (excluding revaluation reserves)	65,505.45	67,780.79	66,498.19
Sales	247.69	1,425.59	0
Profit/Loss after tax	4,027.70	1,796.45	2,049.27
Earnings/(loss) per share (₹) (Basic)	13.68	6.10	6.96
Earnings/(loss) per share (₹) (Diluted)	13.68	6.10	6.96
Net asset value per share (₹)	625.10	701.22	492.00

Share Price Information

The highest and lowest market prices of shares during the preceding six months are as follows:

Month	**BSE Limited**		**National Stock Exchange of India Limited**	
	High (₹)	**Low (₹)**	**High (₹)**	**Low (₹)**
January	136.65	107.70	136.75	107.60
February	115.55	94	115.05	95.50
March	117.20	92	117.40	101.75
April	123.30	103.70	123.40	104.00
May	111.00	83.65	107.90	85.25
June	102.40	83	102.00	84.20
July	92.35	71.20	94.50	71.25
August	74.95	55.00	76.05	54.65

Public/Rights Issue made by Zuari Global Limited in the preceding three years:

Zuari Global Limited has not made any Public/Rights Issues in the preceding three years.

2. Duke Commerce Limited

Corporate Information

Duke Commerce Limited was incorporated on November 10, 1982 under the Companies Act, 1956 with the Registrar of Companies, West Bengal at Kolkata, as a public limited company. Its CIN is L51909WB1982PLC035425 and its registered office is located at 9/1 R N Mukherjee Road, Kolkata 700 001.

Nature of activities

Duke Commerce Limited is primarily engaged in non-banking financial activities.

The equity shares of Duke Commerce Limited are listed on the CSE.

Financial Information

The financial information derived from the standalone audited financial statements of Duke Commerce Limited for Fiscals 2019, 2018 and 2017 are set forth below:

(*in ₹ lakhs, except otherwise stated*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity capital	95.66	95.66	95.66
Reserves and surplus (excluding revaluation reserves)	1,383.34	1,284.88	1,190.88
Sales	125.12	115.81	110.52
Profit/Loss after tax	98.46	94.01	86.51
Earnings/(loss) per share (₹) (Basic)	10.29	9.83	9.04
Earnings/(loss) per share (₹) (Diluted)	10.29	9.83	9.04
Net asset value per share (₹)	154.61	144.32	134.49

Significant notes by the auditors of Duke Commerce Limited in the last three Fiscals

Nil

Share Price Information

There has been no trading of the equity shares of Duke Commerce Limited on CSE since 1997.

Public/Rights Issue made by Duke Commerce Limited in the preceding three years:

Duke Commerce has not made any Public/Rights Issues in the preceding three years.

3. Adventz Securities Enterprises Limited

Corporate Information

Adventz Securities Enterprises Limited was incorporated on March 16, 1995 under the Companies Act, 1956 as a public limited company. Its CIN is L36993WB1995PLC069510 and its registered office is located at Hongkong House, 31, B.B.D. Bagh(S), Kolkata-700 001, West Bengal, India.

Nature of activities

Adventz Securities Enterprises Limited is engaged in the business of investment.

The equity shares of Adventz Securities Enterprises Limited are listed on the CSE, the Delhi Stock Exchange and the Metropolitan Stock Exchange of India Limited.

Financial Information

The financial information derived from the standalone audited financial statements of Adventz Securities Enterprises Limited for Fiscals 2019, 2018 and 2017 are set forth below:

(*in ₹ lakhs, except otherwise stated*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity capital	562.79	562.79	562.79
Reserves and surplus (excluding revaluation reserves)	1,664.82	3,032.01	3,203.82
Sales	287.46	1,203.71	302.64
Profit/Loss after tax	(1,367.60)	(239.67)	123.62
Earnings/(loss) per share (₹) (Basic)	(24.30)	(4.26)	2.20
Earnings/(loss) per share (₹) (Diluted)	(24.30)	(4.26)	2.20
Net asset value per share (₹)	39.58	63.88	66.92

Significant notes by the auditors of Adventz Securities Enterprises Limited in the last three Fiscals

The auditors expressed the following qualified opinion:

"1. Non-accounting of rent under dispute and the amount being unascertainable.
2. Provision for gratuity and leave has not been made as per requirement of AS-15."

Share Price Information

There has been no trading in the shares of Adventz Securities Enterprises Limited in the last six months.

Public/Rights Issue made by Adventz Securities Enterprises Limited in the preceding three years:

Adventz Securities Enterprises Limited has not made any Public/Rights Issues in the preceding three years.

4. Paradeep Phosphates Limited

Corporate Information

Paradeep Phosphates Limited was incorporated on December 24, 1981 under the Companies Act, 1956, as a public limited company. Its CIN is U24129OR1981PLC001020 and its registered office is located at 5th Floor, Orissa State Handloom Weavers' Co-Operative Building, Pandit J.N Marg, Bhubaneswar- 751001, Odisha.

Nature of activities

Paradeep Phosphates Limited is primarily engaged in the business of manufacturing, storing, packing, trading and all kinds of business related to Fertilisers.

The equity shares of Paradeep Phosphates Limited are listed not listed on any stock exchange.

Financial Information

The financial information derived from the standalone audited financial statements of Paradeep Phosphates Limited for Fiscals 2019, 2018 and 2017 are set forth below:

(*in ₹ lakhs, except otherwise stated*)

Particulars	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2017**
Equity capital	57,545.00	57,545.00	57,545.00
Reserves and surplus (excluding revaluation reserves)	90,735.26	81,998.71	67,081.54
Sales	4,39,721.33	3,81,669.15	3,74,935.17
Profit/Loss after tax	15,905.16	15,058.51	8,691.40
Earnings/(loss) per share (₹) (Basic)	276.40	261.68	151.04
Earnings/(loss) per share (₹) (Diluted)	276.40	261.68	151.04
Net asset value per share (₹)	2,576.77	2,424.95	2,165.72

Significant notes by the auditors of Paradeep Phosphates Limited in the last three Fiscals

Nil

Share Price Information

N.A.

Public/Rights Issue made by Paradeep Phosphates Limited in the preceding three years:

Paradeep Phosphates Limited has not made any Public/Rights Issues in the preceding three years.

5. Zuari Management Services Limited

Corporate Information

Zuari Management Services Limited was incorporated on December 6, 2006 under the Companies Act, 1956 as a public limited company. Its CIN is U74900GA2006PLC004921 and its registered office is located at Jai Kisaan Bhawan, Zuarinagar, Goa – 403726, India. The name of the company was changed from Zuari Sez Limited to Zuari Infrastructure and Developers Limited with effect from February 27, 2008. The name of the company was changed from Zuari Infrastructure and Developers Limited to Zuari Management Services Limited on January 17, 2011.

Nature of activities

Zuari Management Services Limited is engaged in the business of rendering management services in the areas of human resource, internal audit, corporate communication.

The securities of Zuari Management Services Limited are not listed on any stock exchange.

Financial Information

The financial information derived from the standalone audited financial statements of Zuari Management Services Limited for Fiscals 2019, 2018 and 2017 are set forth below:

(*in ₹ lakhs, except otherwise stated*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Equity capital	5.00	5.00	5.00
Reserves and surplus (excluding revaluation reserves)	7,894.85	23,329.40	17,372.80
Sales	1,837.99	353.47	
Profit/Loss after tax	(391.56)	(83.34)	(349.39)
Earnings/(loss) per share (₹) (Basic)	(783.13)	(167)	(699)
Earnings/(loss) per share (₹) (Diluted)	(783.13)	(167)	(699)
Net asset value per share (₹)	15,799.69	46,668.8	34,755.59

Significant notes by the auditors of Zuari Management Services Limited in the last three Fiscals

NIL.

Public/Rights Issue made by Zuari Management Services Limited in the preceding three years:

N.A.

Details of loss-making Group Companies

Except the Group Companies mentioned below, none of our Group Companies has incurred a loss in the preceding year:

1. Abhishek Holdings Private Limited;
2. Adventz Investments Company Private Limited;
3. Adventz Securities Enterprises Limited;
4. Eureka Traders Private Limited;
5. Greenland Trading Private Limited;
6. Indrakshi Trading Company Private Limited;

7. Zuari Management Services Limited;
8. India Furniture Products Limited; and
9. Master Exchange & Finance Limited

The disclosure for Adventz Securities Enterprises Limited and Zuari Management Services Limited has been included in "*Group Companies- Our top five Group Companies"* on page **[●].**

1. Abhishek Holdings Private Limited

Corporate Information

Abhishek Holdings Private Limited was incorporated on March 3, 1986 under the Companies Act, 1956 as a private limited company. Its CIN is U67120WB1986PTC040276 and its registered office is located at Hongkong House, 31, B.B.D Bagh(S), Kolkata-700001, West Bengal.

Nature of activities

Abhishek Holdings Private Limited is engaged in the business of investment.

The securities of Abhishek Holdings Private Limited are not listed on any stock exchange**.**

Abhishek Holdings Private Limited made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹ lakh*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(1.27)	(5.38)	(9.52)

2. Adventz Investments Company Private Limited

Corporate Information

Adventz Investments Company Private Limited was incorporated on March 9, 1994 under the Companies Act, 1956 as a private limited company. Its CIN is U51909WB1994PTC062183 and its registered office is located at Hongkong House, 31, B.B.D Bagh(S), Kolkata-700001, West Bengal.

Nature of activities

Adventz Investments Company Private Limited is engaged in the business of investment**.**

The securities of Adventz Investments Company Private Limited are not listed on any stock exchange.

Adventz Investments Company Private Limited made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹ lakhs*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(1,189.52)	(311.41)	31.61

3. Eureka Traders Private Limited

Corporate Information

Eureka Traders Private Limited was incorporated on October 14, 1988 under the Companies Act, 1956 as a private limited company. Its CIN is U51109WB1988PTC045403 and its registered office is located at Hongkong House, 31, B.B.D Bagh(S), Kolkata-700001, West Bengal.

Nature of activities

Eureka Traders Private Limited is engaged in the business of investment.

The securities of Eureka Traders Private Limited are not listed on any stock exchange.

Eureka Traders Private Limited made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹ lakhs*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(0.08)	(0.06)	(4.13)

4. Greenland Trading Private Limited

Corporate Information

Greenland Trading Private Limited was incorporated on August 23, 1993 under the Companies Act, 1956 as a private limited company. Its CIN is U51909WB1993PTC059849 and its registered office is located at Hongkong House, 31, B.B.D Bagh(S), Kolkata-700001, West Bengal.

Nature of activities

Greenland Trading Private Limited is engaged in the business of investment.
The securities of Greenland Trading Private Limited are not listed on any stock exchange.

Greenland Trading Private Limited made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹ lakhs*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(3.50)	(6.90)	0.27

5. Indrakshi Trading Company Private Limited

Corporate Information

Indrakshi Trading Company Private Limited was incorporated on July 13, 1993 under the Companies Act, 1956 as a private limited company. Its CIN is U51909WB1993PTC059434 and its registered office is located at Hongkong House, 31, B.B.D Bagh(S), Kolkata-700001, West Bengal.

Nature of activities

Indrakshi Trading Company Private Limited is engaged in the business of investment.

The securities of Indrakshi Trading Company Private Limited are not listed on any stock exchange.

Indrakshi Trading Company Private Limited made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹ lakhs*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(2.59)	(15.38)	0.36

6. Zuari Management Services Limited

Corporate Information

Zuari Management Services Limited was incorporated on December 6, 2006 under the Companies Act, 1956 as a public limited company. Its CIN is U74900GA2006PLC004921 and its registered office is located at Jai Kisaan

Bhawan, Zuarinagar, Goa – 403726, India. The name of the company was changed from Zuari Sez Limited to Zuari Infrastructure and Developers Limited with effect from 27.02.2008 and again to its current name i.e. Zuari Management Services Limited on 17th January, 2011.

Nature of activities

Zuari Management Services Limited is engaged in the business of rendering management services in the areas of human resource, internal audit, corporate communication.

The securities of Zuari Management Services Limited are not listed on any stock exchange.

Zuari Management Services Limited made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹lakhs*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(391.56)	(83.34)	(349.39)

7. Indian Furniture Products Limited ("Indian Furniture")

Corporate Information

Indian Furniture was incorporated on December 6, 2000 under the Companies Act, 1956, with the registrar of Companies, Chennai, as a public limited company. Its CIN is U72200TN2000PLC089255 and its registered office is located at G 106, SIDCO Industrial Estate, Kakkalur, Thiruvallur, Tamil Nadu – 602 003.

Nature of activities

Indian Furniture is engaged in the business of manufacture and sale of furniture.

The securities of Indian Furniture are not listed on any stock exchange.

Indian Furniture made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹lakhs*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(2,005.52)	(302.08)	(2,067.32)

8. Master Exchange & Finance Limited ("**Master Exchange**")

Corporate Information

Master Exchange was incorporated on October 19, 1984 under the Companies Act, 1956 as a public limited company. The name of the company was changed from Sujal Exports Limited to Master Exchange & Finance Limited with effect from September 30, 1992. Its CIN is U65923WB1991PLC053077 and its registered office is located at 9/1 R N Mukherjee Road, Kolkata 700001.

Nature of activities

Master Exchange is authorized under its memorandum of association to engage in the business of manufacturing, dealing, import, commission agency etc. It is currently engaged in non-banking financial activities.

The securities of Master Exchange are not listed on any stock exchange.

Master Exchange made a loss in the preceding year. Its profit/loss figures for Fiscals 2019, 2018 and 2017 are provided below:

(*in ₹lakhs*)

Particulars	Fiscal 2019	Fiscal 2018	Fiscal 2017
Profit/Loss after tax	(58.25)	(51.40)	(37.30)

Other Group Companies

1. Adventz Finance Private Limited

Corporate Information

Adventz Finance Private Limited was incorporated on April 2, 1996 under the Companies Act, 1956 as a private limited company. Its CIN is U65993WB1996PTC079012 and its registered office is located at Hongkong House, 31, B.B.D Bagh(S), Kolkata-700001, West Bengal.

Nature of activities

Adventz Finance Private Limited is engaged in the business of investment.

The securities of Adventz Finance Private Limited are not listed on any stock exchange**.**

2. Lionel India Limited

Corporate Information

Lionel India Limited was incorporated on April 3, 1997 under the Companies Act, 1956 as a public limited company with the name Rosenbluth Lionel Limited. Subsequently, its name was changed to Lionel India Limited with effect from December 17, 2004. Its CIN is U52110WB1997PLC083860 and its registered office is located at Birla Building Limited 9/1 R N Mukherjee Road Kolkata -700001.

Nature of activities

Lionel India Limited is engaged in the business of travel related services.

The securities of Lionel India Limited are not listed in any stock exchanges.

3. New Eros Tradecom Limited

Corporate Information

New Eros Tradecom Limited was incorporated on November 23, 2009 under the Companies Act, 1956 as a public limited company. Its CIN is U51909WB2009PLC139640 and its registered office is located at 9/1 R.N. Mukherjee Road 5th Floor Kolkata.

Nature of activities

New Eros Tradecom Limited is engaged in the business of investment.

The securities of New Eros Tradecom Limited are not listed on any stock exchange.

4. High Quality Steels Limited

Corporate Information

High Quality Steels Limited was incorporated on February 5, 1964 under the Companies Act, 1956 as a public limited company. Its CIN is U27101WB1964PLC026001 and its registered office is located c/o Texmaco Limited, Agarpara, Kolkata 700 056.

Nature of activities

High Quality Steels Limited is engaged in the business of carrying on agency business and acting as managing agent of any company, concern or corporation.

The securities of High Quality Steels Limited are not listed on any stock exchange.

5. Lionel Edwards Limited

Corporate Information

Lionel Edwards Limited was incorporated on April 3, 1997 under the Companies Act, 1956 as a public limited company. Its CIN is U52110WB1997PLC083860 and its registered office is located at Birla Building Limited 9/1 RN Mukherjee Road, Kolkata, West Bengal, 700001.

Nature of activities

Lionel Edwards Limited is engaged in the business of travel related services.

The securities of Lionel Edwards Limited are not listed on any stock exchange.

Details of sick or defunct group companies, and of group companies under winding up or corporate insolvency resolution process

As on the date of this Letter of Offer, none of our Group Companies have become sick or defunct within the meaning of the erstwhile Sick Industries Companies (Special Provisions) Act, 1985, nor has any of our Group Companies been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, as on the date of this Letter of Offer, no winding up or insolvency or bankruptcy proceedings have been initiated against any of our Group Companies, nor has any application been made to the RoC for striking off the name of any of them during the five years preceding the date of filing of this Letter of Offer.

Nature and extent of interest of our Group Companies

Interest in the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

Interest in the property acquired or proposed to be acquired by the Company

None of our Group Companies are interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

Interest in transactions for acquisition of land, construction of building, or supply of machinery

None of our Group Companies is interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, or any other contract, agreement or arrangement entered into by our Company, and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements, by any of our Group Companies.

Common pursuits among Group Companies and Issuer

- There are no common pursuits among our Company and our Group Companies.

Related business transactions and their significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Related Party Transactions*" on page [•], there are no related business transactions between the Group Companies and our Company.

Business interest of our Group Companies and Subsidiaries in our Company

Except as disclosed in the section "*Related Party Transactions*" on page [•] and as disclosed below, the Group Companies have no business interest in our Company. For details regarding the business interest of our Subsidiaries in our Company, see the section "*History and Other Corporate Matters*" on page [•].

Litigation proceedings material to our Company

For details relating to the legal proceedings involving our Group Companies which have a material impact on our Company, see *Outstanding Litigation and Other Material Developments* on page [•].

Other confirmations

(a) Our Group Companies have not made any public/rights issue in the last three years.

(b) None of our group Companies have been refused listing of any of its securities during last ten years by any of the stock exchanges in India or abroad.

(c) None of our group companies have failed to meet the meet the listing requirements of any stock exchange in India or abroad and no penalty including suspension of trading, have been imposed by such stock exchanges.

(d) There are no investor complaints have been pending against the 5 listed group companies by market capitalisation.

(e) There are no material existing or anticipated transactions in relation to utilisation of the issue proceeds or project cost between the Company and group companies.

(f) As on the date of this Letter of Offer, none of our Group Companies has been prohibited by the SEBI or any other regulatory or governmental authorities from accessing the capital markets for any reasons.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e., Ind AS 24 - 'Related Party Disclosures' and SEBI ICDR Regulations during financial years ended March 31, 2019, 2018 and 2017, see "*Financial Statements – Restated Consolidated Statements – Annexure* [•]" on page [•].

DIVIDEND POLICY

Our Company has a dividend distribution policy ("**Dividend Policy**") to regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**"), and the Companies Act, 2013 ("**Act**"), read with the applicable Rules framed thereunder, as may be in force for the time being. As per the Dividend Policy, the Board of Directors recommends the quantum of final dividend payable to the shareholders in its meeting based on the profits arrived at as per the audited financial statements. Thereafter, approval is obtained from the shareholders in the AGM.

As per the Dividend Policy, the dividend pay-out decision depends upon certain external and internal factors-

External Factors

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

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

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

Internal Factors

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

(i) Profits earned during the year;
(ii) Present & future Capital requirements of the existing businesses;
(iii) Brand / Business Acquisitions;
(iv) Expansion / Modernization of existing businesses;
(v) Additional investments in subsidiaries / associates of the Company;
(vi) Fresh investments into external businesses; and
(vii) Any other factor as deemed fit by the Board.

Dividends/ interim dividend declared in the last three Fiscals

Except as stated below our Company has not declared any dividends in any of the three fiscal years preceding the filing of this Letter of Offer, and the last three financial years preceding date of this Letter of Offer.

Period	Face value per Equity Share	Dividend per Equity Share (₹)	Dividend on Equity Shares (₹ in lakhs)	Rate of dividend (%)
Fiscal 2019	1	0.35	787.01	35
Fiscal 2018	1	0.25	550.15	25
Fiscal 2017	1	0.25	549.01	25

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future. For details in relation to the risk involved, see "*Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page [•].

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

L B Jha & Co
CHARTERED ACCOUNTANTS

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8, NETAJI SUBHAS ROAD
KOLKATA-700 001
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Independent Auditor's Examination Report on Restated Consolidated Financial Information

The Board of Directors
Texmaco Rail & Engineering Limited
Belgharia, 24 Paragnas (North),
Kolkata - 700 056,
West Bengal, India

9th September, 2019

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information, as applicable, of Texmaco Rail & Engineering Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") and its joint ventures, comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2019, 31 March 2018 and 31 March 2017, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income,) for the year ended 31 March 2019, 31 March 2018 and 31 March 2017, the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flow for the years ended 31 March 2019, 31 March 2018 and 31 March 2017 and the Statement of Significant Accounting Policies, read together with the annexures and notes thereto and other restated financial information.

   These statements are collectively referred to as the Restated Consolidated Financial Information are approved by the Capital Issue Committee of the Company ("Committee") at their meeting held on 9th September 2019 for the purpose of inclusion in the Letter of Offer in connection with the Rights Issue and other Issue related materials (collectively, the "Issue Documents") to be filed with the Securities and Exchange Board of India ("SEBI") and the stock exchanges where the equity shares of the Company ("Equity Shares") are listed (the "Stock Exchanges") prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
   (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Letter of Offer in connection with the Issue and other Issue related materials (collectively, the "Issue Documents") to be filed with SEBI and the stock exchanges where the equity shares of the Company are listed. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2. The responsibility of the respective Board of Directors of the Group and of its joint ventures of the Company includes designing, implementing

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and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its joint ventures complies with the Act, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the ICDR Regulations, the Act and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 12th May and as amended in connection with the proposed Rights Issue by the Company;
   (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
   (d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Rights Issue by the Company.

4. These Restated Consolidated Financial Information have been compiled by the management from:

   Audited Consolidated Ind AS financial statements of the Group and its joint ventures as at and for the years ended 31 March 2019, 31 March 2018 and 31 March 2017 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their respective meetings held on 12th May, 2019, 15th May, 2018 and 22nd May 2017, respectively.

5. For the purpose of examination, we have relied on:

   (a) Auditors' Reports issued by us dated 12th May, 2019 and15th May, 2018 on the consolidated financial statements of the Group as at and for the year ended March 31, 2019 and March 31, 2018 as referred in Paragraph [4] above; and
   (b) Auditors' Report issued by the Previous Auditors dated 22nd May, 2017 on the consolidated financial statements of the Group as at and for the year ended March 31, 2017, as referred in Paragraph [4] above.
   The audits for the financial year ended March 31, 2017 was conducted by the Company's previous auditors, K. N. Gutgutia & Co., (the "Previous Auditors"). and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities and the restated consolidated statements of profit and loss (including other comprehensive income), statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2017 Restated Consolidated Financial Information") examined by them for the said year. The examination report included for the said year is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2017 Restated Consolidated Financial Information:

L. B. JHA & CO. Chartered Accountants

(a) have been prepared after incorporating adjustments for the changes in accounting policies, and regrouping/reclassifications retrospectively in the financial year ended March 31, 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2019.
(b) do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph [7] below]; and
(c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. As indicated in our audit reports referred above:

(a) we did not audit the financial statements of one unit included in the consolidated financial statements of the companies included in the Group whose financial statements share of total assets and total revenues included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors, S S Kothari Mehta & Co. and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

Particulars	As at / for the year ended March 31, 2019	As at / for the year ended March 31, 2018
Total Assets	Rs. 101,528.87 lakhs	Rs. 79,302.64 lakhs
Total Revenues	Rs. 69,193.99 lakhs	Rs. 54,127.78 lakhs

(b) we did not audit the financial statements of one subsidiary and two joint ventures whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its joint ventures included in the consolidated financial statements, for the year ended March 31, 2019 is tabulated below, which have been audited by other auditors, K. N. Gutgutia & Co., Deloitte Haskins & Sells and S.R. Batliboi & Co. LLP and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

Particulars	As at / for the year ended March 31, 2019
Total Assets	Rs. 3,009.82 lakhs
Total Revenues	Rs. 358.64 lakhs
Net cash inflows / (outflows)	Rs. (2.02 lakhs)
Share of profit/ (loss) in its joint ventures	Rs. 261.99 lakhs

The consolidated financial statements include the unaudited financial information of one subsidiary which is located outside India. The financial information has been prepared in accordance with accounting principles generally accepted in its country and is unaudited. It has been furnished to us by the Management. The Company's Management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is

L. B. JHA & CO. Chartered Accountants

not material to the Group.

(c) we did not audit the financial statements of three subsidiaries and two joint ventures whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its joint ventures included in the consolidated financial statements, for the year ended March 31, 2018 is tabulated below, which have been audited by other auditors, K. N. Gutgutia & Co., Shah & Taparia, Deloitte Haskins & Sells and S.R. Batliboi & Co. LLP and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

Particulars	**As at / for the year ended March 31, 2018**
Total Assets	Rs. 34,859.80 lakhs
Total Revenues	Rs. 22,579.45 lakhs
Share of profit/ (loss) in its joint ventures	Rs. (74.96 lakhs)

7. Based on examination report dated September 7, 2019 provided by the Previous Auditors, the audit reports on the consolidated financial statements issued by the Previous Auditors included following other matters;

We did not audit the financial statements of one subsidiary and two joint ventures whose share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its joint ventures included in the Consolidated Financial Statements, for the relevant years is tabulated below, which have been audited by other auditors, Shah & Taparia, Deloitte Haskins & Sells and S.R. Batliboi & Co. LLP and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

Particulars	**As at / for the year ended March 31, 2017**
Total Assets	Rs. 7416.41 lakhs
Total Revenues	Rs. 17925.99 lakhs
Share of profit/ (loss) in its joint ventures	Rs. 235.32 lakhs

7. We have also examined the following Restated Consolidated Financial Information of the Company as set out in the Annexures prepared by the management of the Company and approved by the Capital Issue Committee of the Company in their meeting held on 9th September, 2019 for each of the years ended 31 March 2019, 31 March 2018 and 31 March 2017. In respect of the year ended 31 March 2017 these information have been included based upon the Report submitted by the previous auditors, K. N. Gutgutia & Co., Chartered Accountants and relied upon by us:

i. Basis of preparation and significant accounting policies as enclosed in Annexure A V;
ii. Notes to the Restated Summary Financial Information as enclosed in Annexure A VI;
iii. Statement of Adjustments to audited Financial Statements as enclosed in Annexure A VII; and
iv. Restated Summary Statement of Accounting ratios, as enclosed in Annexure A VIII;

L. B. JHA & CO. Chartered Accountants

8. Based on our examination and according to the information and explanations given to us and on basis of the audit and examination reports issued by the Previous Auditor K. N. Gutgutia & Co., Chartered Accountant for the respective year, we further report that the Restated Consolidated Financial Information:

    i) have been prepared after incorporating adjustments for change in accounting policies, groupings / classifications retrospectively in the respective financial years to reflect the same accounting treatment as per the changed accounting policies and groupings / classifications followed as at and for the year ended 31 March 2019;
    ii) have been prepared after incorporating adjustments for the material amounts in the respective financial years/ periods to which they relate;
    iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the date of our audit report on the consolidated financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for the use of the Company for inclusion in the Letter of Offer to be filed with Securities and Exchange Board of India, and Stock Exchanges and the Registrar of Companies, in connection with proposed Rights Issue of the Company. Our report, should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

L. B. JHA & CO. ★ Chartered Accountants ★

(D. N. Roy)
Partner
Membership No. 300388
UDIN: 19300389AAAADV3115

Place : Kolkata
Date : 9th September, 2019

TEXMACO RAIL & ENGINEERING LIMITED

Annexure A I - Restated Summary Statement of Consolidated Assets and Liabilities

Rs. in lakhs

	Notes to Annexure - VI	As at Mar. 31, 2019	As at Mar. 31, 2018	As at Mar. 31, 2017
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	39,107.86	36,983.99	36,607.56
(b) Capital Work In Progress	4	1,376.43	544.36	163.84
(c) Investment Property	4	-	-	87.50
(d) Intangible Assets	5	145.48	245.28	276.43
(e) Financial Assets				
(i) Investments	6	7,191.02	6,714.66	5,180.68
(ii) Loans	7	156.56	188.96	401.82
(iii) Bank Balance	8	607.45	7.72	418.54
(iv) Others	9	71.52	71.46	105.33
(f) Deferred Tax Asset (Net)	10	4,289.23	3,661.42	3,592.52
(e) Other non current assets	11	539.97	1,534.43	1,114.84
Total non current assets		**53,485.52**	**49,952.28**	**47,949.06**
(2) Current assets				
(a) Inventories	12	45,005.92	29,074.92	23,155.53
(b) Financial Assets				
(i) Investments	13	7,103.05	18,623.11	33,776.07
(ii) Trade Receivables	14	82,005.13	67,969.57	54,842.59
(iii) Cash and Cash Equivalents	15	2,157.46	1,621.60	1,294.79
(iv) Other Bank Balances	16	2,555.93	1,830.53	3,833.77
(v) Loans	7	541.80	495.39	786.76
(c) Current Tax Assets (Net)	17	703.43	239.92	122.23
(d) Other Current Assets	11	71,547.78	55,062.96	32,045.40
Total current assets		**2,11,620.50**	**1,74,918.00**	**1,49,857.14**
TOTAL ASSETS		2,65,106.02	2,24,870.28	1,97,806.20
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	18	2,248.35	2,246.13	2,194.15
(b) Other equity	19	1,11,619.61	1,04,836.46	98,301.85
		1,13,867.96	**1,07,082.59**	**1,00,496.00**
Non-Controlling Interest		2.59	0.17	2,003.74
Total equity		**1,13,870.55**	**1,07,082.76**	**1,02,499.74**
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	5,014.10	3,300.28	3,301.28
(b) Provisions	21	648.79	604.60	548.09
(c) Other Non-Current Liabilities	22	-	-	1.85
Total non current liabilities		**5,662.89**	**3,904.88**	**3,851.22**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	52,402.15	48,244.48	39,406.97
(ii) Trade payables				
- Due to Micro and Small enterprises	23	-	66.22	39.60
- Due to other than Micro and Small enterpris	23	55,649.43	32,815.90	29,731.49
(iii) Other financial liabilities	24	3,498.33	5,155.57	4,727.08
(b) Other current liabilities	22	32,780.69	26,564.45	15,548.46
(c) Provisions	21	1,241.98	1,036.02	1,001.64
Total current liabilities		**1,45,572.58**	**1,13,882.64**	**91,455.24**
Total liabilities		**1,51,235.47**	**1,17,787.52**	**95,306.46**
TOTAL EQUITY AND LIABILITIES		2,65,106.02	2,24,870.28	1,97,806.20

The above Annexures should be read with the Basis of preparation and Significant Accounting Policies appearing in annexure V. Notes to the Restated Summary financial information appearing in Annexure VI and Statement of adjustment to Audited Financial Statement appearing in Annexure VII in pursuant to requirement under section II of part A of Schedule VI of SEBI (ICDR) Regulations, 2018, 'Disclosure in offer documents Abridged Prospectus and Abridged Letter of Offer'.

As per our examination report of even date attached

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

D. N. Roy
Partner
Membership No. 300389

D. H. Kela
Executive Director

For and on behalf of the Board
Texmaco Rail & Engineering Limited

A. K. Vijay
Executive Director

Kolkata, September 09, 2019

TEXMACO RAIL & ENGINEERING LIMITED

Annexure A II - Restated Summary Statement of Consolidated Profit and Loss

Rs. in lakhs

		Notes to Annexure - VI	Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
I	Revenue from operations	25	1,65,816.38	1,13,920.36	1,35,741.14
II	Other income	26	1,544.08	4,753.97	4,551.67
III	**Total income (I+II)**		1,67,360.46	1,18,674.33	1,40,292.81
IV	**Expenses**				
	Cost of material consumed	27	1,36,153.60	81,109.93	87,266.92
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	28	(6,444.64)	(5,393.40)	7,714.76
	Excise Duty		-	400.66	3,390.99
	Employee benefits expenses	29	11,325.39	9,742.77	9,606.12
	Finance costs	30	7,048.27	6,087.51	5,814.78
	Depreciation and amortisation expenses	31	2,908.91	2,494.03	2,213.76
	Other expenses	32	27,796.58	21,676.60	20,352.87
	Total expenses (IV)		1,78,788.11	1,16,118.10	1,36,360.20
V	**Profit / (Loss)before Tax (III-IV)**		8,572.35	2,556.23	3,932.61
VI	**Tax expenses**				
	(a) Current tax	33	1,794.71	1,182.24	1,468.38
	(b) Tax adjustment of earlier year / period		126.20	105.87	96.89
	(c) MAT Credit		(1,794.71)	(398.28)	(541.00)
	(d) Deferred tax		1,166.88	326.79	206.12
	Total tax expenses (VI)		1,293.08	1,216.62	1,230.39
VII	**Profit / (Loss)for the period from continuing operations (III-IV)**		7,279.27	1,339.61	2,702.22
VIII	**Profit / (Loss)for the period from JV/ Associates**		262.00	(74.96)	235.32
IX	**Profit / (Loss)for the period (VII+VIII)**		7,541.27	1,264.65	2,937.54
X	**Other comprehensive income**	34			
	(a) Items that will not be reclassified to profit and loss		(101.73)	1,218.30	516.03
	(b) Items that may be reclassified to profit or loss		102.05	(52.57)	(9.34)
	Other comprehensive income for the year / period, net of tax		0.32	1,165.73	506.69
XI	**Total comprehensive income for the year / period, net of tax (VII+VIII)**		7,541.59	2,430.38	3,444.23
XII	**Profit/ (Loss) for the period attributable to :**		7,541.27	1,264.65	2,937.54
	Owners of the Parent		7,543.75	1,264.82	2,629.08
	Non-controlling Interests		(2.48)	(0.17)	308.46
XIII	**Other Comprehensive Income attributable to :**		0.32	1,165.73	506.69
	Owners of the Parent		0.32	1,165.73	516.18
	Non-controlling Interests		-	-	(9.49)
XIV	**Total Comprehensive Income attributable to :**		7,541.59	2,430.38	3,444.23
	Owners of the Parent		7,544.07	2,430.55	3,145.26
	Non-controlling Interests		(2.48)	(0.17)	298.97
XV	**Earnings / (loss) per share**				
	Basic (Rs)	35	3.43	0.56	1.24
	Diluted (Rs)		3.35	0.56	1.24

The above Annexures should be read with the Basis of preparation and Significant Accounting Policies appearing in annexure V, Notes to the Restated Summary financial information appearing in Annexure VI and Statement of adjustment to Audited Financial Statement appearing in Annexure VII in pursuant to requirement under section II of part A of Schedule VI of SEBI (ICDR) Regulations, 2018, 'Disclosure in offer documents Abridged

As per our examination report of even date attached

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

D. N. Roy
Partner
Membership No. 300389

For and behalf of the Board
Texmaco Rail & Engineering Limited

D. H. Kela
Executive Director

A. K. Vijay
Executive Director

Kolkata, September 09, 2019

A. **Equity share capital**

Equity share of Rs 10 each issued, subscribed and fully paid	Nos.	Rs. in lakhs
At March 31, 2016	**21,02,83,723**	**2,102.84**
Issue of share capital	91,31,270	91.31
At March 31, 2017	**21,94,14,993**	**2,194.15**
Issue of share capital	4,13,450	4.13
At March 31, 2018	**21,98,28,443**	**2,198.28**
Issue of share capital	2,21,039	2.22
At March 31, 2019	**22,00,49,482**	**2,200.50**

Share Capital Suspense Account

At March 31, 2016	-
Issue of share capital suspense	-
At March 31, 2017	-
Issue of share capital suspense	47.85
At March 31, 2018	47.85
Issue of share capital suspense	-
At March 31, 2019	47.85

B. Other equity

For the year ended March 31, 2019 — Rs. in lakhs

Particulars	Reserves and surplus					Other Comprehensive Income				Total Equity	Non-controlling Interests
	Capital Reserve	Securities Premium	General Reserve	Share Option Outstanding Account	Retained earnings	Equity instruments fair valued through OCI	Remeasurement of Net Defined Benefit Plans	Share of OCI of Joint Ventures	Foreign Currency Translation Reserve		
As at April 1, 2016	10,510.68	29,280.47	46,106.76	804.34	8,705.24	(25.48)	(79.25)	-	115.42	95,418.18	1704.77
Adjustments	(104.43)	87.55	500.00	390.30	(500.00)						
Pre-acquisition Profits					(2.28)						
Profit for the year	-	-	-	-	2,629.08				-	2,629.08	308.46
Dividend on Equity shares (including tax thereon)					(632.73)						
Other comprehensive income	-	-	-	-	-	551.63	(24.77)	(1.34)	(9.34)	516.18	(9.49)
As at March 31, 2017	10,406.25	29,368.02	46,606.76	1,194.64	10,199.31	526.15	(104.02)	(1.34)	106.08	98,301.85	2,003.74
Adjustments for Business Combinations	(6,455.03)	10,303.04	14.16		1,232.30		(14.71)	-		5,079.76	(2,003.74)
Profit for the year					1,264.82					1,264.82	(0.17)
Dividend on Equity shares (including tax thereon)					(660.77)					(660.77)	
Other Adjustments		165.38	100.00	168.78	(100.00)					334.16	0.34
Adjustments for Share Purchase Agreements					(691.50)					(691.50)	
Other comprehensive income	-	-	-	-		1,258.37	1.76	0.58	(52.57)	1,208.14	-
As at March 31, 2018	3,951.22	39,836.44	46,720.92	1,363.42	11,244.16	1,784.52	(116.97)	(0.76)	53.51	1,04,836.46	0.17
Adjustments	-	88.42	500.00	(179.06)	(646.26)		146.26	-		(90.64)	4.90
Profit for the year	-	-	-	-	7,543.75			-	-	7,543.75	(2.48)
Dividend on Equity shares (including tax thereon)					(662.14)			-		(662.14)	
Other comprehensive income						(78.20)	(31.67)	-	102.05	(7.82)	
As at March 31, 2019	3,951.22	39,924.86	47,220.92	1,184.36	17,479.51	1,706.32	(2.38)	(0.76)	155.56	1,11,619.61	2.59

The above Annexures should be read with the Basis of preparation and Significant Accounting Policies appearing in annexure V, Notes to the Restated Summary financial information appearing in Annexure VI and Statement of adjustment to Audited Financial Statement appearing in Annexure VII in pursuant to requirement under section II of part A of Schedule VI of SEBI (ICDR) Regulations, 2018, 'Disclosure in offer documents Abridged Prospectus and Abridged Letter of Offer'.

As per our examination report of even date attached

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

D. N. Roy
Partner
Membership No. 300389

L. B. JHA & CO. Chartered Accountants

Kolkata, September 09, 2019

For and on behalf of the Board
Texmaco Rail & Enginering Limited

D. H. Kela
Executive Director

A. K. Vijay
Executive Director

Texmaco Rail & Engineering Limited Belgharia Kolkata

	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash Flows From Operating Activities:			
Net Profit before Taxation & Exceptional Items	8,572.35	2,556.23	3,932.61
Adjustments for:			
Depreciation	2,908.91	2,494.03	2,213.76
Interest Paid	7,048.27	6,087.51	4,344.67
Bad Debt Written off	703.17	20.24	80.97
Property Plant & Equipments Written off	-	-	5.59
Employee Compensation Expenses under ESOP	(179.06)	168.78	390.30
Provision and Excess Liabilities Written Back	(1.40)	(2.99)	(1.15)
Interest Received	(385.24)	(873.47)	(1,027.18)
Income From Investments	(29.54)	(25.06)	(26.05)
Profit on Sale Of Investments-Current(Net)	(176.69)	(149.14)	(224.57)
Profit on Sale Of Investments-Long Term (Net)	-	-	(1,581.51)
Gain on Fair Value of bonds/Mutual	(410.87)	(1,476.40)	(1,346.21)
Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	(146.33)	(2.52)	26.35
Provision for Dimunition in value of Investments	-	-	-
	9,331.22	6,240.98	2,854.97
Operating Profit before Working Capital Changes & Exceptional Items	**17903.57**	**8,797.21**	**6,787.58**
(Increase)/Decrease in Trade & Other Receivables	(26,960.24)	(31,992.73)	(16,000.19)
(Increase)/Decrease in Inventories	(15,931.00)	(5,919.40)	12,127.52
Increase/(Decrease) in Trade Payables & Other Liabilities	27,821.89	12,988.35	(4,843.82)
	(15,069.35)	(24,923.78)	(8,716.49)
Cash Generated from Operations	**2,834.22**	**(16,126.57)**	**(1,928.91)**
Direct Taxes Paid	(2,384.37)	(1,403.20)	(1,485.84)
Cash Flow before Exceptional Items	449.85	(17,529.77)	(3,414.75)
Exceptional Items	-	-	-
Net Cash from Operating Activities	**449.85**	**(17,529.77)**	**(3,414.75)**
B. Cash Flows From Investing Activities			
Sale/(Purchase) of Property, Plant & Equipments	(6,152.50)	(2,939.74)	(6,015.36)
(Purchase)/Sale of Investments (Net)	11,560.64	16,417.65	7,824.91
Bank Deposits(Includes having original maturity more than three months)	(1325.13)	2,414.06	883.88
Loan and Advances to Related Parties	-	-	(3,401.66)
Inter Corporate Deposit	-	-	3,365.91
Interest Received	602.39	203.97	1,279.24
Dividend Received	41.44	25.06	51.95
Net Cash used in Investing Activities	**4,726.84**	**16,121.00**	**3,988.87**
C. Cash Flows From Financing Activities			
Receipt/(Payment) of Long Term Borrowings	1,713.82	3,011.07	4,156.06
Receipt/(Payment) of Short Term Borrowings	1,155.61	5,804.60	(654.78)
Increase in Share Capital	2.22	4.13	2.19
Increase in Securities Premium	88.42	165.38	87.55
Interest Paid	(7,040.84)	(6,538.76)	(4,419.80)
Dividend Paid	(550.12)	(546.51)	(525.17)
Dividend Tax Paid	(111.99)	(111.76)	(107.02)
Net Cash used in Financing Activities	**(4,742.88)**	**1,788.15**	**(1,460.97)**
D. Changes in Foreign Currency Translation arising from Foreign Operations	102.05	(52.57)	(9.33)
Net Decrease in Cash and Cash Equivalents	**535.86**	**326.81**	**(896.18)**
Cash And Cash Equivalents at the beginning of the period	1,621.60	1,294.79	2,190.97
Cash and Cash Equivalents at the end of the period	2,157.46	1,621.60	1,294.79
Note:			
Details of Cash and Equivalents as on			
Balances with banks			
Current Accounts	2,105.67	1,585.34	1,261.02
Cheques on hand	-	-	1.90
Cash in hand	51.79	36.26	31.87
	2,157.46	**1,621.60**	**1,294.79**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flow)

The above Annexures should be read with the Basis of preparation and Significant Accounting Policies appearing in annexure V, Notes to the Restated Summary financial information appearing in Annexure VI and Statement of adjustment to Audited Financial Statement appearing in Annexure VII in pursuant to requirement under section II of part A of Schedule VI of SEBI (ICDR) Regulations, 2018, 'Disclosure in offer documents Abridged Prospectus and Abridged Letter of Offer'.

As per our examination report of even date attached
For L. B. Jha & Co.
Chartered Accountants
Firm Registration No. 301088E

D.N. Roy
Partner
Membership No.300389
B2/1, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001

For and on behalf of the Board
For Texmaco Rail & Engineering Limited

D.H. Kela
Executive Director

A. K. Vijay
Executive Director

1 Corporate Information

Texmaco Rail & Engineering Limited, ("the Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited, Bombay Stock Exchange Limited and The Calcutta Stock Exchange Limited.

The Company manufactures a diverse range of products viz. Railway Freight Cars, Hydro-mechanical Equipment & Industrial Structure's, Loco Components and Loco Shells, Steel Girders for Railway Bridges, Steel Castings, and Pressure Vessels, etc. along with EPC contracts for Execution of Railway Track, Signalling & Telecommunication Projects on turnkey basis. The Hon'ble National Company Law Tribunal vide it's order dated April 4, 2019 has sanctioned the Scheme on Amalgamation of Texmaco Hi-Tech Private Limited and Bright Power Projects (India) Private Limited with the Company. The Company has further strengthened its position as a Total Rail Solution Provider Company.

The Corporate identity number of the Company is L29261WB1998PLC087404 issued by Registrar of Companies, Kolkata, West Bengal.

2 Basis of preparation

A. Statement of Compliances

The Restated Financial Information of the Company have been specifically prepared for the purpose of the proposed rights issue of equity shares and will be filed with the Securities and Exchange Board of India ("SEBI") in connection with the proposed rights issue of the equity shares. The Restated Financial Information comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2019, 31 March 2018 and 31 March 2017, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the year ended 31 March 2019, 31 March 2018 and 31 March 2017 and Annexure V to VII thereto (hereinafter collectively referred to as "the Restated Financial Information").

The Restated Consolidated Financial Statements have been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (as amended) ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("SEBI ICDR Regulations") and the Guidance Notes on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountant of India.

The Act and the SEBI ICDR Regulations require the information in respect of the Consolidated Assets and Liabilities and Consolidated Profit and Loss of the Company for each of the three years immediately preceding the date of issue of prospectus. In accordance with SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/47, the Company has applied the accounting framework described by Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant of section 133 of the Act read with Rule 4 of the Companies (Indian Accounting Standards) Rule, 2015 as amended for the three annual periods ended March 31, 2019, March 31, 2018 and March 31, 2017.

The Restated Consolidated Financial Statements of the Company have been prepared and presented as follows:

(b) The Restated Consolidated Financial Statements as at and for the years ended 31 March 2019, 31 March 18 and 31 March 2017 have been compiled by the Management from the audited financial statements of the Company as at and for the year ended 31 March 2019, 31 March 2018 and 31 March 2017 prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, subsequent amendments thereof and other relevant provisions of the Act.

(c) All amounts have been rounded off to the nearest lakhs with two decimals, unless otherwise indicated.

L. B. JHA & CO. Chartered Accountants

Texmaco Rail & Engineering Limited Belgharia Kolkata

6 – Note 1-3

Annexure - A V Basis of preparation and Significant Accounting Policies

The Restated Consolidated Financial Statements have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

(a) Adjustments for audit qualification requiring corrective adjustment in the restated financial statements, if any;
(b) Adjustments for the material amounts in respective years to which they relate, if any;
(c) Adjustments for previous years identified and adjusted in arriving at the profits or losses of the years to which they relate irrespective of the year in which the event triggering, if any;
(d) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;
(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the nine months period ended 31 December 2018 and the requirements of the SEBI ICDR Regulations, if any;
(f) The resultant tax impact due to the aforesaid adjustments, if any.

B. Functional and Presentation Currency

The Functional currency of the Company in Indian Rupees. These Restated Consolidated Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

C. Operating Cycle Classification - Current & Non Current

All assets and liabilities are classified as current and non-current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Current Assets do not include elements which are not expected to be realised within 12 months and Current Liabilities do not include items which are due after 12 months, the period of 12 months being reckoned from the reporting date.

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3 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in the Restated Consolidated Financial Information:

3.1 Principles of Consolidation

The consolidated financial statements include results of the subsidiaries of Texmaco Rail & Engineering Ltd., consolidated in accordance with Ind AS 110' Consolidated Financial Statements'.

Name of the Company	Country of Incorporation	% Shareholding		
		Mar-19	Mar-18	Mar-17
Texmaco Hi Tech Pvt. Ltd.	India	-	-	100%
Belur Engineering Pvt. Ltd.	India	100%	100%	100%
Bright Power Projects (India) Pvt. Ltd.	India	-	-	55%
Texmaco Transtrak Pvt. Ltd.	India	51%	51%	-
Texmaco Defence System Pvt. Ltd.	India	51%	51%	-
Texmaco SA (PTY) Ltd.	South Africa	100%	100%	-

The Honourable National Law Tribunal, Kolkata Bench has approved the Scheme of Amalgamation of Bright Power Projects (India) Private Limited and Texmaco Hi-Tech Private Limited with the Company with effect from 01.04.2017 vide its Order dated 04.04.2019. Accordingly, the these subsidiaries have been merged with the Company as on 01.04.2017.

Accounting policies applicable in consolidated financial statements

Accounting for Subsidiaries

(a) The Company combines the financial statements of the parent and its subsidiaries line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transaction, balance and unrealised gains on transactions between group companies are eliminated.

(b) Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

Accounting for Joint Ventures

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

3.2 Critical Estimates and Assumptions

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

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

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

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

(ii) Valuation of deferred tax assets
The Company reviews the carrying amount of deferred tax assets at the end of each year. The policy has been explained in these notes

3.3 Property, plant and equipment

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

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

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

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

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

Capital work-in-progress

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

3.4 Intangible Assets

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

3.5 Derivative Financial Instrument

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

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

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

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

3.6 Financial Instrument

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

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

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

<u>Investment in Equity Instruments at Fair Value through Other Comprehensive Income</u>
Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

<u>Financial assets at Fair Value through Profit or Loss</u>
A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

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

<u>Investment in Subsidiaries and Joint Ventures</u>
Investment in Subsidiaries and Joint Ventures are carried at cost in the Financial Statements.

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Impairment

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

Offsetting Financial Instruments

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

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3.7 Measurement of Fair Values

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

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

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

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

3.8 Revenue recognition

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

a. Revenue from Operations

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

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

b. Revenue from Construction Contracts

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

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

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

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

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS115 "Revenue from Contracts with customers" where income from operations is determined and recognized, based on the bills raised on technical evaluation of work executed based on joint inspection with customers including railways. The figures have been taken as per the management working on the basis of the work completed. Unbilled revenue represents revenue recognized based on services performed but not billed in accordance with the contract terms.

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c. Other Income

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

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

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

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

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

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

3.9 Employee Benefits

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

a. Short term benefits:

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

b. Defined contribution retirement benefits :

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis- s-vis interest rate declared by the Employees' Provident Fund Organisation.

c. Defined benefit retirement benefits:

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

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

Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows
- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.
The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs

d. Voluntary Retirement Scheme Benefits

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

3.10 Employee Stock Option Scheme

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

3.11 Custom Duty & Goods & Service Tax (GST)

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods. GST payable on finished goods lying in factory is provided for and included in Closing Stock of Inventory.

3.12 Research and Development

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

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3.13 Valuation of Inventories

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

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

3.14 Lease

a. Where the Company is the lessee

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

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

b. Where the Company is the lessor

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

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

3.15 Foreign Currency Transactions and Exchange Differences

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

3.16 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

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

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

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

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

b. Onerous contracts

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

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c. Contingent liabilities

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

d. Contingent Assets

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

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3.17 Cash & Cash Equivalents

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

3.18 Borrowing Cost

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

3.19 Segment Reporting

a) Based on the organizational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Heavy Engineering Division and Steel Foundry Division and Rail EPC.

b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.

c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

3.20 Taxation

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

a. Current income taxes

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

b. Deferred income taxes

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

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

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

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3.21 Government Grant

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

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable. In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

3.22 Earning per Share

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

3.23 Cash Flow Statement

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

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Annexure A VI - Notes to Restated Summary Financial Information

4 Property, plant and equipment

(in Rs. Lakhs)

	Freehold land	Buildings	Roads	Railway Sidings	Plant & Machinery	Electrical Machinery	Furniture & fixtures	Office equipment	Vehicles	Total	Capital work in progress	Investment Property
Cost												
									2.93			
As at March 31, 2016	974.58	11,690.22	111.64	182.03	19,293.43	590.79	538.31	214.22	704.23	34,299.45	392.59	109.58
Additions	2,845.85	1,103.93	-	33.14	1,737.46	111.68	16.63	238.93	162.87	6,250.49	1,487.89	-
Disposals/ adjustments	-	24.01	-	-	375.94	-	-	2.93	194.22	597.10	1,716.64	22.08
As at March 31, 2017	3,820.43	12,770.14	111.64	215.17	20,654.95	702.47	554.94	450.22	672.88	39,952.84	163.84	87.50
Additions	138.03	376.08	4.79	-	3,047.18	3.35	56.58	152.30	153.33	3,931.64	1,932.89	-
Disposals/ adjustments	-	-	-	-	1,297.40	-	-	0.02	39.57	1,336.99	1,552.37	87.50
As at March 31, 2018	3,958.46	13,146.22	116.43	215.17	22,404.73	705.82	611.52	602.50	786.64	42,547.49	544.36	-
Additions	-	870.82	61.20	2.54	3,462.67	14.16	82.42	293.88	155.52	4,943.21	1,360.96	-
Disposals/ adjustments	-	30.92	-	-	16.03	3.67	8.12	1.35	51.66	111.75	528.89	-
As at March 31, 2019	3,958.46	13,986.12	177.63	217.71	25,851.37	716.31	685.82	895.03	890.50	47,378.95	1,376.43	-
Depreciation												
As at March 31, 2016	0.02	329.36	20.15	10.29	1,030.41	59.49	51.39	60.01	100.25	1,661.37	-	
Depreciation charge for the year	29.34	343.75	20.75	8.99	1,404.22	75.77	60.16	77.98	119.37	2,140.33	-	
Disposals	-	20.14	-		304.01	-	-	-	132.28	456.43	-	
As at March 31, 2017	29.36	652.97	40.90	19.28	2,130.62	135.26	111.55	137.99	87.34	3,345.27	-	-
Depreciation charge for the year	50.25	373.31	16.39	9.56	1,597.57	56.70	97.50	100.80	121.35	2,423.43	-	-
Disposals	-	-	-	-	169.86		-	-	35.34	205.20	-	-
As at March 31, 2018	79.61	1,026.28	57.29	28.84	3,558.33	191.96	209.05	238.79	173.35	5,563.50	-	-
Depreciation charge for the period	50.27	440.00	20.48	9.69	1,861.65	54.64	77.91	153.94	124.42	2,793.00	-	-
Disposals	-	14.58	-	-	14.95	2.66	8.07	3.16	41.99	85.41	-	-
As at March 31, 2019	129.88	1,451.70	77.77	38.53	5,405.03	243.94	278.89	389.57	255.78	8,271.09	-	-
Net book value												
As at March 31, 2017	3,791.07	12,117.17	70.74	195.89	18,524.33	567.21	443.39	312.23	585.54	36,607.57	163.84	87.50
As at March 31, 2018	3,878.85	12,119.94	59.14	186.33	18,846.40	513.86	402.47	363.71	613.29	36,983.99	544.36	-
As at March 31, 2019	3,828.58	12,534.42	99.86	179.18	20,446.34	472.37	406.93	505.46	634.72	39,107.86	1,376.43	-

Carrying amount

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Texmaco Rail & Engineering Limited Belgharia Kolkata

19- Note4

5 Intangible assets

(in Rs. Lakhs)

	Computer software	Total
Cost		
As at March 31, 2016	**331.07**	**331.07**
Additions	84.00	84.00
Disposals/ adjustments		-
As at March 31, 2017	**415.07**	**415.07**
Additions	42.37	42.37
Disposals/ adjustments	2.93	2.93
As at March 31, 2018	**454.51**	**454.51**
Additions	19.10	19.10
Disposals/ adjustments	2.99	2.99
As at March 31, 2019	**470.62**	**470.62**
Amortisation and impairment		
As at March 31, 2016	**65.21**	**65.21**
Amortisation charge for the year	73.43	73.43
Disposals	-	-
As at March 31, 2017	**138.63**	**138.63**
Amortisation charge for the year	70.60	70.60
Disposals	-	-
As at March 31, 2018	**209.23**	**209.23**
Amortisation charge for the period	115.91	115.91
Disposals	-	-
As at March 31, 2019	**325.14**	**325.14**
Net book value		
As at March 31, 2017	**276.44**	**276.44**
As at March 31, 2018	**245.28**	**245.28**
As at March 31, 2019	**145.48**	**145.48**

Carrying amount

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Intangible assets	145.48	245.28	276.44
	145.48	**245.28**	**276.44**

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Texmaco Rail & Engineering Limited Belgharia Kolkata

20 - Notes

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
6	**Non-current Investments**			
	Investments in Equity Instruments			
	In Joint Ventures			
	(a) Wabtec Texmaco Rail Private Limited 32,81,700 (2018 - 8,81,700, 2017 - 8,81,700) shares of Rs. 10 each	344.77	70.02	125.51
	(b) Touax Texmaco Railcar Leasing Pvt. Ltd. 1,26,49,999 (2018 - 1,26,49,999, 2017 - 1,26,49,999) shares of Rs. 10 each	1093.41	1113.59	1,132.47
	In Others			
	(a) Texmaco Infrastructure & Holdings Ltd. 23,49,809 (2018 - 23,49,809, 2017 - 23,49,809) shares of Re. 1 each	1332.34	1,434.55	955.20
	(b) Chambal Fertilisers & Chemicals Limited 10,00,000 (2018 - 10,00,000, 2017 - 10,00,000) shares of Rs. 10 each	1,670.50	1,646.50	867.50
	Investments in CCD of Joint Ventures			
	Unquoted, at Cost			
	Touax Texmaco Railcar Leasing Pvt. Ltd. 27,50,000 (2018 - 24,50,000, 2017 - 21,00,000) CCD of Rs. 100 each	2,750.00	2,450.00	2,100.00
	Total	**7,191.02**	**6,714.66**	**5,180.68**
7	**Loans**			
	(Unsecured considered good unless stated otherwise)			
(i)	**Non current**			
(a)	Security deposits	152.29	185.16	395.47
(b)	Other loans and advances	3.17	3.47	3.85
(c)	Deferred Interest Expenses (Loans given to employees)	1.10	0.33	2.50
	Sub Total (A)	**156.56**	**188.96**	**401.82**
(ii)	**Current**			
(a)	Security deposits to others	87.55	53.33	29.11
(b)	Interest accrued on Loans	352.61	344.37	647.59
(c)	Interest accrued on Fixed Deposits			-
(d)	Advance to Employees	97.86	95.54	109.53
(e)	Deferred Interest Expenses (Loans given to employees)	0.40	2.15	0.53
	(Unsecured, Credit impaired)			
	Loans to Body Corporates	278.38	275.00	275.00
		816.80	**770.39**	**1,061.76**
	Less: Allowance for Loan to Body Corporate	(275.00)	(275.00)	(275.00)
	Sub Total (B)	**541.80**	**495.39**	**786.76**
	Total (A+B)	**698.36**	**684.35**	**1,188.58**
8	**Bank Balances**			
	Margin Money	607.45	7.72	418.54
		607.45	**7.72**	**418.54**

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Texmaco Rail & Engineering Limited Belgharia Kolkata

21- Note 6-8

	As at March 31, 2019	As at March 31, 2018	(in Rs. Lakhs) As at March 31, 2017
9 Other financial assets			
Non-Current			
(Unsecured, considered good)			
Term Deposits of more than 12 month maturity	45.31	47.48	47.06
Interest accrued on Deposits and Others	26.21	23.98	58.27
Sub Total (A)	**71.52**	**71.46**	**105.33**
10 Deferred Tax Assets (net)			
The major components of Deferred Tax Assets / (Liabilities) based on the tax effects of timing differences are as follows:			
Deferred Tax Assets			
Items u/s 43B and u/s 40(a)(i)a of the Income Tax Act	448.77	619.38	1238.64
Deferred Tax Assets on account of transition adjustments	3,141.52	3141.52	3141.52
Deferred Tax Assets on GAAP differences during the year	(769.33)	(380.25)	(205.40)
MAT Credit Entitlement	4,204.20	1483.73	1085.44
Business Loss	488.26	1484.14	79.36
Provision for Contract Loss	33.77	33.45	16.45
Provision for doubtful debts and advances	1,028.40	1294.94	545.58
Total Deferred Assets	**8,575.59**	**7676.91**	**5901.59**
Deferred Tax Liabilities			
Depreciation	(4,286.36)	(4,015.49)	(2,309.07)
Net Deferred Tax Assets	**4289.23**	**3661.42**	**3,592.52**
11 Other Assets			
(Unsecured, considered good)			
(a) Non current			
Capital advances	393.26	171.11	234.54
Advances other than capital advances			
Prepaid Expenses	145.10	114.96	99.93
Claims and other receivables	0.29	1,024.06	779.05
Security deposits	1.32	224.30	1.32
Sub Total (A)	**539.97**	**1,534.43**	**1,114.84**
(b) Current			
Advances other than capital advances			
Security Deposit	-	-	6.82
Other Advances			
Advance to parties	4,773.01	4,592.14	3,608.17
Other Advances	1,809.64	3,586.00	2,031.32
Prepaid Expenses	866.90	574.65	609.02
Balances with Govt. Depts.	21,233.78	14,571.78	8,121.93
Contractually Reimbursable Expenses	1,754.94	-	-
Deferred Rent Expenses (Security Deposits given for Rent)	0.47	0.01	0.07
Unbilled Debtors	41,109.04	31,674.83	17,519.68
Preliminary Expenses	-	-	0.04
Receivable against sale of Non Current Assets	-	40.97	
Interest Accrued on Fixed Deposits	-	22.58	148.35
Sub total (B)	**71,547.78**	**55,062.96**	**32,045.40**
Total (A+B)	**72,087.75**	**56,597.39**	**33,160.24**

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Texmaco Rail & Engineering Limited Belgharia Kolkata

22 - Note 9-11

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
12	**Inventories**			
	(At lower of cost or net realisable value, unless otherwise stated)			
	Raw materials	17,975.78	9,332.27	8,028.38
	Work in Progress	21,869.00	14,824.81	12,396.11
	Finished Goods	1,698.09	2,297.64	31.41
	Stores and spares	1,537.60	1,497.62	1,039.03
	Goods in transit (Purchased)	1,925.45	1,122.58	1,660.60
	Total	**45,005.92**	**29,074.92**	**23,155.53**
14	**Trade receivables**			
	Outstanding for a period exceeding six months from due date of payment			
	- Unsecured, considered good	82,005.13	67,969.57	54,842.59
	- Unsecured, credit impaired	8,092.51	9,218.94	9,766.50
		90,097.64	77,188.51	64,609.09
	Allowance for bad and doubtful debts	(8,092.51)	(9,218.94)	(9,766.50)
	Total	**82,005.13**	**67,969.57**	**54,842.59**

(i) Other receivables include Rs. (2018: ,2017: 14,604.13 lakhs) as retention money which are recoverable on completion of the Projects as per the relevant contracts

(ii) The Company provides allowance in trade receivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of receivables

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
15	**Cash and cash equivalents**			
	Cash in hand	51.79	36.26	31.87
	Cheques/ Pay Orders in Hand			1.90
	Balances with banks			
	- in current accounts	2,105.67	1,585.34	1,261.02
	Total	**2,157.46**	**1,621.60**	**1,294.79**
16	**Bank balances other than above**			
	Unpaid Dividend Account	26.61	26.58	24.08
	Fixed deposits maturing within 12 months from reporting date	12.71	11.88	3,234.61
	Margin Money	2,516.61	1,792.07	575.08
	Total	**2,555.93**	**1,830.53**	**3,833.77**

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

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
17	**Current tax assets and liabilities**			
	Current tax assets			
	Advance income tax (net of provision)	703.43	239.92	122.23
	Total	**703.43**	**239.92**	**122.23**

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Texmaco Rail & Engineering Limited Belgharia Kolkata ★

23 - Note 12, 14 - 17

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
13 CURRENT INVESTMENTS (At Fair Value)			
Fully paid-up			
a) Investments in Equity Instruments (Quoted)			
Tata Teleservices (Maharashtra) Limited 22,666 (2018: 22,666, 2017: 22,666) Units of Rs 10 each	0.69	1.26	1.62
EIH Limited 10,000 (2018: 10,000, 2017: 10,000) Shares of Rs 2 each	20.58	15.91	12.05
SREI Infrastructure Finance Limited 1,800 (2018: 1,800, 2017: 1,800) Shares of Rs 10 each	0.54	1.32	1.49
Century Textiles & Industries Limited 500 (2018: 500, 2017: 500) Shares of Rs 10 each	4.67	5.71	5.27
NHPC Limited 1,01,471 (2018: 1,01,471, 2017: 1,01,471) Shares of Rs 10 each	25.06	28.11	32.67
Sub-total-(a)	**51.54**	**52.31**	**53.10**
b) Investments in Bonds (Unquoted) (At Fair Value)			
In NABARD Nil. (2018: Nil, 2017: 8,750) Units of Rs 8500 each (FV Rs 20,000)	-	-	1,526.87
In 6.70% IRFC (Tax Free) 540 (2018: 540, 2017: 540) Units of Rs 1,00,000 each	558.12	540.00	540.00
In 8.10% IRFC (Tax Free) 21,751 (2018:21,751, 2017: 21,751) Units of Rs 1,000 each	252.31	254.49	253.40
In 8.30% GOI Nil (2018: 5,00,000, 2017: 5,00,000) Units of Rs 100 each	-	500.00	500.00
In 8.30% NHAI (Tax Free) Nil (2018: 49,448, 2017: 49,448) Units of Rs 1,000 each	-	582.83	589.42
In 8.20% HUDCO (Tax Free) 50,000 (2018: 50,000, 2017: 50,000) Units of Rs 1,000 each	569.99	571.00	572.50
Sub-total-(b)	**1,380.42**	**2,448.32**	**3,982.19**
c) Investments in Mutual Funds (Unquoted) at Fair Value			
Axis Treasury Advantage Fund Growth 7905 (2018:9,072, 2017: 645) Units of Rs 1000 each	165.03	175.66	11.71
Axis Short Term Fund Growth Nil (2018: 35428, 2017: Nil) Units of Rs. 1000 each	-	6.68	-
IDFC Low Duration Fund Regular Plan Growth 7,56,810 (2018: Nil, 2017: Nil) Units of Rs 10 each	200.54	-	-
Birla Sun Life Income Plus Growth Regular Plan Nil (2017: 21,15,639) Units of Rs 10 each	-	-	1,550.50
Birla Sun Life Treasury Optimiser Fund Growth Nil (2017: 2,88,403) Units of Rs 100 each	-	-	600.42

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Texmaco Rail & Engineering Limited Belgharia Kolkata

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	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Birla Sun Life Short Term Opportunities Fund Growth Nil (2017: 21,90,494) Units of Rs 10 each	-	-	594.36
Birla Sun Life Dynamic Bond Fund Retail Growth -Regular plan Nil (2017: 42,04,472) Units of Rs 10 each	-	-	1,220.72
Franklin India Short Term Income Fund Growth Nil (2018: 17,424, 2017: 17,424) Units of Rs 1000 each	-	639.49	589.98
Franklin India Corporate Bond Opportunities Growth Nil (2018: Nil, 2017: 35,54,721) Units of Rs 10 each	-	-	593.79
HDFC FMP 369 Days March 2016 (3) Series 29 Regular Growth Nil (2018: Nil, 2017: 79,00,000) Units of Rs 10 each	-	-	1,013.09
HDFC Short Term Plan Growth Nil (2018: 38,03,887, 2017: 38,03,887) Units of Rs 10 each	-	1,309.83	1,232.83
HDFC Corporate Debt Opportunity Fund -Growth Nil (2018:Nil, 2017: 44,54,978) Units of Rs 10 each	-	-	604.01
HDFC Gilt Fund LTP -Growth Nil (2018: Nil, 2017: 17,63,333) Units of Rs 10 each	-	-	594.93
IDFC Super Saver Income Fund Institutional Plan Growth Regular Plan Nil (2018: Nil, 2017: 2,74,659) Units of Rs 10 each	-	-	111.07
IDFC SSIF Medium Term Plan Growth Nil (2018: Nil, 2017: 21,27,651) Units of Rs 10 each	-	-	589.94
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H 1,50,00,000 (2018: Nil, 2017: Nil) Units of Rs 100 each	1,624.46	-	-
ICICI Prudential Short Term Plan Growth Nil (2018: 394,700, 2017: 25,22,761) Units of Rs 10 each	-	142.86	860.82
ICICI Prudential Regular Saving Fund Growth Nil (2018: 81,96,176, 2017: 1,40,45,832) Units of Rs 10 each	-	1,521.58	2,439.69
ICICI Prudential Saving Fund -Regular Plan -Growth Nil (2018: Nil, 2017: 6,50,785) Units of Rs 100 each	-	-	1,591.46
Kotak Income Opportunity Fund- Growth Nil (2018: Nil, 2017: 6,30,282) Units of Rs 10 each	-	-	113.10
Kotak Medium Term Fund Growth Nil (2018: Nil, 2017: 91,64,818) Units of Rs 10 each	-	-	1,240.71
Reliance Short Term Fund -Growth Nil (2018: 19,10,833, 2017: 19,10,833) Units of Rs 10 each	-	623.94	588.86

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	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Reliance Income Fund- Growth Plan - Bonus Option Nil (2018: Nil, 2017: 87,28,086) Units of Rs 10 each	-	-	1,335.06
Reliance Corporate Bond fund Nil (2018: 3,13,69,461, 2017: 1,80,66,505) Units of Rs 10 each	-	4,393.54	2,378.60
Reliance Strategic Debit Fund - Growth Plan - Growth Option 9,57,068 (2018: Nil, 2017: Nil) Units of Rs 10 each	140.79		
Reliance Dynamic Bond Fund Direct Growth Plan Nil (2018: Nil, 2017: 37,49,367) Units of Rs 10 each	-	-	862.29
Reliance Dynamic Bond Fund Growth Plan -Growth Option 56,93,711 (2018: 56,93,711, 2017: 59,87,327) Units of Rs 10 each	1,467.74	1,377.60	1,338.78
Reliance Regular Saving Fund Debt Plan- Growth Plan Growth Option Nil (2018:1,90,10,042, 2017: 1,90,10,042) Units of Rs 10 each	-	4,599.53	4,307.05
Reliance Liquid Fund Growth Plan Growth 2780 (2018: Nil, 2017: Nil) Units of Rs 100 each	126.17	-	-
SBI Magnum Income Fund Regular Plan - Growth Nil (2018: Nil, 2017: 38,52,150) Units of Rs 10 each	-	1,331.77	1,555.06
SBI Magnum Gilt Fund -LTP Growth Nil (2018: Nil, 2017: 16,55,673) Units of Rs 10 each	-	-	610.90
SBI Ultra Short Term Debt Fund Regular Plan Growth Nil (2018: Nil, 2017: 25,678) Units of Rs.1000 each	-	-	216.90
SBI Premier Liquid Fund-Regular Plan-Growth Nil (2018: Nil, 2017: 15,717) Units of Rs.1000 each	-	-	400.11
SBI Magnum Ultra SDF Direct Fund - Growth 11,997 (2018: Nil) Units of Rs 10 each	500.20	-	-
SBI Liquid Fund Regular Growth 616 (2018: Nil) Units of Rs. 10 each	17.95	-	-
SBI Debt Fund Series C-16 1100 Days 1,32,24,964 (2018: Nil) Units of Rs 10 each	1,428.21	-	-
UTI Short Term Income Fund Growth Nil (2018: Nil, 2017: 29,79,383) Units of Rs 10 each	-	-	594.04
Sub-total-(c)	**5,671.09**	**16,122.48**	**29,740.78**
TOTAL CURRENT INVESTMENTS	**7,103.05**	**18,623.11**	**33,776.07**

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Texmaco Rail & Engineering Limited Belgharia Kolkata *

	As at March 31, 2019	As at March 31, 2018	(in Rs. Lakhs) As at March 31, 2017
18 Share capital			
Authorised share capital			
1,97,00,00,000 (2018 - 30,00,00,000, 2017 - 30,00,00,000) equity shares of Re 1/- each	19,700.00	9,500.00	9,500.00
	19,700.00	**9,500.00**	**9,500.00**
Issued, subscribed and paid up:			
22,00,49,482 (2018: 21,98,28,443, 2017: 21,94,14,993 equity shares of Re 1/- each	2,200.50	2,198.28	2,194.15
Share Capital Suspense Account (4785300 Share to be issued to shareholders of Bright Power Project (Pvt) Limited, as per scheme of merger approved by NCLT dated: 29th March 2019 w.e.f. 1st April 2017)	47.85	47.85	-
Total	**2,248.35**	**2,246.13**	**2,194.15**

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	In Nos.	(in Rs. Lakhs)
As at March 31, 2016	**21,02,83,723**	**2,102.84**
Add: Allotted as per scheme of merger	89,12,395	89.12
Add: Allotment under ESOP	2,18,875	2.19
As at March 31, 2017	**21,94,14,993**	**2,194.15**
Add: Allotment under ESOP	4,13,450	4.13
As at March 31, 2018	**21,98,28,443**	**2,198.28**
Add: Allotment under ESOP	2,21,039	2.22
As at March 31, 2019	**22,00,49,482**	**2,200.50**

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Re. 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive any of the 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.

The details of shareholders holding more than 5% shares

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Texmaco Infrastructure & Holdings Ltd.	Nos.	5,46,00,000	5,46,00,000	5,46,00,000
	%	24.81%	24.84%	24.88%
Zuari Investments Ltd.	Nos.	2,89,63,963	2,89,63,963	2,89,63,963
	%	13.16%	13.18%	13.76%

19 Other equity			
Share Option Outstanding Reserves	1184.36	1363.42	1,194.64
Capital Reserve	3951.22	3951.22	10,406.25
Security Premium	39924.86	39836.44	29,368.02
General Reserve	47,220.92	46,720.92	46,606.76
Retained Earnings	17,479.51	11,244.16	10,199.31
Foreign Currency Translation Reserve	155.56	53.51	106.08
Other Comprehensive Income	1,703.18	1,666.79	420.79
Total	**1,11,619.61**	**1,04,836.46**	**98,301.85**

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Texmaco Rail & Engineering Limited Belgharia Kolkata

27 - Note 18-19

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
20 Borrowings			
20.1 Non current borrowings			
Secured			
Term Loan/ Foreign Currency Term Loan (TL/FCTL)	4,975.66	3,206.55	223.37
Car Loan	36.16	88.94	77.91
Unsecured			
Loans from other parties	2.28	4.79	0
Loans from related parties	-	-	3,000.00
Total	**5,014.10**	**3,300.28**	**3,301.28**

Terms of secured loans is set out below

(ii) Maturity :
The maturity profile of above mentioned facilities including current maturities is as follows:-

(in Rs. Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Current maturities	90.95	634.04	562.03
Long term maturities	5,014.10	3,300.28	3,301.28
Total secured loan	**5,105.05**	**3,934.32**	**3,863.31**

(iii) Security :
Term loans from Bank is secured against the Property, Plant and Equipment created from such loan. Remaining Term Loan from bank is repayable in 14 quarterly installments (2018: 53 monthly installments, 2017: 6 quarterly installments).
Car Loan is secured against hypothecation of car.

(iv) The Company is regular in payment of interest and repayment of principal due to the lenders

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Chartered Accountants

28- Note 20- 24

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
20.2 Current borrowings			
Loans repayable on demand			
Secured			
From banks- Cash Credit	42452.15	43094.48	33,398.60
Unsecured			
From Banks	7,000.00	3,000.00	-
From other parties - Inter-Corporate Deposits	1,950.00	1,800.00	3,000.00
Loan from related parties	1,000.00	350.00	
Other Loans- LC discounted from Bank			3008.37
Total	**52,402.15**	**48,244.48**	**39,406.97**

Cash Credit facilities from lenders are secured by first charge on stocks, book debts and other current assets and first charge on Property, Plant and Equipments.
Post demerger of Heavy Engineering and Steel Foundry business of Texmaco Limited (now TexInfra), the first charge created on immovable property and corporate guarantee of TexInfra continues.

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
21 Provisions			
(a) Non current			
(i) Provision for Compensated Absences	220.15	231.18	192.57
(ii) Provision for Gratuity	244.65	184.43	166.53
(iii) Others			
1. For Contingencies	1.00	1.00	1.00
2. For Warranty and others	182.99	187.99	187.99
Sub Total (A)	**648.79**	**604.60**	**548.09**
(b) Current			
(i) Provision for Compensated Absences	146.19	94.15	89.18
(ii) Provision for Gratuity	41.91	36.23	69.41
(iii) Provision for Contract Loss	109.90	96.65	47.53
(iv) Provision for Expenses	943.98	808.99	32.57
(v) Provision for Others	-	-	762.95
Sub Total (B)	**1,241.98**	**1,036.02**	**1,001.64**
Total (A+B)	**1,890.77**	**1,640.62**	**1,549.73**
22 Other current liabilities			
(a) Non current			
(i) Security Deposits	-	-	1.75
(ii) Deferred Rent Income-Security Deposits taken	-	-	0.10
Sub Total (A)	**-**	**-**	**1.85**
(b) Current			
(i) Revenue received in advance	295.46	302.39	274.31
(ii) Other advances			
Advance from Customers	29,122.53	24,342.25	14,505.71
(iii) Others			
1. TDS and other taxes payable	430.14	609.38	1,091.02
2. PF, ESI payable	126.06	118.20	93.71
3. Security Deposits	1,562.05	1,191.32	578.54
4. Deferred Rent Income-Security Deposits taken	-	-	0.14
5. Interest Payable	21.90	-	5.03
6. Other Liabilities	1,222.55	0.91	-
Sub Total (B)	**32,780.69**	**26,564.45**	**16,548.46**
Total (A+B)	**32,780.69**	**26,564.45**	**16,550.31**
23 Trade payables			
Micro and small enterprises	-	66.22	39.60
Others	55,649.43	32,815.90	29,731.49
Total	**55,649.43**	**32,882.12**	**29,771.09**

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(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
24	**Other Financial Liabilities**			
(a)	Current maturities of Long Term Debt			
	Term Loan/ Foreign Currency Term Loan (TL/FCTL)	90.95	574.41	551.57
	Car Loan	-	59.63	10.46
(b)	Interest Accrued			
	Interest accrued but not due on borrowings	42.46	35.03	166.66
(c)	Unclaimed/ Unpaid Dividends	26.61	26.58	24.08
(d)	Others			
	Liabilities for Expenses	1,272.97	875.08	2,271.17
	Amounts due to Employee	971.80	648.36	767.11
	Derivative Assets/ Liabilities	-	-	40.52
	Others Misc. payable	132.89	1,664.24	831.59
	Misc. Security Deposit	-	-	-
	Creditors for Capital Goods	960.65	1,272.24	63.92
	Total	**3,498.33**	**5,155.57**	**4,727.08**

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Texmaco Rail & Engineering Limited Belgharia Kolkata

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(in Rs. Lakhs)

		Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
25	**Revenue from operations**			
	(a) Sale of products	1,04,105.94	42,853.67	81,838.13
	(b) Sale of Services	95,449.07	75,418.56	63,489.77
	(c) Other Operating Revenues	962.58	988.02	721.94
	Less: Inter Segment Revenue	(14,701.21)	(5,339.89)	(10,308.70)
	Total	**1,85,816.38**	**1,13,920.36**	**1,35,741.14**

		Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
26	**Other income**			
	(a) Interest income			
	- on bank deposits	140.61	185.82	91.03
	- others	244.63	687.65	936.15
	(b) Dividend Income			
	Income from Non-Current Investments	29.54	25.06	26.05
	(c) Other non-operating income			
	Net gain on sale of Current Investments	176.69	149.14	224.57
	Net gain on sale of Non-Current Investments	-	-	1,581.51
	Compensation against old refugee settlement area	-	1,900.00	-
	Miscellaneous Receipts and Income	123.35	200.57	195.07
	Sundry balances adjusted	81.65	94.25	42.74
	Profit on sale of Property, Plant and Equipment (Net)	146.33	2.52	(26.35)
	Rent Received	179.21	29.57	133.49
	Provision and Excess Liabilities written back	1.40	2.99	1.15
	Gain on Fair valuation of Bonds/ Mutual Funds	410.87	1,476.40	1,346.21
	Provision for Diminution of Current Investment written back	9.80		
	Share of profit from Bright Maan Inc JV	-	-	0.05
	Total	**1,544.08**	**4,753.97**	**4,551.67**

		Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
27	**Cost of materials consumed**			
	Opening stock	5,049.43	3,564.90	4,928.29
	Purchases	1,00,334.42	22,169.46	19,521.06
		1,05,383.85	**25,734.36**	**24,449.35**
	Less: Returns/ Sales and Departmental issues used in Works and in Block			1,007.59
	Less: Closing Stock of Raw Materials	8,241.44	5,049.43	3,564.90
		97,142.41	**20,684.93**	**19,876.86**
	Consumption of Components	53,712.40	65,764.89	77,698.76
	Less: Inter Segment Revenue	(14,701.21)	(5,339.89)	(10,308.70)
	Cost of raw material consumed	**1,36,153.60**	**81,109.93**	**87,266.92**

		Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
28	**Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress**			
	Opening Stock			
	Finished Goods	2297.64	31.41	6,347.43
	Work-in-Progress	14824.81	11697.64	13,096.38
		17,122.45	11,729.05	19,443.81
	Closing Stock			
	Finished Goods	1698.09	2297.64	31.41
	Work-in-Progress	21869	14824.81	11,697.64
		23,567.09	17,122.45	11,729.05
	(Increase) Decrease in Stock	**(6,444.64)**	**(5,393.40)**	**7,714.76**

		Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
29	**Employee benefits expenses**			
	Salaries and wages	10,008.34	8,306.94	8,004.87
	Contributions to provident and other funds			
	(i) Provident Fund and Pension Fund	675.28	529.64	572.18
	(ii) Superannuation Fund	52.37	157.05	49.55
	(iii) Gratuity	73.08	47.79	36.00
	Share based payments to employees	(179.06)	168.78	390.30
	Staff Welfare Expenses	688.73	507.09	517.98
	VRS Expenses	6.65	25.48	35.24
	Total	**11,325.39**	**9,742.77**	**9,606.12**

		Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
30	**Finance costs**			
	Interest expenses on borrowings	5,849.05	4,840.52	4,344.67
	Other borrowing costs	1,199.22	1,246.99	1,470.11
	Total	**7,048.27**	**6,087.51**	**5,814.78**

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31- Note 25-32, 34-37

(In Rs. Lakhs)

		Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
31	**Depreciation and amortization expense**			
	Depreciation of property, plant and equipment	2,793.00	2,423.43	2,140.33
	Amortisation of intangible assets	115.91	70.60	73.43
	Total	**2,908.91**	**2,494.03**	**2,213.76**
32	**Other expenses**			
	Consumption of Stores and spares	9,219.07	5,997.06	5,626.82
	Manpower Support Charges	-	-	76.58
	Power and Fuel	6,204.92	4,512.00	4,450.34
	Rent	398.49	314.48	358.34
	Repairs and maintenance			
	- Building	623.02	531.82	368.09
	- Plant & Machinery	404.72	351.75	525.53
	- Others	95.77	87.24	125.96
	Insurance	445.16	269.54	160.49
	Rates and Taxes (excl. taxes on income)	382.60	1,518.51	711.86
	Freight, Packing and Transport	2,015.36	1,187.70	803.60
	Erection Expenses	3,886.04	3,770.96	3,839.11
	Drawings and Designs	4.05	8.61	4.36
	Royalty and Knowhow	48.60	256.77	13.39
	Research and Development	119.88	104.70	91.46
	Selling Agent's Commission	169.09	29.66	29.39
	Selling Expenses	258.35	234.62	275.69
	Director's Sitting Fees	15.50	21.18	24.91
	Director's Commission	14.14	14.00	13.51
	Payment to auditors (refer note 29.1)	41.44	42.52	46.93
	Donation	1.91	0.89	1.96
	CSR expenditure (refer note 29.2)	52.66	33.44	34.12
	Miscellaneous expenses	3,088.35	2,369.81	2,648.01
	Sundry Debit Balance Adjusted	25.19	7.91	25.38
	Bad Debt written off	1,829.60	-	80.97
	Allowance for Bad and Doubtful Debts	(1,126.43)	20.24	-
	Property, Plant and Equipments written off / Discarded			5.59
	Net (gain) / loss on foreign currency transaction	(420.90)	(8.81)	10.48
	Total	**27,796.58**	**21,676.60**	**20,352.87**
32.1	**Payment to auditors**			
	As auditor			
	Statutory audit fees	22.37	24.08	19.32
	Tax audit fees	4.95	4.51	5.41
	Quarterly Audit	2.55	3.42	2.91
	Other services (including Certification fees)	6.30	6.71	12.59
	As Cost Auditor	1.64	1.40	1.40
	Reimbursement of expenses	3.63	2.40	5.30
	Total	**41.44**	**42.52**	**46.93**
32.2	**Details of CSR expenditure**			
	a) **Gross amount required to be spent by the company during the year/period**	25.36	29.04	29.74
	b) **Amount spent during the year/period**			
	i) Construction/acquisition of any asset	20.00	10.01	-
	ii) On purposes other than (i) above	32.66	33.44	23.62

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(in Rs. Lakhs)

			Year ended Mar. 31, 2019	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017
34	**Components of Other Comprehensive Income (OCI)**				
	(i) Items that will not be reclassified to profit or loss				
	(a) Re-measurement gains / (losses) on defined benefit plans		(23.53)	(39.49)	(34.26)
	(b) Equity instruments fair valued through Other Comprehensive Income		(78.20)	1258.37	551.63
	(c) Share of Other Comprehensive Income of Associates and Joint Ventures			-0.58	(1.34)
	Balance at the end of the year/period	(A)	**(101.73)**	**1,218.30**	**516.03**
	(ii) Items that may be reclassified to profit or loss				
	Exchange differences in translating the financial statements of a foreign operations		102.05	(52.57)	(9.34)
	Balance at the end of the year/period	(B)	**102.05**	**(52.57)**	**(9.34)**
35	**Earnings per share (EPS)**				
	(i) Nominal value of equity shares (Rs)		1	1	1
	(ii) Profit attributable to equity shareholders for basic and diluted EPS	(A)	7,543.75	1,264.82	2,629.08
	(iii) Weighted average number of equity shares for	(B)			
	Basic EPS		21,99,89,414	21,96,13,861	21,21,11,425
	Diluted EPS		22,47,74,714	22,43,99,161	21,21,11,425
	(iv) Earnings per share (Rs)	(C=A/B)			
	Basic		3.43	0.56	1.24
	Diluted		3.35	0.56	1.24

36 During the year, the Honourable National Law Tribunal, Kolkata Bench has approved the Scheme of Amalgamation of Bright Power Projects (India) Private Limited and Texmaco Hi-Tech Private Limited with the Company with effect from 01.04.2017 vide its Order dated 04.04.2019. Accordingly, the Company has restated its financials for 1st April, 2017 and 31st March 2018 to give effect of the aforesaid Order and these restated financials have been audited by the Statutory Auditors. The figures for the previous year represent such restated figures.

37 **Commitment and contingencies**

37.1 **Commitments**

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,462.00	1,477.00	452.56
37.2	**Contingent liabilities**			
	In respect of Disputed demands/claim against the Company not acknowledged as debts:			
	(a) Guarantees given by Banks in the normal course of business	1,34,418.20	1,10,975.72	87,533.79
	(b) Letters of Credit opened by Banks in the normal course of business.	25,405.12	12,481.40	71,036.40
	(c) Bonds issued to Custom Department	92.2	92.20	92.20
	(d)Claims under dispute (Excise, Service Tax, Income Tax and others)	18,929.19	18,274.40	8670.54
	(e) Cumulative Preference Dividend	-	-	924.37

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33 **Income tax**

33.1 Income tax recognised in statement of profit and loss and other comprehensive income

(in Rs. Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Income tax recognised in statement of profit and loss			
Current tax			
In respect of the current year/period	1,794.71	1,182.24	1,468.38
In respect of earlier years/period	126.20	105.87	96.89
	1,920.91	**1,288.11**	**1,565.27**
Deferred tax			
In respect of the current year/period	(627.83)	(71.49)	(334.88)
	(627.83)	**(71.49)**	**(334.88)**
Total tax expenses recognised in statement of profit and loss	**1,293.08**	**1,216.62**	**1,230.39**

33.2 A reconciliation of the income tax to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

(in Rs. Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Accounting profit before tax	8,572.35	2,556.23	3,932.61
Tax at the Indian Tax Rate of 34.944 (2018: 34.608, 2017: 34.608)	2,995.52	884.66	1,361.00
Tax effects of amounts which are not deductible in calculating taxable income			
- Corporate social responsibility expenditure	18.40	11.57	11.81
- Disallowance of estimated expenditure to earn tax exempt income	10.83	12.12	10.58
- Others	120.21	136.36	220.47
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income			
- Income from dividend		-	-
- Weighted deduction on R&D expenses	(8.74)	(14.88)	(20.38)
- Income from Investment	(191.84)	(197.96)	(527.05)
- Income from fair valuation of mutual funds			
- Income from rented property	(18.64)	(3.05)	(13.61)
- Others	(584.26)	(548.19)	(47.23)
Tax effect of other adjustment			
- Income tax for earlier years	126.20	105.87	96.89
- MAT Credit/carry forward losses adjustment & Others	(1,174.60)	830.12	137.91
Tax Expense	**1,293.08**	**1,216.62**	**1,230.39**

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Texmaco Rail & Engineering Limited Belgharia Kolkata

34 - Note 33.1 - 33.2

33.3 Deferred tax

The components that gave rise to deferred tax assets and liabilities are as follows:

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Deferred income tax assets						
Property, plant and equipment	437.03	408.54	387.42	28.49	21.12	27.56
Investment	169.92	457.17	139.01	(287.25)	318.16	139.01
Brought forward losses/unabsorbed depreciation	488.26	1,484.14	79.36	(995.88)	1,404.78	(79.73)
Provisions & others	3,048.03	3,654.38	4,031.22	(606.35)	(376.84)	(286.56)
MAT Credit	4,204.20	1,483.73	1,085.44	2,720.47	398.29	541.00
Compensated absences	128.01	112.59	97.50	15.42	15.09	8.56
Gratuity	100.14	76.36	81.64	23.78	(5.28)	38.49
Total deferred income tax assets	**8,575.59**	**7,676.91**	**5,901.59**	**898.68**	**1,775.32**	**388.33**
Deferred income tax liabilities						
Property, plant and equipment	(4,286.36)	(4,015.49)	(2,309.07)	(270.87)	(1,706.42)	(53.45)
Total deferred income tax liabilities	**(4,286.36)**	**(4,015.49)**	**(2,309.07)**	(270.87)	(1,706.42)	(53.45)
Net Deferred tax assets / (liabilities)	**4,289.23**	**3,661.42**	**3,592.52**	**627.81**	**68.90**	**334.88**

Reflected in the balance sheet as follows:

(in Rs. Lakhs)

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
Deferred tax liabilities	(4,286.36)	(4,015.49)	(2,309.07)
Deferred tax assets	8,575.59	7,676.91	5,901.59
Deferred tax liabilities (net)	**4,289.23**	**3,661.42**	**3,592.52**
Reconciliation of deferred tax liability (net) as follows			
Opening balance	3,661.42	3,592.52	3,257.64
Tax expense/(income) during the year recognized in profit or loss	627.81	68.90	334.88
Tax expense/(income) during the year recognised in OCI	-	-	-
Closing balance	**4,289.23**	**3,661.42**	**3,592.52**

The Company off sets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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35 - Note 33.3

TEXMACO RAIL & ENGINEERING LIMITED
Annexure A VI - Notes to Restated Summary Financial Information

38 Related Party Disclosures

(a) Name of the related parties and relationship

	Relationship	Parties where control Exist 2018-19	Parties where control Exist 2017-18	Parties where control Exist 2016-17
A.	Key Management Personnel	Mr. S. K. Poddar Executive Chairman	Mr. S. K. Poddar Executive Chairman	Mr. S. K. Poddar Executive Chairman
		----	----	Mr. Ramesh Maheshwari Executive Vice Chairman
		Mr. Sandeep Fuller, Managing Director w.e.f. 15th May,2018	Mr. Sandeep Fuller, Executive Director & CEO (HED)	Mr. Sandeep Fuller, Executive Director & CEO (HED)
		Mr. A.K. Vijay, Executive Director (Finance) & CFO	Mr. A.K. Vijay, Executive Director (Finance) & CFO	Mr. A.K. Vijay, Executive Director (Finance) & CFO
		Mr. D. H. Kela Executive Director & CEO (SF)	Mr. D. H. Kela Executive Director & CEO (SF)	Mr. D. H. Kela Executive Director & CEO (SF)
		Mr. G.C Agrawal, ED & CEO (HED) w.e.f 15th May,2018	Mr. G.C Agrawal, CEO (HED) w.e.f. 5th Mar 2018	----
		Mr. Ravi Varma (Company Secretary)	Mr. Ravi Varma (Company Secretary)	Mr. Ravi Varma (Company Secretary)
B.	Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Mr. Akshay Poddar (Son of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Mr. Akshay Poddar (Son of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Mr. Akshay Poddar (Son of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)
C.	Joint Venture	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company)	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company)	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company)
		Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company)	Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company)	Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company)
		Kalindee Cobra JV	Kalindee Cobra JV	Kalindee Cobra JV
		Kalindee Kapoor Railcon JV	Kalindee Kapoor Railcon JV	Kalindee Kapoor Railcon JV
		Kalindee Karthik JV	Kalindee Karthik JV	Kalindee Karthik JV
		Kalindee VNC JV	Kalindee VNC JV	Kalindee VNC JV
		Kalindee IF&LS JV	Kalindee IF&LS JV	Kalindee IF&LS JV
		GMR TPL KRNL JV	GMR TPL KRNL JV	GMR TPL KRNL JV
		Kalindee Rahee JV	Kalindee Rahee JV	Kalindee Rahee JV
		Kalindee URC JV	Kalindee URC JV	Kalindee URC JV
		-	-	Bright - Kalindee JV
		Tata Projects - Kalindee JV	Tata Projects - Kalindee JV	Tata Projects - Kalindee JV
		Kalindee ASIS JV	-	-
		JMC-GPT-Vijaywargi-Bright Power JV	JMC-GPT-Vijaywargi-Bright Power JV	-
		JMC-Vijaywargi-Bright Power Joint Venture	JMC-Vijaywargi-Bright Power Joint Venture	-
		Bright-Vijaywargi JV	Bright-Vijaywargi JV	-
E.	Group Company where transaction exists	Zuari Investments Ltd	Zuari Investments Ltd	Zuari Investments Ltd
		Duke Commerce Ltd.	Duke Commerce Ltd.	Duke Commerce Ltd.
		Adventz Securities Enterprises Ltd.	Adventz Securities Enterprises Ltd.	Adventz Securities Enterprises Ltd.
		Zuari Global Ltd.	Zuari Global Ltd.	Zuari Global Ltd.
		New Eros Tradecom Ltd.	New Eros Tradecom Ltd.	New Eros Tradecom Ltd.
		Master Exchange & Finance Ltd.	Master Exchange & Finance Ltd.	Master Exchange & Finance Ltd.
		Adventz Investments Co. Pvt. Ltd.	Adventz Investments Co. Pvt. Ltd.	Adventz Investments Co. Pvt. Ltd.
		Adventz Finance Pvt. Ltd.	Adventz Finance Pvt. Ltd.	Adventz Finance Pvt. Ltd.
		Eureka Traders Pvt. Ltd.	Eureka Traders Pvt. Ltd.	Eureka Traders Pvt. Ltd.
		Abhishek Holdings Pvt. Ltd.	Abhishek Holdings Pvt. Ltd.	Abhishek Holdings Pvt. Ltd.
		Greenland Trading Pvt. Ltd.	Greenland Trading Pvt. Ltd.	Greenland Trading Pvt. Ltd.
		Indrakshi Trading Company Pvt. Ltd.	Indrakshi Trading Company Pvt. Ltd.	Indrakshi Trading Company Pvt. Ltd.
		Zuari Management Services Ltd.	Zuari Management Services Ltd.	Zuari Management Services Ltd.
		High Quality Steels Ltd.	High Quality Steels Ltd.	High Quality Steels Ltd.
		Lionel India Limited	Lionel India Limited	Lionel India Limited
		Lionel Edwads Limited	-	
		Texmaco Infrastructure & Holdings Ltd.	Texmaco Infrastructure & Holdings Ltd.	Texmaco Infrastructure & Holdings Ltd.
		Indian Furniture Private Limited	Indian Furniture Private Limited	Indian Furniture Private Limited
		Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.

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Texmaco Rail & Engineering Limited Belgharia Kolkata *

36 - Note 38

(b) Related Party Transactions

Transactions	Other Related Party	Subsidiary	Associate	Joint Venture	Key Magt Personnel	Grand Total	Balance outstanding as on 31/03/2019
Remuneration Paid							
- Mr. S. K. Poddar	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	385.99 -362.22 [366.19]	385.99 -362.22 [366.19]	-- (--) [--]
- Mr. Ramesh Maheshwari*	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [136.82]	-- (--) [136.82]	-- (--) [--]
- Mr. Sandeep Fuller*	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	121.85 -111.83 [91.67]	121.85 -111.83 [91.67]	-- (--) [--]
- Mr. A.K. Vijay*	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	76.94 -69.98 [55.19]	76.94 -69.98 [55.19]	-- (--) [--]
- Mr. D. H. Kela*	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	137.03 -123.13 [104.17]	137.03 -123.13 [104.17]	-- (--) [--]
- Mr. Girish Chandra Agrawal (w.e.f. 5th Mar.2018)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	59.50 -3.66 [--]	59.50 -3.66 [--]	-- (--) [--]
- Mr. Ravi Varma	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	17.19 -13.48 [12.20]	17.19 -13.48 [12.20]	-- (--) [--]
*Previous Year figures includes perquisites on equity share allotted in pursuant to Employee Stock Option Scheme							
Transactions with Relative of Key Management Personnel							
- Shri Akshay Poddar (Sitting Fees & Commission)	3.50 -4.20 [3.60]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	3.50 -4.20 [3.60]	-- (--) [--]
Investment							
- Touax Texmaco Railcar Leasing Pvt. Limited	-- (--) [--]	-- (--) [--]	-- (--) [--]	300.00 -350.00 [--]	-- (--) [--]	300.00 -350.00 [--]	4,014.99 -3,714.99 [--]
- Texmaco Infrastructure & Holdings Limited	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	1,332.34 -1,434.56 [732.63]
- Wabtec Texmaco Rail Pvt. Ltd	-- (--) [--]	-- (--) [--]	-- (--) [--]	240.00 (--) [--]	-- (--) [--]	240.00 (--) [--]	328.17 -88.16 [--]
Loans & Advances Repayment							
- Adventz Finance Pvt. Ltd.	-- (--) [500.00]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [500.00]	-- (--) [--]
- Adventz Securities Enterprises Ltd	-- (--) [500.00]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [500.00]	-- (--) [--]
	--	--	--	5.31	--	5.31	

Transactions	Other Related Party	Subsidiary	Associate	Joint Venture	Key Magt Personnel	Grand Total	Balance outstanding as on 31/03/2019
- Wabtec Texmaco Rail Pvt. Ltd	(--) [--]	(--) [--]	(--) [--]	(--) [--]	(--) [--]	(--) [--]	(--) [--]
- Bright-Vijaywargi-JV	-- (--) [--]	-- (--) [--]	-- (--) [--]	132.80 -6.14 [--]	-- (--) [--]	132.80 -6.14 [--]	126.66 -6.14 [--]
Loans & Advances Received							
- Adventz Finance Pvt. Ltd.	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- [--]	-- (--) [--]	-- (--) [--]	1,100.00 -1,100.00 [520.14]
- Adventz Securities Enterprises Ltd.	150.00 (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	150.00 (--) [--]	850.00 -700.00 [272.79]
Dividend Paid							
- Shri Saroj Poddar	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	8.62 -8.62 [6.24]	8.62 -8.62 [6.24]	-- (--) [--]
- Ms Jyotsna Poddar	0.18 -0.18 [0.55]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.18 -0.18 [0.55]	-- (--) [--]
- Ms. Puja Poddar	0.07 -0.07 [2.07]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.07 -0.07 [2.07]	-- (--) [--]
- Shri Akshay Poddar	0.04 -0.04 [0.04]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.04 -0.04 [0.04]	-- (--) [--]
- Ms Shradha Agarwal	0.03 -0.03 [0.03]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.03 -0.03 [0.03]	-- (--) [--]
- Abhishek Holdings Pvt. Limited	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]
- Adventz Securities Enterprises Limited	9.52 -9.52 [9.52]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	9.52 -9.52 [9.52]	-- (--) [--]
- Adventz Finance Pvt. Ltd. (Formerly Adventz investments & Holdings Pvt. Ltd)	20.94 -20.94 [20.94]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	20.94 -20.94 [20.94]	-- (--) [--]
- Adventz Investments Co. Pvt. Ltd.	7.59 -7.59 [7.59]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	7.59 -7.59 [7.59]	-- (--) [--]
- Duke Commerce Ltd.	18.79 -18.79 [18.79]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	18.79 -18.79 [18.79]	-- (--) [--]
- Eureka Traders Pvt. Ltd.	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]
- Greenland Trading Pvt. Ltd.	0.09 -0.09 [0.09]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.09 -0.09 [0.09]	-- (--) [--]
- Model Exchange & Finance Ltd.	0.04 -0.04	-- (--)	-- (--)	-- (--)	-- (--)	0.04 -0.04	(--)

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Transactions	Other Related Party	Subsidiary	Associate	Joint Venture	Key Mngt Personnel	Grand Total	Balance outstanding as on 31/03/2019
	[0.04]	[--]	[--]	[--]	[--]	[0.04]	[--]
- New Eros Tradecom Ltd.	1.85 -1.85 [1.85]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	1.85 -1.85 [1.85]	-- (--) [--]
- Indrakshi Trading Company Pvt. Ltd.	0.08 -0.08 [0.08]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.08 -0.08 [0.08]	-- (--) [--]
- Texmaco Infrastructure & Holdings Limited	136.50 -136.50 [136.50]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	136.50 -136.50 [136.50]	-- (--) [--]
- Zuari Investments Ltd.	72.41 -72.41 [72.41]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	72.41 -72.41 [72.41]	-- (--) [--]
- Zuari Global Ltd.	10.09 -10.09 [10.09]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	10.09 -10.09 [10.09]	-- (--) [--]
- Mr. Ramesh Maheshwari	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [0.06]	-- (--) [0.06]	-- (--) [--]
- Mr. D. H. Kela	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.03 -0.03 [0.03]	0.03 -0.03 [0.03]	-- (--) [--]
- Mr. Sandeep Fuller	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.08 -0.03 [0.03]	0.08 -0.03 [0.03]	-- (--) [--]
- Mr. A.K. Vijay	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.08 -0.04 [0.04]	0.08 -0.04 [0.04]	-- (--) [--]
- Mr. Ravi Varma	-- (--)	-- (--)	-- (--)	-- (--)	0.01 (--)	0.01 (--)	-- (--)

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Transactions	Other Related Party	Subsidiary	Associate	Joint Venture	Key Magt Personnel	Grand Total	Balance outstanding as on 31/03/2019
	[--]	[--]	[--]	[--]	[--]	[--]	[--]
Dividend Received							
- Texmaco Infrastructure & Holdings Limited	4.70 -4.70 [4.70]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	4.70 -4.70 [4.70]	-- (--) [--]
Others							
- Adventz Finance Pvt. Ltd. (Rent Paid)	18.57 -16.77 [16.20]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	18.57 -16.77 [16.20]	-- (--) [--]
- Adventz Finance Pvt. Ltd. (Interest Paid)	148.50 -67.50 [1.32]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	148.50 -67.50 [1.32]	90.81 -14.97 [--]
- Adventz Securities Enterprises Ltd. (Interest Paid)	94.83 -27.00 [96.90]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	94.83 -27.00 [96.90]	71.75 -12.11 [--]
- High Quality Steels Ltd. (Services Received)	630.61 -550.10 [647.57]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	630.61 -550.10 [647.57]	57.74 -61.44 [51.27]
- Lionel India Limited (Services Received)	241.10 -283.78 [185.82]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	241.10 -283.78 [185.82]	60.88 -33.78 [21.59]
- Lionel Edwards Limited (Services Received)	5.79 (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	5.79 (--) [--]	0.58 (--) [--]
- Indian Furniture Private Ltd. (Purchase of Goods)	-- (--) [29.49]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [29.49]	2.34 -2.34 [5.23]
- Zuari Management Services Ltd. (Services Received)	235.30 (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	235.30 (--) [--]	54.64 (--) [--]
-Texmaco Infrastructure & Holdings Limited (Rent Received)	0.85 -0.85 [0.72]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.85 -0.85 [0.72]	-- (--) [--]
-Texmaco Infrastructure & Holdings Limited (Rent Paid)	68.74 -70.38 [66.76]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	68.74 -70.38 [66.76]	40.35 -56.11 [28.33]
-Wabtec Texmaco Rail Pvt. Limited (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	225.47 -10.35 [--]	-- (--) [--]	225.47 -10.35 [--]	47.28 -10.35 [--]
-Wabtec Texmaco Rail Pvt. Limited (Purchase of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	1,468.61 -4.52 [--]	-- (--) [--]	1,468.61 -4.52 [--]	198.45 -6.13 [--]
-Wabtec Texmaco Rail Pvt. Limited (Rent & Electricity Received)	-- (--) [--]	-- (--) [--]	-- (--) [--]	253.12 (--) [--]	-- (--) [--]	253.12 (--) [--]	27.08 (--) [--]
-Wabtec Texmaco Rail Pvt. Limited (Advance Against Purchase)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- -78.03 [--]	-- (--) [--]	-- -78.03 [--]	-- -78.03 [--]
-Touax Texmaco Railcar Leasing Pvt. Limited (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	4,762.70 -2,068.83 [--]	-- (--) [--]	4,762.70 -2,068.83 [--]	113.1[illegible] [illegible] [--]

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Transactions	Other Related Party	Subsidiary	Associate	Joint Venture	Key Magt Personnel	Grand Total	Balance outstanding as on 31/03/2019
- Zuari Investments Ltd (Depository Services)	-- -0.58 [106.45]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- -0.58 [106.45]	-- (--) [--]
- Touax Texmaco Railcar Leasing Pvt. Limited (Rent Received)	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.05 -0.05 [--]	-- (--) [--]	0.05 -0.05 [--]	-- (--) [--]
- Touax Texmaco Railcar Leasing Pvt. Limited (Deposit Against Order)	-- (--) [--]	-- (--) [--]	-- (--) [--]	2,204.37 -1,525.38 [--]	-- (--) [--]	2,204.37 -1,525.38 [--]	2,204.37 -1,049.13 [--]
- Paradeep Phosphate Ltd (Rent Received)	8.86 -6.74 [6.77]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	8.86 -6.74 [6.77]	0.82 (--) [--]
- Touax Texmaco Railcar Leasing Pvt. Limited (Interest receivable against CCD given)	-- (--) [--]	-- (--) [--]	-- (--) [--]	276.98 -216.21 [--]	-- (--) [--]	276.98 -216.21 [--]	495.01 -278.35 [--]
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--) [--]	-- (--) [--]	-- (--) [--]	144.89 -772.32 [--]	-- (--) [--]	144.89 -772.32 [--]	264.39 -446.24 [--]
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--) [--]	-- (--) [--]	-- (--) [--]	3,853.34 -2,552.63 [--]	-- (--) [--]	3,853.34 -2,552.63 [--]	1,075.12 -1,851.37 [--]
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- -56.32 [--]	-- (--) [--]	-- -56.32 [--]	120.52 -120.52 [--]
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.42 (--) [--]	-- (--) [--]	0.42 (--) [--]	1.15 -0.73 [--]
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.30 (--) [--]	-- (--) [--]	0.30 (--) [--]	2.45 -2.15 [--]
- Kalindee Cobra JV (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	2,846.77 -2,668.01 [--]	-- (--) [--]	2,846.77 -2,668.01 [--]	1,966.64 -1,703.27 [--]
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--) [--]	-- (--) [--]	-- (--) [--]	15.15 -24.75 [--]	-- (--) [--]	15.15 -24.75 [--]	-- (--) [--]
- Kalindee IL & FS JV (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	2,295.11 -2,164.52 [--]	-- (--) [--]	2,295.11 -2,164.52 [--]	2,569.29 -2,523.34 [--]
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	7,812.73 -8,435.01 [--]	-- (--) [--]	7,812.73 -8,435.01 [--]	5,700.33 -6,195.09 [--]
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- -18.56 [--]	-- (--) [--]	-- -18.56 [--]	-- (--) [--]
- Kalindee Kapoor Railcon JV (Amount paid by the company on behalf of others)	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.05 -10.16 [--]	-- (--) [--]	0.05 -10.16 [--]	[illegible] [illegible] [--]

L.B. & CO. Chartered Accountants

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Transactions	Other Related Party	Subsidiary	Associate	Joint Venture	Key Mngt Personnel	Grand Total	Balance outstanding as on 31/03/2019
- Kalindee Karthik JV (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (-13.64) [--]	-- (--) [--]	-- (-13.64) [--]	406.24 -414.97 [--]
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (--) [--]	-- (--) [--]	-- (--) [--]	655.72 -1,283.39 [--]	-- (--) [--]	655.72 -1,283.39 [--]	1,845.25 -1,944.60 [--]
- Kalindee URC JV (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	816.84 -3,702.65 [--]	-- (--) [--]	816.84 -3,702.65 [--]	1,173.95 -1,972.87 [--]
- Kalindee URC JV (Amount paid by the company on behalf of others)	-- (--) [--]	-- (--) [--]	-- (--) [--]	0.25 -0.31 [--]	-- (--) [--]	0.25 -0.31 [--]	-- (--) [--]
- Kalindee VNC JV (Amount paid on behalf of the company)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- -76.81 [--]	-- (--) [--]	-- -76.81 [--]	-- (--) [--]
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (--) [--]	-- (--) [--]	-- (--) [--]	426.18 -435.02 [--]	-- (--) [--]	426.18 -435.02 [--]	1,791.12 -1,371.61 [--]
- GMR TPL Kalindee (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	3,321.01 -3,977.47 [--]	-- (--) [--]	3,321.01 -3,977.47 [--]	2,956.11 -2,772.06 [--]
- Tata Projects- Kalindee (Sale of Goods)	-- (--) [--]	-- (--) [--]	-- (--) [--]	802.71 -890.84 [--]	-- (--) [--]	802.71 -890.84 [--]	325.08 (--) [--]
- Tata Projects- Kalindee (Advance Receipt taken)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- -53.04 [--]	-- (--) [--]	-- -53.04 [--]	-- -53.04 [--]
Corporate Guarantee Given							
- Touax Texmaco Railcar Leasing Pvt. Limited (Against Sale of Wagons)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-585.37 -233.96 [--]	-- (--) [--]	-585.37 -233.96 [--]	941.80 -1,527.17 [--]
Corporate Guarantee Received							
- Texmaco Infrastructure & Holdings Limited (Against Cash Credit facility)	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	-- (--) [--]	5,000.00 -5,000.00 [5000.00]

Note:

(i) Figures in ( ) are for 2017-18, figures in [ ] are for 2016-17

(ii) Related party relationship is as identified by the management based on the available information and relied upon by the auditors.

(iii) No amount has been written off or written back during the year/period in respect of debts due from or to related parties.

(iv) Managerial Remmuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an acturial valuation for the company, as a whole.

(V) There are no significant terms and conditions attached with respect to the guarantees given and guarantees taken by the Group

L. B. JHA & CO. ★ Chartered Accountants ★

Texmaco Rail & Engineering Limited ★ Belgharia Kolkata

39 **Segment Revenue, Results, Assets and Liabilities**

(in Rs. Lakhs)

Sr. No.	Particulars	Year ended 31-Mar-2019	Year ended 31-Mar-2018	Year ended 31-Mar-2017
1.	**SEGMENT REVENUE (Gross)**			
	a) Heavy Engg. Division	78,535.78	30,329.05	64,606.23
	b) Steel Foundry	26,879.55	13,524.09	19,582.02
	c) Rail EPC	95,102.26	75,407.11	61,861.59
	Total	2,00,517.59	1,19,260.25	1,46,049.84
	Less : Inter Segment Revenue	(14,701.21)	(5,339.89)	(10,308.70)
	Net Sales/Income from operation	**1,85,816.38**	**1,13,920.36**	**1,35,741.14**
2.	**SEGMENT RESULTS**			
	Profit before Interest & Tax			
	a) Heavy Engg. Division	2,328.95	(2,493.00)	(743.71)
	b) Steel Foundry	2,949.31	583.66	944.21
	c) Rail EPC	8,259.54	6,259.98	5,268.59
	d) Others (Net of Un-allocated expenses)	498.36	2,172.64	1,781.01
	Total	14,036.16	6,523.28	7,250.10
	Add/ (Less) : Interest (Net)	(5,463.81)	(3,967.05)	(3,317.49)
	Total Profit before Tax	**8,572.35**	**2,556.23**	**3,932.61**
3	**SEGMENT ASSETS**			
	a) Heavy Engg. Division	91,040.86	74,595.58	81,451.23
	b) Steel Foundry	30,873.17	23,952.54	17,049.84
	c) Rail EPC	1,28,878.91	1,00,974.19	60,348.38
	d) Others (Un-allocated)	14,313.08	25,347.97	38,956.75
	Total	**2,65,106.02**	**2,24,870.28**	**1,97,806.20**
4	**SEGMENT LIABILITIES**			
	a) Heavy Engg. Division	50,130.62	42,116.36	36,515.30
	b) Steel Foundry	10,452.53	7,341.89	6,265.72
	c) Rail EPC	90,652.32	68,329.27	52,525.44
	d). Others (Un-allocated)	--	--	--
	Total	**1,51,235.47**	**1,17,787.52**	**95,306.46**

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40 Employee benefit disclosure as per IND AS 19

(in Rs. Lakhs)

Sl No.	Particulars	Gratuity (Funded)			Leave Encashment (Unfunded)		
		2018-19	2017-18	2016-17	2018-19	2017-18	2016-17
A	**Amount Recognised in Balance Sheet**						
	Present Value of defined benefit obligations	2,107.65	2,400.11	2,369.40	366.34	314.84	279.44
	Fair Value of Plan Assets	2,054.62	2,312.16	2,180.50	-	-	-
	Net asset / (liability) recognized in Balance Sheet	**(53.03)**	**(87.95)**	**(188.90)**	**(366.34)**	**(314.84)**	**(279.44)**
B	**Change in Present Value of Obligations**						
	Present Value of Obligation as at the beginning of the year	2,400.13	2,082.32	2,136.11	314.84	279.42	260.26
	Current Service Cost	181.86	136.32	131.76	76.02	60.83	53.24
	Interest (Income) / Cost	180.41	149.32	164.08	23.95	19.44	20.19
	Re- measurement (or Actuarial) (Gain)/Loss arising from :-	-	-	-	-	-	-
	change in demographic assumptions	-	-	-	-	11.23	-
	change in financial assumptions	14.93	(37.93)	57.59	2.67	(6.89)	3.63
	experience variance (i.e. Actual experience vs. assumptions)	154.73	(137.85)	(77.60)	(10.71)	(15.23)	(20.67)
	Past Service Cost	(299.60)	348.23	273.99	-	-	-
	Benefits Paid	(524.81)	(140.30)	(316.53)	(40.44)	(33.96)	(37.21)
	Present Value of Obligation as at the end of the year	**2,107.65**	**2,400.12**	**2,369.40**	**366.34**	**314.84**	**279.44**
C	**Changes in the Fair Value of Plan Assets**						
	Fair Value of Plan Assets as at the beginning of the year	2,312.16	2,180.50	2,194.80	-	-	-
	Investment Income	174.07	155.81	168.59	-	-	-
	Employer's Contribution	97.50	111.20	134.64	17.52	15.94	37.21
	Employee's Contribution	-	-	-	-	-	-
	Benefits paid	(523.98)	(140.30)	(316.54)	(17.52)	(15.94)	(37.21)
	Return on plan assets , excluding amount recognised in net interest expense	(5.13)	4.95	(0.99)	-	-	-
	Fair Value of Plan Assets at the end of the year	**2,054.62**	**2,312.16**	**2,180.50**	-	-	-

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D	**Expenses Recognised in the Income Statement**						
	Current Service Cost	181.86	136.32	131.76	76.02	60.83	53.24
	Past Service Cost	(299.60)	348.23	273.399	-	-	-
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	6.35	(6.48)	(4.50)	23.95	19.44	20.19
	change in financial assumptions	-	-	-	2.97	(4.98)	0.27
	experience variance (i.e. Actual experience vs assumptions)	-	-	-	(12.08)	(8.96)	(20.67)
	Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	-	1.07	3.05	-
	Expenses Recognised in the Income Statement	**-111.39**	**478.07**	**400.66**	**90.86**	**66.34**	**53.03**
E	**Other Comprehensive Income**						
	Actuarial (gains) / losses arising from						
	change in demographic assumptions	-	-	-	-	11.23	-
	change in financial assumptions	14.93	(37.93)	41.25	(0.30)	(1.91)	3.36
	experience variance (i.e. Actual experience vs assumptions)	154.73	(137.85)	(77.60)	1.38	(6.27)	-
	Return on plan assets, excluding amount recognised in net interest expense	5.13	(4.95)	(3.15)	-	-	-
	Components of defined benefit costs recognised in other comprehensive income	174.79	(180.73)	(39.50)	1.08	3.05	3.36
F	**Major categories of Plan Assets (as percentage of Total Plan Assets)**						
	Government of India securities	-	-	-	-	-	-
	State Government securities	-	-	-	-	-	-
	High quality corporate bonds	-	-	-	-	-	-
	Equity shares of listed companies	-	-	-	-	-	-
	Property	-	-	-	-	-	-
	Special Deposit Scheme	-	-	-	-	-	-
	Funds managed by Insurer	100%	100%	100%	-	-	100%
	Bank balance	-	-	-	-	-	-
	Other Investments	-	-	-	-	-	-
	Total	100%	100%	100%	-	-	100%

H) Assumptions

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

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The significant actuarial assumptions were as follows:

Financial Assumptions	Gratuity			Leave		
	2019	2018	2017	2019	2018	2017
Discount rate (per annum)	7.30%	7.50%	7.14%	7.30%	7.50%	7.14%
Salary growth rate (per annum)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Demographic Assumptions	Gratuity			Leave		
	2019	2018	2017	2019	2018	2017
Mortality Rate (% of IALM 06-08)	10%	10%	10%	10%	10%	10%
Withdrawal rates, based on age: (per annum)						
Up to 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
31 - 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Rate of Leave Availment (per annum)	NA	NA	0.00%	0.00%	0.00%	0.00%
Rate of Leave Encashment during employment (P.A.)	NA	NA	0.00%	0.00%	0.00%	0.00%

I) Sensitivity

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

Particulars		Discount Rate (- / + 1%)	Mortality Rate (- / + 10% of mortality rates)	Salary Growth Rate (- / + 1%)	Attrition Rate (- / + 50% of attrition rates)
Grautity					
Increase/ (Decrease) in Liability	31.03.2019	106.76	(1.78)	(99.27)	(162.88)
Increase/ (Decrease) in Liability	31.03.2019	(95.36)	1.74	108.37	(138.54)
Increase/ (Decrease) in Liability	31.03.2018	(153.18)	(260.70)	(358.29)	(380.95)
Increase/ (Decrease) in Liability	31.03.2018	(353.10)	(256.44)	(149.44)	(355.55)
Leave					
Increase/ (Decrease) in Liability	31.03.2019	25.60	0.29	(23.52)	(56.45)

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Increase/ (Decrease) in Liability)	31.03.2019	(22.00)	(0.48)	26.97	(46.55)
Increase/ (Decrease) in Liability)	31.03.2018	20.72	0.09	(19.23)	(48.34)
Increase/ (Decrease) in Liability)	31.03.2018	(17.87)	(0.07)	21.97	(39.94)

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

Expected cash flows over the next (valued on undiscounted basis):	Gratuity			Leave		
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
1 Year	518.68	787.83	593.99	87.98	71.95	58.77
2 to 5 years	1,049.32	1,056.02	1,201.77	124.01	87.21	83.17
6 to 10 years	705.27	620.15	662.96	139.21	100.44	90.91
More than 10 years	1,035.32	1,039.46	1,023.40	378.95	309.49	287.72

K) Risk Exposure

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

41 **Financial Instrument**

41.1 **Capital management**

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in taking into consideration the economic conditions and strategic objectives of the Company. During the Year the Company has allotted 4,13,450 Equity Shares to its employees under Employee Stock Option Scheme.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows.

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i)	Term Debt	5,105.05	3,934.32	3,863.31
(ii)	(Less):- Cash and bank balances	(2,157.46)	(1,621.60)	(1,294.79)
(iii)	(Less):- Current investments	(7,103.05)	(18,623.11)	(33,776.07)
(iv)	**Net Debt**	**(4,155.46)**	**(16,310.39)**	**(31,207.55)**
(v)	Equity share capital	2,248.35	2,246.13	2,194.15
(vi)	Other equity	111,619.61	104,836.46	98,301.85
(vii)	**Total equity**	**113,867.96**	**107,082.59**	**100,496.00**
(viii)	**Net gearing ratio**	**(0.04)**	**(0.15)**	**(0.31)**

41.2 **Categories of financial instruments**

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Financial assets			
Measured at Fair Value through Profit or Loss			
Investments at fair value through profit or loss	7,103.05	18,623.11	33,776.07
Measured at Fair Value through Other Comprehensive Income			
Investments at fair value through other comprehensive income	3,002.84	3,081.05	1,822.70
Measured at amortised cost			
Investments	4,188.18	3,633.61	3,357.98
Loans and Advances	698.36	684.35	1,188.58
Trade Receivable	82,005.13	67,969.57	54,842.59
Cash and cash equivalents	2,157.46	1,621.60	1,294.79
Bank balances and others	3,163.38	1,838.25	4,252.31
Others	71.52	71.46	105.33
Total financial assets	**102,389.92**	**97,523.00**	**100,640.35**

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(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Financial liabilities			
Measured at amortised cost			
Borrowings	57,416.25	51,544.76	42,708.25
Trade payables	55,649.44	32,882.12	29,771.09
Other financial liabilities	3,498.33	5,155.57	4,727.08
Total financial liabilities	**116,564.02**	**89,582.45**	**77,206.42**

41.3 **Financial risk management objectives and policies**

The Company's activities expose it to Credit Risk, Liquidity Risk, Market Risk, and Equity Price Risk.
This note explains the source of risk which the Company is exposed to and how the Company manages the risk and the impact. The management of the company ensures that risks are identified, measured and mitigated in accordance with the Risk Management Policy of the company. The Board provides guiding principles on risk management and also review these risks and related risk management policies which are given as under.
The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The company's financial assets include trade and other receivables, cash and cash equivalents, investments including investments in subsidiaries, loans & advances and deposits

(a) **Credit Risk**

A risk that counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss is defined as Credit Risk. The Company is exposed to credit risk from its operating and financial activities.
Customer credit risk is managed by the respective marketing department subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on-going basis. The Company estimates the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables disclosed in the financial statements as the Company does not hold any collateral as security. The Company has a practice to provide for doubtful debts as per its approved policy.

(b) **Liquidity Risk**

A risk that the Company may not be able to settle or meet its obligations at a reasonable price is defined as liquidity risks. The Company's treasury department is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

(c) **Interest Risk**

Interest Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of change in market interest rates related primarily to the company's short term borrowing (excluding commercial paper) with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve on optimal maturity profile and financing cost.

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(d) Market Risk

A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. Market Risk consists of the following:

(i) **Foreign Currency Risk**- A risk that the fair value or future value of the cash flows of an forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export, import and foreign currency loan/ derivatives operating activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

(ii) **Foreign Currency Sensitivity**- The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies are not material. The sensitivity analysis is given below:

(e) Equity Price Risk

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

The Company generally invests in the equity shares of the Subsidiaries, Associates, Joint Ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries and group companies based on the respective business plan of each of the companies. The Company's investment in quoted equity instruments (other than above) is not material.

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41.4 Fair value measurement

A. Valuation Techniques

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

(i) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.

(ii) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(iii) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

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B. Measurement of Fair Values

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 as described below:

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(in Rs. Lakhs)

31-Mar-19	Total	Level 1	Level 2	Level 3
Investments	14,294.07	10,105.89	4,188.18	-
Loans and Advances	698.36	-	-	698.36
Trade Receivable	82,005.13	-	-	82,005.13
Cash and cash equivalents	2,157.46	-	-	2,157.46
Bank balances and others	3,163.38	-	-	3,163.38
Others	71.52	-	-	71.52
Borrowings	57,416.25	-	-	57,416.25
Trade payables	55,649.44	-	-	55,649.44
Other financial liabilities	3,498.33	-	-	3,498.33

(in Rs. Lakhs)

31-Mar-18	Total	Level 1	Level 2	Level 3
Investments	25,337.77	21,704.16	3,633.61	-
Loans and Advances	684.35	-	-	684.35
Trade Receivable	67,969.57	-	-	67,969.57
Cash and cash equivalents	1,621.60	-	-	1,621.60
Bank balances and others	1,838.25	-	-	1,838.25
Others	71.46	-	-	71.46
Borrowings	51,544.76	-	-	51,544.76
Trade payables	32,882.12	-	-	32,882.12
Other financial liability	5,155.57	-	-	5,155.57

(in Rs. Lakhs)

31-Mar-17	Total	Level 1	Level 2	Level 3
Investments	38,956.75	35,598.77	3,357.98	-
Loans and Advances	1,188.58	-	-	1,188.58
Trade Receivable	54,842.59	-	-	54,842.59
Cash and cash equivalents	1,294.79	-	-	1,294.79
Bank balances and others	4,252.31	-	-	4,252.31
Others	105.33	-	-	105.33
Borrowings	42,708.25	-	-	42,708.25
Trade payables	29,771.09	-	-	29,771.09
Other financial liability	4,727.08	-	-	4,727.08

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42 **Value of Raw Materials and Stores Consumed (Including Components and Spare Parts), Services etc.**

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i)	Imported	5,857.50	2,900.22	13,411.48
(ii)	Indigenous	154,216.38	89,546.66	89,790.96
	Total	**160,073.88**	**92,446.88**	**103,202.44**

43 **Value of Imports on C.I.F basis**

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i)	Raw Materials	376.07	1249.77	310.05
(ii)	Components	7,099.71	1,671.07	3,826.63
(iii)	Capital Goods	383.67	411.83	562.56
	Total	**7,859.45**	**3,332.67**	**4,699.24**

44 **Analysis of Raw Materials Consumed**

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i)	M.S. & C.I. Scrap	4841.15	3165.18	3707.75
(ii)	Plates & Sheets	90,638.56	16,286.99	15,011.65
(iii)	Rounds, Bars & Flats	56.41	222.78	92.25
(iv)	Structurals	1,606.29	1,009.98	1,065.21
	Total	**97,142.41**	**20,684.93**	**19,876.86**

45 **Expenditure in Foreign Currency**

(in Rs. Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i)	R & D Expenses	15.61	23.73	7.62

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(ii)	Travelling and Others	142.50	161.87	95.08
(iii)	Books & Periodicals	-	-	0.25
(iv)	Fees & Subscription	6.30	-	7.36
(v)	General Charges (Charity & Donation, AAR Audit Fees)	5.29	7.94	2.57
	Total	**169.70**	**193.54**	**112.88**

46 **Income in Foreign Exchange**

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Exports of Goods (F.O.B)	15,645.64	10,292.15	5,024.38
Total	**15,645.64**	**10,292.15**	**5,024.38**

47 **Details of Inventory of Work in Progress**

(in Rs. Lakhs)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Heavy Engineering Division	9,721.98	6,441.40	4,983.06
Steel Foundry Division	5,669.00	5,325.07	3,177.49
Rail EPC	6,478.02	3,058.34	3,537.09
Total	**21,869.00**	**14,824.81**	**11,697.64**

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48 **Particulars in Respect of Goods Manufactured**

(Rs. In Lakhs)

		As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
(i)	Wagons	60,043.00	16,556.29	50,885.86
(ii)	Rail EPC	94,902.55	75,407.11	63,489.77
(iii)	Structurals	4,432.09	2,788.26	2,159.80
(iv)	Bridges	1,751.55	1,728.53	5,638.24
(v)	Locomotive and its Components	8,789.26	4,735.48	2,018.65
(vi)	Site Fabrication and Erection	1,075.05	1,994.70	253.31
(vii)	Steel Castings & Ingots (Including Draft Gear)	26,549.66	13,524.09	20,383.39
(viii)	Other Sales	2,011.85	1,537.77	498.88
	Total Gross Sales	**1,99,555.01**	**1,18,272.23**	**1,45,327.90**
	Less: Inter Segment Sales	14,701.21	5,339.89	10,308.70
	Net Sales	**1,84,853.80**	**1,12,932.34**	**1,35,019.20**
	Add: Other Operating Revenue / Income	962.58	988.02	721.94
	Total Operating Revenue / Income from Operations	**1,85,816.38**	**1,13,920.36**	**1,35,741.14**

49 **Employee Stock Option Schemes**

The Company instituted the Employee Stock Option Schemes – 2014, as amended ("ESOS 2014") pursuant to the resolution of the Board of Directors dated June 16, 2014,and of the shareholders dated September 4, 2014. ESOS 2014 is no longer in force as at the date of this Letter of Offer.

ESOS 2014 had been instituted and implemented in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the "SEBI SBEB Regulations") and the Companies Act, 2013, as amended.

Our Company has also instituted the Employee Stock Option Scheme – 2018, as amended ("ESOS 2018") pursuant to the resolution of the Board of Directors dated July 30, 2018, and of the shareholders dated September 4, 2018. No options have been granted under ESOS 2018 as of the date of this Letter of Offer.

Details of grants, exercise and lapsed options, pertaining to all ESOS Schemes, as on the date of the Letter of Offer on a cumulative basis are as follows:
ESOS 2014
The details of ESOS 2014 as at the date of this Letter of Offer are set out below: (Numbers)

Particulars	31.03.2017	31.03.2018	31.03.2019	Three months ended June 30, 2019
Options Granted	2,66,375	22,500	-	-
Options Exercised	2,18,875	4,13,450	2,21,039	-
The total number of Equity Shares arising as a result of exercise of option	2,18,875	4,13,450	2,21,039	-

50 The consolidated financial statements include the unaudited financial information of one subsidiary which is located outside India. The financial information has been prepared in accordance with accounting principles generally accepted in its country and is unaudited. It has been furnished to us by the Management. The Company's Management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India.

51 The Board of Directors have proposed a dividend of Rs.0.35 paise per equity share which is subject to the approval of the shareholders at the Annual General Meeting scheduled to be held on 09th September, 2019.

52 **Approval of restated financial statements**
The restated financial statements were approved for issue by the Capital Issue Committee of the Company ("Committee") at their meeting held on 9th September, 2019

As per our examination report of even date attached

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

D. N. Roy
Partner
Membership No. 300389

Kolkata, September 09, 2019

For and on behalf of the Board
Texmaco Rail & Engineering Limited

D. H. Kela
Executive Director

A. K. Vijay
Executive Director

L. B. JHA & CO. Chartered Accountants

Texmaco Rail & Engineering Limited Belgharia Kolkata

TEXMACO RAIL & ENGINEERING LIMITED

Annexure - A VII Statement of Adjustments to Audited Financial Statements

(A) Summarised below are the re-statement adjustment made to the net profit of the audited financial statement of the Company for the period ended 31 March 2019, 31 March 2018 and 31 March 2017.

Rs. in lakhs

	Note No.	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Total Comprehensive income after tax as per audited financial statements under Ind AS		7541.59	2462.41	3,444.23
Material adjustments on account of restatement:				
Adjustments to Revenue	(a)	-	(1,130.61)	-
Adjustments to Other Income		-	1.48	-
Adjustments to Cost of materials consumed		-	724.19	-
Adjustments to Finance Cost		-	(1.48)	-
Adjustments to Other Expenses		-	406.56	-
Adjustments to Other Comprehensive Income		-	(32.17)	
Modification in the Independent Auditors Report		-	-	-
Emphasis of matter paragraph in the Independent Auditor's Report		-	-	-
Total adjustments on Statement of Profit and Loss		-	(32.03)	-
Restated profit/(loss) after tax		**7,541.59**	**2,430.38**	**3,444.23**

Notes:

(i) Figures in the bracket indicates reduction and figures without brackets indicates increase in the respective restated numbers.

(ii) There has been no adjustment/impact in 'Other Comprehensive Income' ('OCI') to the audited OCI for the respective years / period.

(B) Summarised below are the restatement adjustments made to audited Equity of the Company as at March 31, 2019, March 31, 2018 and March 31, 2017.

	Note No.	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Total reported Equity as per audited financial statements as per Ind AS		113,867.96	101,653.16	100,496.00
Material adjustments on account of restatement:				
Adjustments to Share Capital		-	47.85	
Adjustments to Capital Reserve		-	(6,455.03)	
Adjustments to Security Premium	(a)	-	10,303.04	-
Adjustments to General Reserve		-	14.16	-

Adjustments to Retained Earnings	-	1,525.04	-
Adjustments to Other Comprehensive Income	-	(5.63)	-
Total adjustments, net	-	5,429.43	-
Restated Total Equity	**113,867.96**	**107,082.59**	**100,496.00**

Notes:

(i) Figures in the bracket indicates reduction and figures without brackets indicates increase in the respective restated numbers.

(ii) There has been no adjustment/impact in 'Other Comprehensive Income' ('OCI') to the audited OCI for the respective years / period.

(a) All the above adjustments are on account of Amalgamation of Bright Power Projects (India) Private Limited and Texmaco Hi-Tech Private Limited with the Company with effect from 01.04.2017 vide NCLT Order dated 04.04.2019.

Texmaco Rail & Engineering Limited Belgharia Kolkata

L. B. JHA & CO. Chartered Accountants

TEXMACO RAIL & ENGINEERING LIMITED

Annexure A VIII - Restated Summary Statement of Accounting Ratios

(in Rs. Lakhs)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Basic and Diluted Earnings Per Share (Rs.)	A			
Basic Earnings Per Share (Basic EPS)				
Profit/(Loss) after tax (Rs. in Lakhs) (A)		7,543.75	1,264.82	2,629.08
Weighted average number of Equity shares outstanding considered for calculating basic EPS		21,99,89,414	21,96,13,861	21,21,11,425.00
Earnings Per Share - Basic (A/B)		3.43	0.56	1.24
Nominal value per share (Rs.)		1.00	1.00	1.00
Diluted earnings per share (Diluted EPS)				
Profit/(Loss) after tax (A)		7,543.75	1,264.82	2,629.08
Weighted average number of Equity shares outstanding considered for calculating basic EPS at the start of the year		21,99,89,414	21,94,14,993	21,14,82,685
Add: Share Capital Suspense Account		47,85,300	47,85,300	-
Add: Weighted Average Number of Equity share on account of Employee Stock Option Scheme		-	1,98,868	6,28,740
Weighted average number of Equity shares outstanding considered for calculating diluted EPS		22,47,74,714	22,43,99,161	21,21,11,425
Earnings Per Share - Diluted (A/C)		3.35	0.56	1.24
Nominal value per share (Rs.)		1.00	1.00	1.00
Net Assets Value per Equity share (Rs.)	B			
Net Worth, as restated (D)		1,09,916.74	1,03,131.37	90,089.75
Weighted Number of equity shares outstanding at the end of the year (E)		21,99,89,414	21,96,13,861	21,21,11,425
Net Assets Value per Equity share (Rs.) (F=D/E)		49.96	46.96	42.47
Return on Net worth	C			
Net Profit/(Loss) after tax as restated (G)		7,543.75	1,264.82	2,629.08
Net Worth, as restated (H)		1,09,916.74	1,03,131.37	90,089.75
Return on Net Worth % (I=G/H)		6.86%	1.23%	2.92%
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		18,144.29	10,264.30	10,933.97

1. The figures disclosed above are based on the Restated Summary Financial information of the Company.

2. The above annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A V, Notes to the Restated Summary of Financial Information appearing in Annexure A VI and Statement of Adjustments to the Audited Financial Statements appearing in Annexure A VII.

3. The ratio has been computed as per the following formula:

(i) Earnings per share: $\frac{\text{Restated Net profit available to equity share holder for the year / period}}{\text{Weighted average number of equity shares outstanding during the year / period}}$

(ii) Net Assets Value per equity shares: $\frac{\text{Restated Net worth excluding cash flow hedge reserve as at the end of the year / period}}{\text{Weighted Number of equity shares outstanding at the end of the year / period}}$

(iii) Return on net worth (%): $\frac{\text{Restated Net profit after tax for the year / period}}{\text{Restated Net worth excluding cash flow hedge reserves as at the end of the year / period}}$

4. Earnings before Interest, Tax, Depreciation and amortisation (EBITDA) has been arrived at adding back depreciation and amortisation, interest (net) & financial charges to the restated Profit before tax appearing in Annexure A II - Restated Statement of Summary Profit and Loss.

5. Weighted average number of equity shares is the number of equity shares outstanding as the beginning of the year adjusted by a number of equity shares issued during year / period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year / period.

6. Net worth for ratio mentioned in above note represents the aggregate of the paid up share capital, reserves & surplus (Excluding revaluation reserve and Cash Flow Hedge Reserve) and money received against share warrants as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.

7. Earnings per share calculations are in accordance with Ind AS 33 on "Earnings per Share" notified under section 133 of the Companies Act 2013.

L. B. JHA & CO. ★ Chartered Accountants ★

Texmaco Rail & Engineering Limited Belgharia Kolkata ★

TEXMACO RAIL & ENGINEERING LIMITED
Annexure IX: Restated Summary Statement of Capitalisation

Rs. in lakhs

Particulars	For the year March 31, 2019	As adjusted for issue (refer note (ii) below)
Short Term Debt* (Working Capital Facility/Inter Corporate Deposit)(A)	52,402.15	[.]
Long Term Debt**(B)	5,014.10	[.]
Add: Current maturities of long term borrowings (C)	90.95	[.]
Total Debt (D= A+B+C)	**57,507.20**	[.]
Shareholder's fund		
Share Capital (E)	2,248.35	[.]
Reserve & Surplus (Including Share Premium, Retained earnings and Other Comprehensive Income) (F)	111,619.61	[.]
Total Shareholder's fund (G=E+F)	**113,867.96**	[.]
Long Term Debt**/Shareholder's Funds (H=(B+C)/G)	0.04	[.]
Total Debt/Shareholder's Funds (I=D/G)	0.51	[.]

* Short term debt represent borrowing having repayment tenure of 12 months or less.
** Long term debt include current portion of long-term borrowing repayable over the next twelve months.

Note:
(i) The above statement Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Summary of Financial Information appearing in Annexure VI and Statement of Adjustments to the Audited Financial Statements appearing in Annexure VII.

(ii) The corresponding figures (As Adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

L. B. JHA & CO. ★ Chartered Accountants ★

Texmaco Rail & Engineering Limited Belgharia Kolkata

OTHER FINANCIAL INFORMATION

1. The audited standalone financial statements of our Company for Fiscals 2019, 2018 and 2017, respectively ("**Company's Financial Statements**") are available at https://www.texmaco.in/webfiles/annual-reports.html. Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Company's Financial Statements do not constitute, (i) a part of this Letter of Offer; or (ii) an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or an offer letter to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Company's Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, or any entity in which its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor the Lead Manager or the Promoters, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Company's Financial Statements and the Subsidiary's Financial Statements, or the opinions expressed therein.

2. The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	**As on/ For Fiscal 2019**	**As on/ For Fiscal 2018**	**As on/ For Fiscal 2017**
Basic Earnings/ (loss) per Equity Share (₹)	3.43	0.56	1.24
Diluted Earnings/ (loss) per Equity Share (₹)	3.35	0.56	1.24
Return on Net Worth Ratio	6.86%	1.23%	2.92%
Net Asset Value Per Equity Share (₹)	49.46	46.87	42.47
Earnings before interest, tax, depreciation and amortisation (EBITDA) (₹ in lakhs)	18,144.29	10,264.30	10,933.97

The following table sets forth the reconciliation of our Net profit/ (loss) to EBITDA:

	March 31, 2019	**March 31, 2018**	**March 31, 2017**
Profit/ (loss) before tax (in ₹ lakhs)	8,572.35	2,556.23	3,932.61
Add: Finance costs (in ₹ lakhs)	7,048.27	6,087.51	5,814.78
Add: Depreciation and amortization expense (in ₹ lakhs)	2,908.91	2,494.03	2,213.76
Less : Interest Income (in ₹ lakhs)	385.24	873.47	1,027.18
Earnings before interest, depreciation, tax and amortization (in ₹ lakhs) (EBIDTA):	**18,144.29**	**10,264.30**	**10,933.97**

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2019, derived from our Restated Ind AS Consolidated Summary Statements, and as adjusted for this Issue. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Financial Statements" and "Risk Factors" on pages [•], [●], [●] respectively.

Particulars	Pre-Issue as at March 31, 2019 (in ₹ lakhs)	As adjusted for the proposed Issue (in ₹ lakhs)
Total borrowings		
Current borrowings* (A)	52,402.15	52,402.15
Non-current borrowings (including current maturity)* (B)	5,105.05	5,105.05
Total borrowings[2] (C) = (A) + (B)	57,507.20	57,507.20
Equity attributable to equity holders of the group		
Equity share capital*	2,248.35	2675.58
Other equity*	1,11,619.61	1,31,144.15
Non – controlling interest	2.59	2.59
Total Equity including non – controlling interest	1,13,870.55	1,33,822.32
Equity attributable to equity holders of the group(D)	1,13,867.96	1,33,819.73
Non-current borrowings (including current maturity) / Equity attributable to equity holders of the group (B) / (D)	4.48%	3.81%
Total borrowings/Equity attributable to equity holders of the group (C) / (D)	50.50%	42.97%

**The terms shall have the same meaning as per Schedule III of the Companies Act, 2013.*

Notes:

1. *The above has been derived from the restated Ind AS consolidated summary statement of assets and liabilities of the company as on March 31, 2019.*
2. *Total borrowings represent the sum of current borrowings and non-current borrowings (including current maturity).*
3. *Post considering rights ratio and assuming full subscription, increase in share capital by ₹ 427.23 lakhs and securities premium of ₹ 19,524.54 lakhs (included in other equity) on account of proposed Issue. Adjustments do not include issue related expenses.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information for the Fiscals 2019, 2018 and 2017, including the notes thereto and reports thereon, each included in this document, and our assessment of the factors that may affect our prospects and performance in future periods. Our Restated Consolidated Financial Information included in this Letter of Offer comprise our restated Ind AS consolidated financial information for the Fiscals 2019, 2018 and 2017. Our consolidated audited financial statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Restated Consolidated Financial Information in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward-Looking Statements" sections in this document on pages [●] and [●], respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

In this section, references to "we" and "our" are to our Company, its Subsidiaries and its Joint Venture(s) on a consolidated basis.

The fiscal year for our Company, its Subsidiaries and its Joint Ventures ends on March 31 of each year, so all references to a particular "Financial Year", "Fiscal Year" or "Fiscal" are to the 12-month period ended March 31 of that year. Unless otherwise specified, all amounts in this section are stated on a consolidated basis. Further, unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Letter of Offer.

OVERVIEW

We are a part of the Adventz Group of companies, which are engaged in various sectors such as agri business, engineering, infrastructure, real estate, consumer durables and services sectors We are one of the few private sector companies engaged in signalling, rail telecommunication, track constructions, and a leading player in the field of ballast less tracks for metro rail EPC. We are a diversified heavy engineering company, with products including railway freight wagons, hydromechanical equipment and industrial structures for infrastructure industry, locomotive components and locomotive shells, railway bridges, steel castings, and pressure vessels, etc. We also execute EPC contracts for execution of railway track, signalling and telecommunication projects on turnkey basis. Our Company became operational in April 1, 2010, post the demerger of the heavy engineering and steel foundry division of Texmaco Limited, a company founded in 1939. Texmaco Limited was set up as a textile machinery manufacturing unit and subsequently diversified into other engineering fields including wagon manufacturing, hydro-mechanical equipment, steel castings, providing services to core sectors and process industries in India and abroad.

Our major operating divisions presently are: (i) the heavy engineering division comprising of the manufacture and supply of wagons, hydro-mechanical equipment, and bridges and steel structures; (ii) the steel foundry division, and (iii) rail engineering procurement construction ("**EPC**") division. In addition, as a part of our heavy engineering division, we have set up a production facility comprising of the traction and coaching division to manufacture EMU, DEMU, MEMU coaches, passenger coaches, locomotive shells, locomotive components and assemblies. Of the aforesaid, we have manufactured ACEMU, locomotive shells, locomotive components and assemblies. Presently, we have five manufacturing facilities at four locations in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal. We have also acquired the steel foundry unit of Simplex Castings Limited located at Urla in Raipur.

We have also expanded our market overseas and have exported wagons and rolling stock to various countries. We have exported Phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreed naught ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa and Sri Lanka, and tank wagons to Bangladesh, Cameroon and Sri Lanka. We have strong in-house capabilities for the design and manufacture of commodity specific special purpose wagons for core sectors such as cement, coal, alumina, ammonia, steel, container freight wagons, oil, chemicals, fertilisers, and the defence sector among others.

We have been certified by the RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Over the years, we have also built strong capabilities in designing, marketing, manufacturing, erecting and commissioning of hydro- mechanical equipment and executed several hydro-mechanical projects both in India and overseas. In addition, we also manufacture steel super structure for railway bridges. We are also one of the largest suppliers of steel castings in India, with an annual production capacity of 42,000 metric tonnes of steel castings. Our steel foundry division located at Belgharia is engaged in manufacturing of railway castings such as bogies, couplers, draft gears, cast manganese steel ("**CMS**") crossings, and industrial castings such as shrouds for mining equipments, and hub castings for hydro equipment. We supply steel castings to the Indian Railways and other wagon builders in India. We are also exporting steel castings to USA, Australia, Mexico and Malaysia. During the Fiscals 2019 and 2018 we have witnessed a 52% and 70% increase in exports, respectively. We designed, manufactured, supplied, transported, erected, and commissioned the hydromechanical equipment for Stage V of the Teesta Hydroelectric Project in Sikkim. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Council of India, Eastern Region, for Fiscal 2017.

During Fiscal 2014, our Company merged with Kalindee Rail Nirman (Engineers) Limited ("**Kalindee**"), a company engaged in the business of providing EPC services to railways and metros, especially in the field of signaling track, telecommunication and auto fare collection machines. We have also entered into joint ventures with global companies such as the Touax Group in France, and Wabtec Corporation in the United States of America in order to improve our capability for executing complex projects. We have also commenced providing rail EPC services to metro rail projects in addition to the Indian rail network.

We had expanded our business by entering into strategic collaborations with renowned multi-national companies which have diverse experience in the rail industry. For instance, one of our joint ventures with the Touax Group in France, Touax Texmaco Railcar Leasing Private Limited, has helped us diversify our income stream by commencing leasing of railway wagons. Additionally, Wabtec Texmaco Rail Private Limited, our joint venture with Wabtec Corporation in the United States of America, is geared towards the production of high value components including bogie mounted brake systems, low and high friction brake blocks, and friction wedges.

The order book of our Company, as on June 30, 2019 stands at ₹57,90,000 lakhs, respectively.

The table below sets forth the composition of our Company's total revenues and profit after tax, for Fiscal 2019, Fiscal 2018 and Fiscal 2017:

(In ₹ Lakhs)

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Income			
- Heavy Engineering Division	78,535.78	30,329.05	64,606.23
- Steel Foundry Division	26,879.55	13,524.09	19,582.02
- Rail EPC Division	95,102.26	75,407.11	61,861.59
Total	2,00,517.59	1,19,260.25	1,46,049.84
Inter-segment revenue	(14,701.21)	(5,339.89)	(10,308.70)
Total Income	1,85,816.38	1,13,920.36	1,35,741.14
Profit after tax	7,541.27	1,264.65	2,937.54

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Purchasing patterns of our principal customers

We are dependent on certain major customer for a significant portion of our revenue. Our top five customers for each of our segments and the percentage of their contribution to our total income for previous three financial years is indicated below:

(*₹ in lakhs*)

Heavy engineering division			
Name of the customer	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2017**
Customer A	27,074.72	5,619.00	15,687.52
Customer B	5,069.61	-	-
APL Logistics Vascor Automotive Private Limited	4,886.31	3,259.35	-
Customer C	4,678.35	-	-
Customer D	3,934.26	3,865.11	4,165.86
Steel foundry division			
Name of the customer	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2017**
Customer E	8,422.67	5,091.13	2,720.27
Sandvik Shark Pty Limited	2,824.61	2,444.86	1,802.81
Customer F	661.47	-	-
Customer G	449.08	-	-
Titagarh Wagons Limited	268.57	604.06	2,658.16
Rail EPC division			
Name of the customer	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2017**
Customer H	24,405.57	4,120.55	-
Customer I	6,825.82	6,307.39	4,286.13
Customer J	5,982.43	-	-
Customer K	5,451.92	-	-
Customer L	3,004.32	-	-

Any inability to maintain or increase our revenues from these clients could have an adverse effect on our business and results of operations. The demand from our customers determines our revenue levels and results of operations. Accordingly, any significant change in the demand pattern from our major customers and our ability to successfully compete for obtaining orders could adversely affect our business, results of operations and financials.

Cost of materials

We are a resource-intensive manufacturing operation. Our consumption of materials constituted approximately 69%, 64% and 68%, respectively, of our total income for the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017. The principal materials required for our wagon and rolling stock operations include steel plates and sheets, and specialised components such as wheel sets, bogies, and couplers. Additionally, we require raw materials such as mild steel and cast iron scrap, pig iron, and tundish for our steel foundry division. Our ability to continue to purchase materials on commercially acceptable terms will have a material impact on our business, results of operations and financial condition going forward.

Competition

Our Company operates in highly competitive business segments and we face significant competition from other companies. Some of our competitors may have greater financial, marketing, technological and other resources available to them, which may enable them to commit larger amounts of capital in response to changing market conditions and develop new products and processes which may put us at a disadvantage. Our competitors may further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

Government policy and other macroeconomic factors in India

A significant portion of our business, especially the demand for wagons and rolling stock, is dependent on government policy. Additionally, the demand for wagons is directly related to the commodity demand in the coal, steel, cement, alumina, automobiles, perishable goods and certain commodity-specific industries, some of which form part of the core sector of the Indian economy. We believe that macroeconomic factors, including growth in the core sector of the Indian economy as well as government spending in railway infrastructure, will have a material impact on our business, results of operations and financial condition going forward.

Synergies on account of take over of Urlal unit of Simplex Castings Limited

On April 26, 2019, our Company executed the business transfer agreement for the acquisition of the Urlal unit of Simplex Castings Limited (the "**Takeover**"). For further information on the Takeover, see "*History and Certain Corporate Matters*" on page [●]. We are currently in the process of integrating the operations of the Urlal unit of Simplex Castings Limited with those of our Company to derive operational synergies and reduce expenditure and have undertaken the following initiatives, among others:

- Increasing the production capacity of our Company to manufacture wagons; and
- Increasing the hand moulding capability of our Company's foundry.

Working capital requirements and access to capital resources
Our business, primarily our rail EPC division and our heavy engineering division, requires significant amounts of working capital primarily for creating requisite infrastructure at project sites and employing contractors to carry out preliminary activities. Further, due to a change in the procurement policy by the Indian Railways, we are now required to purchase wheelsets and bearings for our rolling stock, which has resulted in an increase in our working capital requirement. Our working capital requirements also tend to increase if contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product to our customer.

Our working capital requirements will increase in the event we undertake a larger number of orders as we grow our business. Our working capital requirements can also vary significantly across our business lines, with businesses such as our rail EPC business typically having slower payment from customers, and therefore higher working capital requirements. If we grow our rail EPC business relative to our other business lines, we expect that our working capital ratios would be adversely affected. Currently, we fund our working capital requirements from working capital loans from banks, buyer's credit and internal accruals.

We seek to improve our working capital management, namely to reduce our creditors, rationalise our inventory levels, and reduce finance costs on our trade payables. This will improve our bargaining strength and reduce the overall cost of finance. Regarding our inventory, our goal is to have sufficient inventory on hand at all times so that we are able to quickly meet the demands of our customers. To this end, we strategically manage our inventories, purchasing raw materials based on our estimated future production requirements, taking into account our views on potential supply shortages, and maintaining finished goods based on our estimates of future customer demand. In recent years, we have increasingly focused on rationalising our inventory management, to meet our future requirements against while not carrying undue levels of inventory. In terms of our Payable Days, we have focused on repaying interest-bearing payables as soon as possible, to reduce our finance costs.

Seasonality and Weather Conditions

Our business is partially dependent on the favourable climatic conditions in order to carry out our projects in a time and cost-effective manner. Adverse weather conditions such as heavy rains, landslides, floods, including during the monsoon season, may restrict our ability to carry on construction activities and require us to evacuate personnel or curtail services, may result in damage to a portion of our equipment or facilities resulting in the suspension of operations, and may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Additionally, executing projects in high altitude areas and hilly terrains may restrict our ability to transport manpower and machinery in a timely manner.

OUR SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Accounting

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

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

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

Use of Estimates

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

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

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

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

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

Property, plant and equipment

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

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

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

Buildings (Site Office)	3 years
Buildings	30 to 60 years
Roads	5 to 10 years
Railway Sidings	15 to 30 years
Electrical Machinery	10 to 20 years
Plant & Machinery	5 to 17 years
Furniture	10 years

Office Equipment	5 years
Computers	3 years
Motor vehicles	8 years
Intangible assets (Software)	6 years
Leasehold improvements	3 years

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

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

Capital work-in-progress

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

Derivative Financial Instrument

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

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

Financial Instrument

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

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

Financial assets carried at amortised cost

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

Investment in Equity Instruments at fair value through other comprehensive income

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

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

Financial liabilities

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

Investment in Subsidiaries and Joint Ventures

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

Impairment

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

Offsetting Financial Instruments

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

Measurement of Fair Values

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

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

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

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

Revenue Recognition

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

Revenue from Operations

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

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

Revenue from construction contracts

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

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

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

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

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS115 "Revenue from Contracts with customers" where income from operations is determined and recognized, based on the bills raised on technical evaluation of work executed based on joint inspection with customers including railways.The figures have been taken as per the management working on the basis of the work completed.

Other Income

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

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

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

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

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

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

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

Short term benefits:

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

Defined contribution retirement benefits :

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis- s-vis interest rate declared by the Employees' Provident Fund Organisation.

Defined benefit retirement benefits:

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

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

Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows
- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and

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

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

Voluntary Retirement Scheme Benefits

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

Employee Stock Option Scheme

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

Custom Duty& Goods & Service Tax (GST)
GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods. GST payable on finished goods lying in factory is provided for and included in Closing Stock of Inventory.

Research and Development

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

Valuation of Inventories

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

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

Lease

Where the Company is the lessee

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

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

Where the Company is the lessor

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

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

Foreign Currency Transactions and Exchange Differences

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

Provisions, Contingent Liabilities and Contingent Assets

Provisions & Warranties

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

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

Onerous contracts

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

Contingent liabilities

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

Contingent Assets

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

Cash & Cash Equivalents

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

Borrowing Cost

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

Segment Reporting

- Based on the organizational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Heavy Engineering Division and Steel Foundry Division and Rail EPC.

- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.

- Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

Taxation

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

Current income taxes

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

Deferred income taxes

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

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

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

Government Grant

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

- related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.

- related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

- by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable. In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Earnings Per Share

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

Cash Flow Statement

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

Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

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

CHANGES IN ACCOUNTING POLICIES

There have been no changes in the accounting policies of our Company for the last three years, other than the changes due to transitioning to the Ind AS standards.

RESULTS OF OPERATIONS

The following table sets out selected data on consolidated basis from the Restated Consolidated Financial Information for Fiscal 2019, Fiscal 2018 and Fiscal 2017, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	Fiscal					
	2019		2018		2017	
	(₹ in lakhs)	Percentage of Total Income	(₹ in lakhs)	Percentage of Total Income	(₹ in lakhs)	Percentage of Total Income
Income						
Revenue from Operations	1,85,816.38	99.18	1,13,920.36	95.99	1,35,741.14	96.76
Other Income	1,544.07	0.82	4,753.97	4.01	4,551.67	3.24
Total Income	**1,87,360.45**	**100.00**	**1,18,674.33**	**100.00**	**1,40,292.81**	**100.00**
Expenses						
Cost of materials consumed	1,36,153.60	72.67	81,109.93	68.35	87,266.92	62.20
Changes in stock of semi-finished goods, work-in progress, and finished goods	(6,444.64)	3.44	(5,393.40)	4.54	7,714.76	5.50
Excise Duty	-	-	400.66	0.34	3,390.99	2.42
Employee benefit expenses	11,325.39	6.04	9,742.77	8.21	9,606.12	6.85
Finance Costs	7,048.27	3.76	6,087.51	5.13	5,814.78	4.15
Depreciation and amortisation expense	2,908.91	1.55	2,494.03	2.10	2,213.76	1.58
Other expenses	27,796.58	14.84	21,676.60	18.27	20,352.87	14.51
Total Expenses	**1,78,788.11**	**95.42**	**1,16,118.10**	**97.85**	**1,36,360.20**	**97.20**
Restated Profit before tax	**8,572.35**	**4.58**	**2,556.23**	**2.15**	**3,932.61**	**2.80**
Tax expense						
Current tax	1,794.71	0.96	1,182.24	1.00	1,468.38	1.05
Tax adjustment of the earlier year / period	126.20	0.07	105.87	0.09	96.89	0.07
MAT Credit	(1,794.71)	0.96	(398.28)	0.34	(541.00)	0.39
Deferred tax	1,166.88	0.62	326.79	0.28	206.12	0.15
Total tax expense	**1,293.08**	**0.69**	**1,216.62**	**1.03**	**1,230.39**	**0.88**
Restated Profit for the year	**7,541.27**	**4.03**	**1,264.65**	**1.07**	**2,937.54**	**2.09**
Total comprehensive income for the year / period	**7,541.59**	**4.03**	**2,430.38**	**2.05**	**3,444.23**	**2.46**

Income

We derive our total income from our revenue from operations and other income.

Revenue from operations

Our revenue from operations consists of (i) sale of products; (ii) sale of services; and (iii) other operating revenue. Sale of products consists of the sale of wagons, locomotive shells, hydromechanical equipment, bridge structures and steel casting.

Sale of services consists of track-laying, overhead electrification, signalling, and automatic fair collection.

Other operating revenue consists of scrap sale and export incentives.

Other income

Our other income consists of: (i) interest income on bank deposits; (ii) interest income on other sources such as interest from bonds and inter-corporate deposits; (iii) dividend income in the form of income from non-current investments; (iv) net gain on sale of current investments; (v) net gain on sale of non-current investments; (vi) compensation against old refugee settlement area; (vii) miscellaneous receipts and income; (viii) sundry balances adjusted; (ix) net profit on sale of property, plant and equipment; (x) rent received; (xi) provision and excess liabilities written back; (xii) gain on fair valuation of bonds or mutual funds; (xiii) provision for diminution of current investment written back; and (xiv) share of profit from Bright Maan Inc JV.

Expenses

Our expenses consist of the following: (i) cost of materials consumed; (ii) changes in inventories of work-in-progress, semi-finished goods and finished goods; (iii) excise duty; (iv) employee benefit expenses; (v) finance costs; (vi) depreciation and amortisation expense; and (vii) other expenses.

Cost of materials consumed consists of the consumption of raw materials, components, and contractors service charges, including the profit or loss arising on account of foreign currency transactions due to import of raw materials and components.

Employee benefit expenses consist of the following: (i) salary and wages; (ii) contribution to provident fund and pension fund, superannuation fund, and gratuity; (iii) share based payments to employees; (iv) staff welfare expenses; and (v) VRS Expenses.

Finance costs consist of the following: (i) interest expense on borrowings; and (ii) other borrowing costs.

Depreciation and amortisation expense consist of the following: (i) depreciation of property, plant and equipment; and (ii) amortisation of intangible expenses.

Other expenses consist of the following: (i) consumption of stores and spares; (ii) manpower support charges; (iii) power and fuel; (iv) rent; (v) repairs and maintenance of buildings; (vi) repairs and maintenance of plant and machinery; (vii) repairs and maintenance of the estate, the Company's flat, maintenance of the railway track, and internal roads; (viii) insurance; (ix) rates and taxes; (x) freight, packing and transport; (xi) erection expenses; (xii) drawings and designs; (xiii) royalty and knowhow; (xiv) research and development; (xv) selling agents' commission; (xvi) selling expenses; (xvii) directors' commission; (xvii) payment to auditors; (xviii) donation; (xix) CSR expenditure; (xx) miscellaneous expenses; (xxi) sundry debit balance adjusted; (xxii) bad debt written off; (xxiii) allowance for bad and doubtful debts; (xxiv) property, plant and equipments written off or discarded; and (xxv) net gain or loss on foreign currency transaction.

Taxation

Taxes mainly comprise of current tax, tax adjustment of earlier years, MAT credit and deferred tax.

FISCAL 2019 COMPARED WITH FISCAL 2018

Income

Our total income comprises of revenue from operations and other income.

Our total income increased by 57.88% to ₹1,87,360.46 lakhs in Fiscal 2019 from ₹1,18,674.33 lakhs in Fiscal 2018. This was primarily driven by an increase in our revenue from operations, which increased by 63.11% to ₹1,85,816.38 lakhs in Fiscal 2019 from ₹1,13,920.36 lakhs in Fiscal 2018. This increase was offset by a decrease in our other income, which decreased by 67.52% to ₹1,544.08 lakhs in Fiscal 2019 from ₹4,753.97 lakhs in Fiscal 2018.

Revenue from operations

Our total revenue from operations increased by 63.11% to ₹1,85,816.38 lakhs in Fiscal 2019 from ₹1,13,920.36 lakhs in Fiscal 2018. The increase was primarily driven by:

(i) an increase in sale of products by 142.93% to ₹1,04,105.94 lakhs in Fiscal 2019 from ₹42,853.67 lakhs in Fiscal 2018, due to higher sales of rolling stock and locomotive components; and
(ii) an increase in sale of services by 26.56% to ₹95,449.07 lakhs in Fiscal 2019 from ₹75,418.56 lakhs in Fiscal 2018, due to execution of rail EPC contracts and overhead electrification projects.

However, this increase was partially offset by a decrease in other operating revenue, which decreased by 2.57% to ₹962.58 lakhs in Fiscal 2019 from ₹988.02 lakhs in Fiscal 2018 due to reduction in the sale of scrap metal and export incentives.

As a percentage of total income, our revenue from operations increased to 99.18% in Fiscal 2019 from 95.99% in Fiscal 2018.

Other income

Our other income decreased by 67.52% to ₹1,544.08 lakhs in Fiscal 2019 from ₹4,753.97 lakhs in Fiscal 2018. The decrease was primarily driven by a reduction in interest income from bank deposits and other sources, gain on fair valuation of bonds and mutual funds, and compensation against old refugee settlement area. As a percentage of total income, our other income decreased to 0.82% in Fiscal 2019 from 4.01% in Fiscal 2018.

Expenses

Our total expenses increased by 53.97% to ₹1,78,788.11lakhs in Fiscal 2019 from ₹1,16,118.10 lakhs in Fiscal 2018.

As a percentage of our total revenue, total expenses decreased to 95.42% in Fiscal 2019, from 97.85% in Fiscal 2018.

Cost of materials consumed

Our cost of materials consumed (adjusted for changes in inventories of work-in-progress, semi-finished goods and finished goods) increased by 71.31% to ₹1,29,708.96 lakhs in Fiscal 2019 from ₹75,716.53 lakhs in Fiscal 2018. This increase was due to an increase in the manufacture of rolling stock as well as due to the change in the procurement policy of the Indian Railways, resulting in wagon manufacturers being required to purchase wheel sets and other components instead of receiving them free of cost. As a percentage of total income, our cost of materials consumed (adjusted for movements in finished goods and semi-finished goods) increased to 69.23% in Fiscal 2019 from 63.80% in Fiscal 2018.

Excise duty

Our expenses due to excise duty reduced by 100.00% to NIL in Fiscal 2019 from ₹400.66 lakhs in Fiscal 2018 due to the implementation of the goods and service tax regime in India.

Employment benefit expense

Our employment benefit expense increased by 16.24% to ₹11,325.39 lakhs in Fiscal 2019 from ₹9,742.77 lakhs in Fiscal 2018. The increase was primarily due to an increase in our expenses towards salaries and wages, contributions towards provident fund and pension fund, and staff welfare expenses. This increase was a result of the annual increment in wages and salaries as well as overtime paid to our employees and workers. As a percentage of total income, our employment benefit expense reduced to 6.04% in Fiscal 2019 from 8.21% in Fiscal 2018.

Finance cost

Our finance cost increased by 15.78% to ₹7,048.27 lakhs in Fiscal 2019 from ₹6,087.51 lakhs in Fiscal 2018. The increase was primarily due to increase in our working capital obligations to meet the new procurement rules released by the Indian Railways for rolling stock. As a percentage of total income, our finance cost reduced to 3.76% in Fiscal 2019 from 5.13% in Fiscal 2018.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 16.63% to ₹2,908.91 lakhs in Fiscal 2019 from ₹2,494.03 lakhs in Fiscal 2018. This increase was due to an increase in the depreciation of property, plant and equipment, which increased by 15.25% to ₹2,793.00 lakhs in Fiscal 2019 from ₹2,423.43 lakhs in Fiscal 2018 due to increase in capital expenditure at our steel foundry. As a percentage of total income, our depreciation and amortisation expense reduced to 1.55% in Fiscal 2019 from 2.10% in Fiscal 2018.

Other expenses

Our other expenses increased by 28.23% to ₹27,796.58 lakhs in Fiscal 2019 from ₹21,676.60 lakhs in Fiscal 2018. This increase was primarily driven by:

(i) an increase in consumption of stores and spares by 53.73% to ₹9,219.07 lakhs in Fiscal 2019 from ₹5,997.06 lakhs in Fiscal 2018 due to an increase in the overall sales by the Company;

(ii) an increase in power and fuel by 37.52% to ₹6,204.92 lakhs in Fiscal 2019 from ₹4,512.00 lakhs in Fiscal 2018 due to an increase in production levels at our steel foundry;

(iii) an increase in freight, packing, and transport by 69.69% to ₹2,015.36 lakhs in Fiscal 2019 from ₹1,187.70 lakhs in Fiscal 2018 due to an increase in the production of rolling stock, for which our Company is required to bear the packing and freight charges until reimbursement; and

(iv) an increase in miscellaneous expenses by 30.32% to ₹3,088.35 lakhs in Fiscal 2019 from ₹2,369.81 lakhs in Fiscal 2018 due to increase in payment of selling commission for the sale of rolling stock to Sri Lanka and Africa.

As a percentage of total income, our other expenses decreased to 14.84% in Fiscal 2019 from 18.27% in Fiscal 2018.

Restated profit before tax

Our restated profit before tax increased by 235.35% to ₹8,752.35 lakhs in Fiscal 2019 from ₹2,556.23 lakhs in Fiscal 2018.

As a percentage of total income, our restated profit before tax increased to 4.58% in Fiscal 2019 from 2.15% in Fiscal 2018.

Total tax expenses

Our total tax expenses increased by 6.28% to ₹1,293.08 lakhs in Fiscal 2019 from ₹1,216.62 lakhs in Fiscal 2018.

Our total tax expenses for Fiscal 2019 comprised of current tax expenses of ₹1,794.71 lakhs, tax adjustment of the previous year of ₹126.20 lakhs, and deferred tax of ₹1,166.88 lakhs, as adjusted by a MAT credit of ₹1,794.71 lakhs. Our total tax expenses for Fiscal 2018 comprised of current tax expenses of ₹1,182.24 lakhs, tax adjustment of the previous year of ₹105.87 lakhs, and deferred tax of ₹326.79 lakhs, as adjusted by a MAT credit of ₹398.28 lakhs.

As a percentage of total income, our total tax expenses decreased to 0.69% in Fiscal 2019 from 1.03% in Fiscal 2018.

Restated profit for the year

As a result of the foregoing, our restated profit for the year increased by 496.31% to ₹7,541.27 lakhs in Fiscal 2019 from ₹1,264.65 lakhs in Fiscal 2018.

As a percentage of total income, our restated profit for the year increased to 4.03% in Fiscal 2019 from 1.07% in Fiscal 2018.

Total comprehensive income for the year

Our total comprehensive income for the year increased by 210.30% to ₹7,541.59 lakhs in Fiscal 2019 from ₹2,430.38 lakhs in Fiscal 2018.

As a percentage of total income, our total comprehensive income for the year increased to 4.03% in Fiscal 2019 from 2.05% in Fiscal 2018.

FISCAL 2018 COMPARED WITH FISCAL 2017

Income

Our total income comprises of revenue from operations and other income.

Our total income decreased by 15.41% to ₹1,18,674.33 lakhs in Fiscal 2018 from ₹1,40,292.81 lakhs in Fiscal 2017. This was primarily driven by a decrease in our revenue from operations, which decreased by 16.08% to ₹1,13,920.36 lakhs in Fiscal 2018 from ₹1,35,741.14 lakhs in Fiscal 2017. This decrease was offset by an increase in our other income, which increased by 4.44% to ₹4,753.97 lakhs in Fiscal 2018 from ₹4,551.67 lakhs in Fiscal 2017.

Revenue from operations

Our revenue from operations decreased by 16.08% to ₹1,13,920.36 lakhs in Fiscal 2018 from ₹1,35,741.14 lakhs in Fiscal 2017. The decrease was primarily driven by a decrease in sale of products by 47.64% to ₹42,853.67 lakhs in Fiscal 2018 from ₹81,838.13 lakhs in Fiscal 2017 due to a delay in orders for rolling stock from the Indian Railways. However, this decrease was partially offset by:

(i) an increase in sale of services by 18.79% to ₹75,418.56 lakhs in Fiscal 2018 from ₹63,489.77 lakhs in Fiscal 2017, due to commissioning of a large number of pending rail EPC projects; and

(ii) an increase in other operating revenues by 36.86% to ₹988.02 lakhs in Fiscal 2018 from ₹721.94 lakhs in Fiscal 2017, due to an increase in the sale of scrap and export incentives.

As a percentage of total income, our revenue from operations reduced to 95.99% in Fiscal 2018 from 96.76% in Fiscal 2017.

Other income

Our other income increased by 4.44% to ₹4,753.97 lakhs in Fiscal 2018 from ₹4,551.67 lakhs in Fiscal 2017. The increase was primarily driven by an increase in compensation against old refugee settlement area, which increased by 100.00% to ₹1,900.00 lakhs in Fiscal 2018 from NIL in Fiscal 2017, due to settlement of the court case by West Bengal. As a percentage of total income, our other income increased to 4.01% in Fiscal 2018 from 3.24% in Fiscal 2017.

Expenses

Our total expenses reduced by 14.84% to ₹1,16,118.10 lakhs in Fiscal 2018 from ₹1,36,360.20 lakhs in Fiscal 2017.

As a percentage of our total income, total expenses increased marginally to 97.85% in Fiscal 2018, from 97.20% in Fiscal 2017.

Cost of materials consumed

Our cost of materials consumed (adjusted for changes in inventories of work-in-progress, semi-finished goods and finished goods) reduced by 20.28% to ₹75,716.53 lakhs in Fiscal 2018 from ₹94,981.68 lakhs in Fiscal 2017. This decrease was due to the lower overall turnover of our Company. As a percentage of total income, our cost of materials consumed (adjusted for movements in finished goods and semi-finished goods) reduced to 63.80% in Fiscal 2018 from 67.70% in Fiscal 2017.

Excise duty

Our expenses due to excise duty reduced by 88.18% to ₹400.66 lakhs in Fiscal 2018 from ₹3,390.99 lakhs in Fiscal 2017 due to the introduction of Goods and Service Tax from July 1, 2017. As a percentage of total income, expenses due to excise duty reduced to 0.34% in Fiscal 2018 from to 2.42% in Fiscal 2017.

Employment benefit expense

Our employment benefit expense increased by 1.42% to ₹9,742.77 lakhs in Fiscal 2018 from ₹9,606.12 lakhs in Fiscal 2017. The increase was primarily due to an increase in our expenses towards salaries and wages, and contributions towards superannuation fund. This increase was a result of the annual increment in wages and salaries. As a percentage of total income, our employment benefit expense increased to 8.21% in Fiscal 2018 from 6.85% in Fiscal 2017.

Finance cost

Our finance cost increased by 4.69 % to ₹6,087.51 lakhs in Fiscal 2018 from ₹5,814.78 lakhs in Fiscal 2017. The increase was primarily due to an increase in the working capital requirements of our heavy engineering division and our rail EPC division. As a percentage of total income, our finance cost increased to 5.13% in Fiscal 2018 from 4.14% in Fiscal 2017.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 12.66% to ₹2,494.03 lakhs in Fiscal 2018 from ₹2,213.76 lakhs in Fiscal 2017. This increase was due to an increase in the depreciation of property, plant and equipment, which increased by 13.23% to ₹2,423.43 lakhs in Fiscal 2018 from ₹2,140.33 lakhs in Fiscal 2017 due to purchase of equipment including a flash butt welding machine and a rail road machine by our heavy engineering division and our rail EPC division. As a percentage of total income, our depreciation and amortisation expense increased to 2.10% in Fiscal 2018 from 1.58% in Fiscal 2017.

Other expenses

Our other expenses increased by 6.50% to ₹21,676.60 lakhs in Fiscal 2018 from ₹20,352.87 lakhs in Fiscal 2017. This increase was primarily driven by:

(i) an increase in consumption of stores and spares by 6.58% to ₹5,997.06 lakhs in Fiscal 2018 from ₹5,626.82 lakhs in Fiscal 2017 due to an increase in the turnover of our rail EPC division;

(ii) an increase in power and fuel by 1.39% to ₹4,512.00 lakhs in Fiscal 2018 from ₹4,450.34 lakhs in Fiscal 2017 due to due to an increase in the turnover of our rail EPC division;

(iii) an increase in freight, packing, and transport by 47.80% to ₹1,187.70 lakhs in Fiscal 2018 from ₹803.60 lakhs in Fiscal 2017 due to an increase in the sale of products by our heavy engineering division; and

(iv) an increase in rates and taxes by 113.32% to ₹1,518.51 lakhs in Fiscal 2018 from ₹711.86 lakhs in Fiscal 2017 due to the introduction of Goods and Service Tax.

As a percentage of total income, our other expenses increased to 18.27% in Fiscal 2018 from 14.51% in Fiscal 2017.

Restated profit before tax

Our restated profit before tax decreased by 35.00% to ₹2,556.23 lakhs in Fiscal 2018 from ₹3,932.61 lakhs in Fiscal 2017.

As a percentage of total income, our restated profit before tax decreased to 2.16% in Fiscal 2018 from 2.80% in Fiscal 2017.

Total tax expenses

Our total tax expenses decreased marginally by 1.12% to ₹1,216.62 lakhs in Fiscal 2018 from ₹1,230.39 lakhs in Fiscal 2017.

Our total tax expenses for Fiscal 2018 comprised of current tax expenses of ₹1,182.24 lakhs, tax adjustment of the previous year of ₹105.87 lakhs, and deferred tax of ₹326.79 lakhs, as adjusted by a MAT credit of ₹398.28 lakhs. Our total tax expenses for Fiscal 2017 comprised of current tax expenses of ₹1,468.38 lakhs, tax adjustment of the previous year of ₹96.89 lakhs, and deferred tax of ₹206.12 lakhs, as adjusted by a MAT credit of ₹541.00 lakhs.

As a percentage of total income, our total tax expenses increased to 1.03% in Fiscal 2018 from 0.88% in Fiscal 2017.

Restated profit for the year

As a result of the foregoing, our restated profit for the year decreased by 56.95% to ₹1,264.65 lakhs in Fiscal 2018 from ₹2,937.54 lakhs in Fiscal 2017.

As a percentage of total income, our restated profit for the year decreased to 1.07% in Fiscal 2018 from 2.09% in Fiscal 2017.

Total comprehensive income for the year

Our total comprehensive income for the year decreased by 29.44% to ₹2,430.38 lakhs in Fiscal 2018 from ₹3,444.23 lakhs in Fiscal 2017.

As a percentage of total income, our total comprehensive income for the year decreased to 2.05% in Fiscal 2018 from 2.46% in Fiscal 2017.

LIQUIDITY AND CAPITAL RESOURCES

We need cash primarily for our working capital requirements, capital expenditures for maintenance, to fund our expansion plans and for repayment of borrowings. We intend to fund these capital requirements through a variety of sources, including term loans and other borrowings where necessary.

Our principal sources of funding include cash from operations, cash and bank balances, and funds raised from time to time from borrowings. As of March 31, 2019, we had cash and cash equivalent balance of ₹2,157.46 lakhs. Our secured borrowings (long term and short term) aggregated to ₹47,554.92 lakhs, and our unsecured borrowings (long term and short term) aggregated to ₹9,952.28 lakhs, resulting in total secured and unsecured borrowings (long term and short term) of ₹57,507.20 lakhs as of March 31, 2019.

Cash Flows

For Fiscal 2019, Fiscal 2018 and Fiscal 2017, we had cash and cash equivalent balances of ₹2,157.47 lakhs, ₹1,621.60 lakhs and ₹1,294.79 lakhs, respectively. The following table sets out the principal elements of our cash flows for Fiscal 2019, Fiscal 2018 and Fiscal 2017.

(In ₹ lakhs)

Particulars	For the year ending		
	March 31, 2019	**March 31, 2018**	**March 31, 2017**
Net cash from / (used in) operating activities	449.85	(17,529.77)	(3,414.75)
Net cash from / (used in) investing activities	4,726.84	16,121.00	3,988.87
Net cash flow from / (used in) financing activities	(4,742.88)	1,788.15	(1,460.97)
Net increase / (decrease) in cash and cash equivalents	535.86	326.81	(896.18)
Cash and cash equivalents at the beginning of the year	1,621.60	1,294.79	2,190.97
Cash and cash equivalents at the end of the year	**2,157.46**	**1,621.60**	**1,294.79**

Cash flows from operating activities

Net cash inflow from operating activities for Fiscal 2019 consisted of restated profit before tax of ₹8,572.35 lakhs as adjusted primarily for depreciation of ₹2,908.91 lakhs, interest paid of ₹7,048.27 lakhs, bad debts written off of ₹703.17 lakhs, employee compensation expenses of ₹179.06 lakhs, interest received of ₹385.24 lakhs, net profit on sale of current investments of ₹176.69 lakhs, gain on fair value of bonds of ₹410.87 lakhs, and net profit on sale of property, plant and equipment of ₹146.33 lakhs. This was further adjusted for changes in working capital, and as a result, cash flow from operating activities before payment of taxes was ₹2,834.22 lakhs. Movements in working capital were primarily on account of increase in trade and other receivables of ₹26,960.24 lakhs, increase in inventories of ₹15,931.00 lakhs, and increase in trade payables and other liabilities of ₹27,821.89 lakhs. Cash flow from operating activities before payment of taxes was ₹2,834.19 lakhs, which was adjusted for taxes paid of ₹2,384.37 lakhs. As a result, net cash from operating activities was ₹449.85 lakhs for Fiscal 2019.

Net cash used in operating activities for Fiscal 2018 consisted of restated profit before tax of ₹2,556.23 lakhs as adjusted primarily for depreciation of ₹2,494.03 lakhs, interest paid of ₹6,087.51 lakhs, employee compensation expenses of ₹168.78 lakhs, interest received of ₹873.47 lakhs, and gain on fair value of bonds of ₹1,476.40 lakhs. This was further adjusted for changes in working capital, and as a result, net cash used in operating activities before payment of taxes was ₹16,126.57 lakhs. Movements in working capital were primarily on account of increase in trade and other receivables of ₹31,992.73 lakhs, increase in inventories of ₹ 5,919.40 lakhs, and increase in trade payables and other liabilities of ₹12,988.35 lakhs. Net cash used in operating activities before payment of taxes was ₹16,126.57 lakhs, which was adjusted for taxes paid of ₹1,403.20 lakhs. As a result, net cash used in operating activities was ₹17,529.77 lakhs in Fiscal 2018.

Net cash used in operating activities for Fiscal 2017 consisted of restated profit before tax of ₹3,932.61 lakhs as adjusted primarily for depreciation of ₹2,213.76 lakhs, interest paid of ₹4,344.67 lakhs, employee compensation expenses of ₹390.30 lakhs, interest received of ₹1,027.18 lakhs, net profit on sale of current investments of ₹224.57 lakhs, net profit on sale of long term investments of ₹1,581.51 lakhs, and gain on fair value of bonds of ₹1,346.21 lakhs. This was further adjusted for changes in working capital, and as a result, net cash used in operating activities before payment of taxes was ₹1,928.91 lakhs. Movements in working capital were primarily on account of increase in trade and other receivables of ₹16,000.19 lakhs, decrease in inventories of ₹12,127.52 lakhs, and decrease in trade payables and other liabilities of ₹4,843.82 lakhs. Net cash used in operating activities before payment of taxes was ₹1,928.91 lakhs, which was adjusted for taxes paid of ₹1,485.84 lakhs. As a result, net cash used in operating activities was ₹ 3,414.75 lakhs in Fiscal 2017.

Cash flows from investing activities

Net cash from investing activities for Fiscal 2019 consisted of outflows in the form of payments made on purchase of property, plant and equipment of ₹6,152.50 lakhs and bank deposits of ₹1,325.13 lakhs, and inflows in the form of sale of investments of ₹11,560.64 lakhs, interest received of ₹602.39 lakhs and dividend received of ₹41.44 lakhs. Net cash from investing activities amounted to ₹4,726.84 lakhs in Fiscal 2019.

Net cash from investing activities for Fiscal 2018 consisted of outflows in the form of payments made on purchase of property, plant and equipment of ₹2,939.74 lakhs, and inflows in the form of sale of investments of ₹16,417.65 lakhs, bank deposits of ₹2,414.06 lakhs, interest received of ₹203.97 lakhs and dividend received of ₹25.06 lakhs. Net cash from investing activities amounted to ₹16,121.00 lakhs in Fiscal 2018.

Net cash from investing activities for Fiscal 2017 consisted of outflows in the form of payments made on purchase of property, plant and equipment of ₹6,015.36 lakhs and loans and advances to related parties of ₹3,401.66 lakhs, and inflows in the form of sale of investments of ₹7,824.91 lakhs, bank deposits of ₹883.88 lakhs, inter corporate deposits of ₹3,365.91 lakhs, interest received of ₹1,279.24 lakhs and dividend received of ₹51.95 lakhs. Net cash from investing activities amounted to ₹3,988.87 lakhs in Fiscal 2017.

Cash flows from financing activities

Net cash used in financing activities for Fiscal 2019 included outflows in the form of interest paid of ₹7,040.84 lakhs, dividend paid of ₹550.12 lakhs, and dividend tax paid of ₹111.99 lakhs, and inflows in the form of receipt of long term borrowings of ₹1,713.82 lakhs, receipt of short term borrowings of ₹1,155.61 lakhs, and increase in securities premium of ₹88.42 lakhs. The net cash used in financing activities amounted to ₹4,742.88 lakhs in Fiscal 2019.

Net cash from financing activities for Fiscal 2018 included outflows in the form of interest paid of ₹6,538.76 lakhs, dividend paid of ₹546.51 lakhs, and dividend tax paid of ₹111.76 lakhs, and inflows in the form of receipt of long term borrowings of 3,011.07 lakhs and receipt of short term borrowings of ₹5,804.60 lakhs, and increase in securities premium of ₹165.38 lakhs. The net cash from financing activities amounted to ₹1,788.15 lakhs in Fiscal 2018.

Net cash used in financing activities for Fiscal 2017 included outflows in the form of interest paid of ₹4,419.80 lakhs, payment of short term borrowings of ₹654.78 lakhs, dividend paid of ₹525.17 lakhs, and dividend tax paid of ₹107.02 lakhs, and inflows in the form of receipt of long term borrowings of ₹4,156.06 lakhs and increase in securities premium of ₹87.55 lakhs. The net cash used in financing activities amounted to ₹1,460.97 lakhs in Fiscal 2017.

Fixed assets

Cash outflow on account of purchase of fixed assets for Fiscal 2019, Fiscal 2018 and Fiscal 2017 was ₹6,152.50 lakhs, ₹2,939.74 lakhs and ₹6,015.36 lakhs, respectively. The following table provides a breakdown of our property, plant, and equipment by category:

(In ₹ lakhs)

Asset class	Carrying value as on		
	March 31, 2019	**March 31, 2018**	**March 31, 2017**
Freehold land	3,828.58	3,878.85	3,791.07
Buildings	12,534.42	12,119.94	12,117.17
Roads	99.86	59.14	70.74
Railway sidings	179.18	186.33	195.89
Plant and machinery	20,446.33	18,846.40	18,524.33
Electrical machinery	472.37	513.86	567.21
Furniture and fixtures	406.93	402.47	443.39
Office equipment	505.46	363.71	312.23
Vehicles	634.72	613.29	585.54
TOTAL	**39,107.86**	**36,983.99**	**36,607.56**

Planned capital commitments

Our Company has committed an amount of ₹1,964.00 lakhs has been committed for our business segments i.e. Heavy Engineering, Steel Foundry and Rail EPC, as on June 30, 2019. This capital commitment is mainly towards upgradation of existing shop floor, strengthening of load bearing columns, replacement of main rail track in our Company's manufacturing yard, and certain other equipment including CNC cutting machines, welding machines and batching plant.

BORROWINGS

As on March 31, 2019, our consolidated borrowings (non-current and current) aggregated to ₹57,507.20 lakhs, which consisted primarily of non-current borrowings amounting to ₹5,014.10 lakhs and current borrowings of ₹52,493.10 lakhs.

(In ₹ lakhs)

Particulars	As on		
	March 31, 2019	**March 31, 2018**	**March 31, 2017**
Non-current borrowings			

Particulars	As on		
	March 31, 2019	March 31, 2018	March 31, 2017
Secured borrowings	5,011.82	3,295.49	301.28
Unsecured borrowings	2.28	4.79	3,000
Current borrowings			
Secured borrowings	42,543.10	43,728.52	33,960.63
Unsecured borrowings	9,950.00	5,150.00	6,508.37
TOTAL BORROWINGS	**57,507.20**	**52,178.80**	**43,270.28**

As of March 31, 2019, total portion of our non-current borrowings payable in the next 12 months is ₹90.95 lakhs consisting of secured borrowings of ₹90.95 lakhs and unsecured borrowings of NIL.

For more information, see *"Financial Indebtedness"* and "*Financial Statements*" on pages [●] and [●], respectively.

CONTINGENT LIABILITIES AND COMMITMENTS

As on March 31, 2019, we had the following contingent liabilities and commitments not provided for, as disclosed in the notes to our Restated Consolidated Financial Information:

(In ₹ lakhs)

Particulars	March 31, 2019
Guarantees given by Banks in the normal course of business	1,34,418.20
Letters of Credit opened by Banks in the normal course of business	25,405.12
Bonds issued to Custom Department	92.20
Claims under dispute (Excise, Service Tax, Income Tax and others)	18,929.19
TOTAL	**1,78,844.71**

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used in our products including steel, wheel sets, bearings, bogies and couplers. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

Foreign exchange risk

We face foreign exchange risk in respect of (i) imported raw materials and components; (ii) export sale; (iii) capital expenditure in the nature of imports; and (iv) currency mismatches between our income and our expenditures. We seek to manage this risk as much as possible by using foreign exchange and other derivative instruments to hedge our exposure to foreign exchange risk.

Interest rate risk

We may be subject to market interest risks due to fluctuations in interest rates primarily in relation to our short-term borrowings which have floating interest rates. We mitigate interest rate risk with respect our long-term borrowings by utilising interest rate swaps.

Credit risk

We are exposed to credit risk from our operating and financial activities. We manager credit risk in relation to our customers by ensuring that our marketing department follows our establish policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis. We estimate expected credit loss on the basis of past experience and data, and provide for doubtful debts accordingly.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which exposes us to the risk of not being able to meet our obligations. The treasury department of our Company is responsible for managing liquidity, funding as well as settlement. Additionally, the senior management team of our Company also oversees our Company's processes and policies formulated to minimise such risk.

Equity price risk

Our Company invests in the equity shares of our Subsidiaries and Joint Ventures as a part of our overall business strategy and growth policy. Accordingly, we are exposed to risk because of fluctuations to the prices of the equity shares. We manage our exposure to this risk by placing limits on the individual and total equity investment carried out by us in our Subsidiaries and Joint Ventures based on their respective business plans.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see "*Related Party Transactions*" on page [●].

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Unusual of infrequent events of transactions

To our knowledge, there have been no other events or transactions that may be described as "unusual" or "infrequent" during the last three Fiscal years.

Significant economic and regulatory changes

Except as described in the chapters "*Risk Factors*" and "*Regulations and Policies*" on pages [●] and [●], respectively, there have been no significant economic or regulatory changes that could affect our income from continuing operations.

Future relationship between costs and income

Other than as described in this chapter and in the chapters "*Risk Factors*" and "*Our Business*" on pages [●] and [●], respectively, to our knowledge, there are no known factors that may materially affect the future relationship between our operations and income.

Known trends or uncertainties

Except as described in this Letter of Offer, including in the chapter "*Risk Factors*" on page [●] and in this section in particular, to our knowledge, there are no trends or uncertainties that have or had or are expected to have any material adverse impact on our results of operations.

Dependence on a few customers and suppliers

We are dependent on certain identified customers for a majority of our revenues. For further details, see "*Risk Factors*" and "*Our Business*" on pages [●] and [●], respectively.

Competitive conditions

We operate in a competitive environment. For further details, please refer to the discussions regarding our competition in "*Risk Factors*" and "*Our Business*" on pages [●] and [●], respectively.

Total turnover of each major industry segment in which the issuer operated

We have classified our business operations into three business segments on the basis of our organisational structure, namely: (i) heavy engineering division; (ii) steel foundry division; and (iii) rail EPC.

The table set forth below provides the segment-wise revenues and the segment results for the Fiscal 2019, Fiscal 2018, and Fiscal 2017.

Business	Fiscal 2019		Fiscal 2018		Fiscal 2017	
	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%
Heavy engineering division	78,535.78	39%	30,329.05	26%	64,606.23	44%

Business	Fiscal 2019			Fiscal 2018		Fiscal 2017
	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%
Steel foundry division	26,879.55	13%	13,524.09	11%	19,582.02	14%
Rail EPC	95,102.26	48%	75,407.11	63%	61,861.59	42%
Total	**2,00,517.59**		**1,19,260.25**		**1,46,049.84**	
Inter-segment revenue	(14,701.21)		(5,339.89)		(10,308.70)	
Total Income	**1,85,816.38**		**1,13,920.36**		**1,35,741.14**	

Status of any publicly announced new products or business segment

We have not publicly announced any new products or business segments.

Extent of seasonality of business

Our business could be partially affected by seasonality as we depend on favourable weather conditions in order to execute our rail EPC contracts. For further details, see "*Risk Factors*" on page [●].

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2019

Except as described , to our knowledge and belief, no circumstances have arisen since the date of the last financial information contained in this Letter of Offer which materially affect, or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months :

- Our Company has acquired the steel foundry unit of Simplex Castings Limited with effect from April 26, 2019. For further details, see "*History and other Corporate Matters – Shareholders' Agreement and other key agreements*" on page [●].

FINANCIAL INDEBTEDNESS

In accordance with the Articles of Association and subject to the provisions of the Companies Act, 2013 and applicable law, our Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. For further details regarding the borrowing powers of our Board, see "*Our Management - Borrowing Powers of the Board*" on page [•]. Our Company, Subsidiaries and Joint Ventures have availed borrowings in their respective ordinary course of business.

As on August 14, 2019, we have outstanding fund-based borrowings of ₹67,483.95 lakhs and we have availed non-fund based facilities to the extent of ₹ 1,54,732.75 lakhs**.** Set forth below is a brief summary of our aggregate outstanding borrowings on a consolidated basis as on August 14, 2019:

(in ₹lakhs)

Category of borrowings	Sanctioned amount (Rs in lakhs)	Outstanding amount as on August 14, 2019
Company		
A. FUND BASED FACILITY		
A.1 Secured		
State Bank of India	23,700.00	23,613.80
YES Bank	8,050.00	6,012.85
HDFC Bank	5,695.00	5,695.00
AXIS Bank	7,150.00	5,370.00
IDFC Bank	2,000.00	1,595.00
ICICI Bank	3,000.00	2,299.30
HDFC Bank (Term Loan)	3,500.00	2,975.00
Axis Bank (Term Loan)	8,000.00	1,948.00
Total (A1)	**61,095.00**	**49,508.95**
A.2 Unsecured		
IndusInd Bank	3,000.00	1,875.00
Others	16,100.00	16,100.00
Total (A2)	**19,100.00**	**17,975.00**
Total (A)	**80,195.00**	**67,483.95**
B. **NON-FUND BASED FACILITY**		
B.1 Secured		
State Bank of India	1,28,400.00	1,07,302.75
HDFC Bank	4,700.00	3,614.00
AXIS Bank	19,350.00	15,800.00
YES Bank	19,250.00	14,070.00
ICICI Bank	9,000.00	6,915.00
IDFC Bank	4,000.00	3,664.00
Total (B1)	**1,84,700.00**	**1,51,365.75**
B.2 Unsecured		
YES Bank	5,000.00	1,900.00
ICICI Bank	2,000.00	1,467.00
Total (B2 – Unsecured)	**7,000.00**	**3,367.00**
Total (B)	**1,91,700.00**	**1,54,732.75**
GRAND Total (A + B)	**2,71,895.00**	**2,22,216.70**

For details of the outstanding loans of our Company for the last three Fiscals, see "*Financial Information*" on page [•].

Principal terms of the borrowing currently availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the borrowing arrangement entered into by us.

1. ***Interest:*** The interest rate applicable to our borrowing facilities is typically tied to MCLR. The typical interest rate applicable to our borrowings ranges from 9% to up to 15%.

2. ***Tenor:*** The original tenor of the facilities availed by us typically ranges up from three months to 72 months.

3. ***Re-payment:*** The loans availed by us are typically repayable in quarterly instalments.

4. ***Pre-payment:*** Facilities availed by us have pre-payment provisions which typically allow for pre-payment of the outstanding loan amount with or without any prepayment penalty subject to prior notice of prepayment being issued to the lender. Certain facilities require consent of the lender for prepayment.

5. ***Security:*** In terms of the borrowings here security needs to be created, we are typically required to create a charge on the present and future assets of the Company including stocks, receivable and other movable assets, by way of Hypothecation.

6. ***Restrictive Covenants:*** The financing arrangement entered into by us entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities. For instance, certain corporate actions for which we require the prior written consent of the lender include:

   (a) to amend or modify the constitutional documents;

   (b) to change the constitution/composition;

   (c) to undertake any merger, de-merger, consolidation, reorganisation, dissolution, scheme of amalgamation or reconstruction or arrangement or compromise with our creditors or shareholders;

   (d) to effect any change to our capital structure

   (e) to not open any current account with any other than the consortium without the prior permission from it;

   (f) to not transfer controlling interest or making any drastic change in the management set up including resignation of promoter directors (including key managerial personnel

   (g) to undertake any new project or scheme of expansion or acquisition of fixed assets if such investment results in the breach of the financial covenants or diversion of working capital funds for financing loan term assets;

   (h) to effect any change in the capital structure where the shareholding of the existing promoter(s) gets (a) diluted below current level; or (b) leads to dilution in controlling stake for any reason (whichever is lower), without prior permission of the Bank for which 60 days prior notice shall be required; and

   (i) to do a buy back.

7. ***Events of Default:*** The term loan and other facilities availed by us contain certain standard events of default, including failure to make payment of any principal, interest, or parts thereof, or breach of any covenant under the loan agreement or sanction letter.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and Subsidiaries.

With respect to the financial and other covenants required to be complied with, by our Company and our Subsidiaries, in relation to our borrowings, see "*Risk Factors – Conditions and restrictions imposed by our financing arrangements may restrict our ability to conduct our business and operations*" on page [•].

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on the BSE, CSE and the NSE.

(i) The following tables set forth the reported high, low and average market prices of the Equity Shares on the BSE, CSE and the NSE on the dates on which such high and low prices were recorded for the preceding three years:

BSE

Fiscal	**High (₹)**	**Date of High**	**Volume on date of High (Number of Equity Shares)**	**Low (₹)**	**Date of low**	**Volume on date of Low (Number of Equity Shares)**	**Average market price of the Equity Shares for the year (₹)**
2019	90.00	April 6, 2018	67,603.00	50.20	December 10, 2018	2,79,115.00	67.19
2018	128.80	November 28, 2017	16,16,819.00	78.55	March 23, 2018	3,29,516.00	99.15
2017	118.50	September 7, 2016	63,971.00	86.85	March 29, 2017	1,20,133.00	102.96

(Source: www.bseindia.com)

CSE

The Scrip was last traded in 1997. Hence, the recent data is not available.

NSE

Fiscal	**High (₹)**	**Date of High**	**Volume on date of High (Number of Equity Shares)**	**Low (₹)**	**Date of low**	**Volume on date of Low (Number of Equity Shares)**	**Average market price of the Equity Shares for the year (₹)**
2019	89.50	April 13, 2018	2,41,204.00	50.15	December 10, 2018	19,91,193.00	67.19
2018	129.30	November 28, 2017	1,08,64,088.00	79.45	March 23, 2018	5,00,386.00	99.17
2017	117.95	April 20, 2016	1,89,789.00	84.90	November 9, 2016	6,76,129.00	102.95

(Source: www.nseindia.com)

Notes:
1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same high or low price, the date with the higher volume has been considered.*

(ii) The following tables set forth the reported monthly high and low market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

The total number of days trading during the past six months, from March 2019 to August 2019 was 122. The average volume of Equity Shares traded on the BSE was 20,852.00 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of High (Number of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (Number of Equity Shares)	Total Volume of Equity shares traded	Average price of Equity Shares for the month (₹)
March	74.90	March 13, 2019	3,56,313.00	58.20	March 1, 2019	12,222.00	17,01,381.00	67.88
April	72.15	April 15, 2019	30,738.00	66.75	April 5, 2019	11,809.00	3,17,620.00	68.83
May	77.95	May 31, 2019	43,934.00	60.55	May 15, 2019	14,936.00	5,78,182.00	67.64
June	77.40	June 3, 2019	20,404.00	67.05	June 14, 2019	16,515.00	4,78,523.00	70.47
July	70.55	July 4, 2019	10,638.00	46.40	July 31, 2019	9,988.00	3,36,949.00	57.86
August	55.15	August 8, 2019	89,954.00	42.65	August 23, 2019	8,851.00	3,40,597.00	47.70

(Source: www.bseindia.com)

CSE

The Scrip was last traded in 1997. Hence, the recent data is not available.

NSE

The total number of days trading during the past six months, from March 2019 to August 2019 was 122. The average volume of Equity Shares traded on the BSE was 1,56,173.00 per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Letter of Offer are as follows:

Month Year	High(₹)	Date of High	Volume on date of High (Number of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (Number of Equity Shares)	Total Volume of Equity shares traded	Average price of Equity Shares for the month (₹)
March 2019	75.00	March 13, 2019	35,61,125.00	58.40	March 1, 2019	1,10,475.00	86,28,670.00	67.92
April 2019	72.15	April 15, 2019	3,68,436.00	66.65	April 5, 2019	1,85,206.00	32,14,077.00	68.99
May 2019	77.50	May 31, 2019	4,16,848.00	60.65	May 16, 2019	79,797.00	56,02,415.00	67.68
June 2019	76.65	June 3, 2019	1,34,053.00	67.30	June 17, 2019	4,32,465.00	37,70,409.00	70.46
July 2019	70.30	July 1, 2019	1,05,200.00	46.20	July 31, 2019	1,62,299.00	37,02,915.00	57.91
August 2019	55.80	August 8, 2019	6,46,269.00	42.65	August 23, 2019	1,44,744.00	31,92,585.00	47.71

(Source:www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case two days with the same high or low price, the date with the higher volume has been considered*

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed below and in accordance with the materiality policy set out hereunder, there are no (i) outstanding criminal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors, (ii) outstanding actions taken by regulatory or statutory authorities involving our Company, our Subsidiaries, our Promoters and the Directors, (iii) outstanding claims relating to direct and indirect taxes involving our Company, our Subsidiaries, our Promoters and the Directors, (iv) other pending litigations involving our Company, our Subsidiaries, our Promoters and the Directors, which are identified as material in terms of the materiality policy adopted by our Board of Directors, as adopted pursuant to a board resolution dated August 8, 2019. Further, except as disclosed in the section, there are no disciplinary actions including penalties imposed by SEBI or a recognized stock exchange against our Promoters, in the last five Fiscals immediately preceding the date of this Letter of Offer, including any outstanding action.

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation pursuant to Board resolution dated August 8, 2019 to be disclosed by our Company in the Letter of Offer:

*Pursuant to the 'Materiality policy for identification of group companies, litigation and material creditors' ("**Materiality Policy**") as adopted by our Company, the materiality threshold for disclosure of any event/information (including the litigations) shall be (a) the aggregate amount of claim involved by or against the Company, its directors, promoters and subsidiaries in any such pending litigation is in excess of 0.25% of the turnover of the Company as per the Restated Ind AS Consolidated Summary Statements of the Company for Fiscal 2019; or (b) in the opinion of the board, any such litigation whether or not a monetary liability is quantifiable, an adverse outcome of which would materially and adversely affect the Company's business, prospects, operations, performance, financial position or reputation, irrespective of the amount involved in such litigation.*

Further, in relation to litigation involving the Group Companies, such litigation shall be considered material only after the impact of such litigation vis a vis the Company being adjudged as material by the Board (by way of a resolution). Accordingly, there are no outstanding litigation involving our Group Companies which have a material impact on our Company.

Further, our Board has considered pursuant to board resolution dated August 8, 2019, outstanding dues to any creditor of the Company having monetary value which exceeds 1% of the trade payables of the Company as per the latest Restated Ind AS Consolidated Summary Statements of the Company disclosed in the Offer Documents, shall be considered as material. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with the Company regarding status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder, as has been relied upon by its statutory auditors.

I. Litigation involving our Company

Litigation by our Company

A. Criminal Proceedings

NIL

B. Civil Proceedings

1. Our Company has filed a writ petition bearing number 9858 of 2015 ("**Writ Petition**") before the High Court of Delhi, seeking, *inter alia*, the recovery of ₹ 581.67 lakhs ("**Disputed Amount**") from the Indian Railways and for the determination of escalation costs. In the Writ Petition, our Company has alleged that the Indian Railways has wrongfully retained the Disputed Amount in respect of the invoices raised by our Company towards contracts executed for the manufacturing, fabrication and supply of various wagons. The matter is currently pending.

2. Our Company had filed an application dated November 20, 2000 before the court of the Sub-Judge I, Gatshila ("**Court**"), seeking a decree for the implementation of an arbitration award ("**Award**") passed in favour of

our Company and to make the Award a rule of the Court. Our Company had commenced arbitration proceedings in relation to disputes with the State of Jharkhand and others ("**Respondents**") in relation to the non-payment of escalated costs towards designing, manufacturing and commissioning of the Galudih Barrage Gates. By way of an order dated February 20, 2003 ("**Order**"), the Court awarded the decree in favour of our Company. The Respondents have filed appeals against the Order before the High Court of Jharkhand at Ranchi ("**High Court**"). The High Court directed the Respondents to deposit the amount indicated under the award with the High Court, and allowed our Company to withdraw the amount upon furnishing a bank guarantee of ₹517.48 lakhs Our Company has provided the bank guarantee and has received the amounts. The case is currently pending.

3. Our Company had entered into conciliation proceedings with NHPC Limited (the "**Respondent**") in relation to disputes arising out of contracts executed between our Company and the Respondent in relation to hydromechanical works for the TEESTA – V Hydro Electric Project. Our Company claimed that the Respondent had not paid the escalated price as per the price adjustment formula in the contracts. The conciliation proceedings were decided in favour of our Company, directing the Respondent to pay our Company a sum of ₹782.41 lakhs. However, no settlement agreement was executed with the Respondent. The matter is currently pending.

Litigation against our Company

A. Criminal Proceedings

1. The Inspector of Factories, West Bengal filed a case before the court of the Chief Judicial Magistrate, Barasat, against the against the occupier of our factory, Avtar Krishna Nanda and the manager of our factory, P.K Chatterjee, (together, the "**Accused**") alleging that the Accused had delayed the reporting of the accidental death of Ashok Kar, a worker at the factory, and that the Accused had allowed the negligent operating of the equipment installed at the factory. The case is currently pending.

2. The Inspector of Factories, West Bengal filed a case before the court of the Chief Judicial Magistrate, Barasat, against the against the occupier of our factory, Avtar Krishna Nanda and the manager of our factory, Ananta Rup Mitre, (together, the "**Accused**") alleging that the Accused had delayed the reporting of the accidental death of Babulal Prasad, a worker at the factory, and that the Accused had not provided adequate safety measures and had allowed the negligent operating of the equipment installed at the factory. The case is currently pending.

3. The Inspector of Factories, West Bengal filed a case before the court of the Chief Judicial Magistrate, Barrackpore, against the against the occupier of our factory, D H Kela and the manager of our factory, Uma Shankar Singh, (together, the "**Accused**") alleging that the Accused had not provided adequate safety measures and had allowed the negligent operating of the equipment installed at the factory, which had resulted in the death of Santosh Kumar Gupta, a worker at the factory. The case is currently pending.

4. The Inspector of Factories, West Bengal filed a case before the court of the Chief Judicial Magistrate, Barasat, against the manager of our factory, A R Mitra (the "**Accused**") alleging that the Accused had not provided adequate safety measures, which had resulted in the death of Sudhir Kumar Bagchi, a worker at the factory. The case is currently pending.

5. The Inspector of Factories, West Bengal filed a case before the court of the Chief Judicial Magistrate, Barasat, against the against the occupier of our factory, Avtar Krishna Nanda and the manager of our factory, Uma Shankar Singh, (together, the "**Accused**") alleging that the Accused had not provided adequate safety measures and had allowed the negligent operating of the equipment installed at the factory, resulting in the death of Tarak Das, a worker at the factory. The case is currently pending.

B. Civil Proceedings

NIL

II. Litigation involving our Subsidiaries

There are no outstanding legal proceedings involving our Subsidiaries.

III. Litigation involving our Directors

Litigation by our Directors

A. Criminal Proceedings

NIL

B. Civil Proceedings

1. Saroj Kumar Poddar has filed a complaint under Section 138 and 141 of the Negotiable Instruments Act, 1882, against Birla Power Solution Limited and other ("**Accused**"), before the Court of 11th Metropolitan Magistrate at Calcutta ("**Court**") in respect of dishonour of cheques of an aggregate amount of ₹200.00 lakhs. The matter is pending before the Court.

Litigation against our Directors

A. Criminal Proceedings

NIL

B. Civil Proceedings

NIL

IV. Litigation involving our Promoters

Litigation by our Promoters

A. Criminal Proceedings

NIL

B. Civil Proceedings

NIL

Litigation against our Promoters

A. Criminal Proceedings

NIL

B. Civil Proceedings

1. A civil suit has been filed by Nitin Gupta ("**Plaintiff**"), against Texmaco Infrastructure and Holdings Limited ("**Texmaco Infra**") claiming the refund for an amount of ₹236.00 lakhs (including interest) allegedly paid in cash by the Plaintiff to Texmaco Infra (such amount, the "**Disputed Amount**" and such action, the "**Suit**"). Texmaco Infra entered into an agreement dated May 21, 2013 with the Plaintiff and others (together the "**Buyers**") to sell a parcel of land, admeasuring 270 sq. meters, to the Plaintiff for a total consideration of ₹1,150.00 lakhs ("**Consideration**"). Out of the Consideration, only ₹175.00 lakhs ("**Partial Payment**") was paid to Texmaco Infra by the Buyers. Therefore, due to non-payment of the residual Consideration by the Buyers, the Partial Payment was returned by Texmaco Infra to the Buyers pursuant to a full and final settlement on June 29, 2016. The Plaintiff filed the Suit to claim a refund of the Disputed Amount allegedly paid by the Plaintiff to Texmaco Infra, in cash, as a part of the Consideration. Subsequently, Texmaco Infra,

filed a counterclaim against the Plaintiff claiming an amount of ₹219.55 lakhs as compensation for the loss caused to Texmaco Infra.

The Plaintiff also filed a first information report against Texmaco Infra ("**FIR**") on similar grounds, however, a cancellation report on the FIR has been filed on the grounds of the witness having turned hostile before the investigating officer. The matter is currently pending.

V. Tax Proceedings

Except as disclosed below, there are no tax proceedings involving our Company, our Subsidiaries, our Promoters, and our Directors:

Name of Entity	**Direct Tax Matters**		**Indirect Tax Matters**	
	Number of cases	**Amount involved (*₹in lakhs*)**	**Number of cases**	**Amount involved (*₹in lakhs*)**
Company				
Our Company	12	764.37	85	19,611.23
Promoter				
Texmaco Infrastructure & Holdings Limited	4	281.62	1	23.99
Zuari Investments Limited	-	-	15	61.08
Directors				
Saroj Kumar Poddar	1	6,083.87	Nil	Nil
Total	32	7,129.86	101	19,696.30

Outstanding dues to Creditors

As at March 31, 2019, we had 3,637 creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on March 31, 2019 was ₹ 55,649.43 lakhs, on a consolidated basis.

There are no micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, to whom our Company has outstanding dues as of March 31, 2019.

As per the materiality policy, creditors of our Company to whom an amount exceeding 1% of our total consolidated trade payables for the period ending March 31, 2019 was outstanding, were considered 'material' creditors. Based on this criterion, our Company had the following creditors as on March 31, 2019:

Type of creditors	**Number of creditors**	**Amounts due (*in ₹lakhs*)**
MSMEs	-	-
Material creditors	14	19,763.05
Other creditors	3,623	35,886.38
Total Outstanding Dues	3,637	55,649.43

The details pertaining to amounts due towards the material creditors are available on the website of our Company at https://www.texmaco.in/webfiles/doc/Notices/Material_Crediotrs.pdf. It is clarified that such details available on our website do not form a part of this Letter of Offer. Anyone placing reliance on any other source of information, including Company's website www.texmaco.in would be doing so at their own risk.

Material Developments

Except as disclosed elsewhere in this Letter of Offer, since March 31, 2019, the date of the last Restated Ind AS Consolidated Summary Statements included in this Letter of Offer, there have not arisen, any circumstances which materially and adversely affect, or are likely to affect, our profitability or operations taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months. For further details, see "*History and Other Corporate Matters*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page [•], respectively.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, we have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Letter of Offer. For details in connection with the regulatory and legal framework within which our Company operates, see "Regulations and Policies" on page [●].

For Issue related approvals, see "Other Regulatory and Statutory Disclosures" on page [●] and for incorporation details of our Company, see "History and Certain Corporate Matters" on page [●].

1. Approvals in relation to the Issue

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures - Authority for the Issue*" on page [●].

2. Material Approvals in relation to the business operations of our Company

1. Consent to operate from the West Bengal Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for our Company's manufacturing facility at Agarpara;
2. Consent to operate from the West Bengal Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for our Company's manufacturing facility at Belgharia;
3. Consent to operate from the West Bengal Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for our Company's manufacturing facility at Sodepur;
4. Licence to work a factory issued by the Directorate of Factories under the Factories Act, 1948 for our Company's manufacturing facility at Agarpara;
5. Licence to work a factory issued by the Directorate of Factories under the Factories Act, 1948 for our Company's manufacturing facility at Belgharia;
6. Licence to work a factory issued by the Directorate of Factories under the Factories Act, 1948 for our Company's manufacturing facility at Panihati; and
7. Licence to work a factory issued by the Directorate of Factories under the Factories Act, 1948 for our Company's manufacturing facility at Sodepur.

3. Certain other Material Approvals, as applicable

PAN, TAN, GST registrations issued by respective tax authorities under relevant tax statutes.

4. Applications for Material Approvals

1. Application dated December 25, 2018 for consent to operate from the West Bengal Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for our Company's manufacturing facility at Panihati.

5. Other approvals

In addition to the above, we have also obtained registrations under various employee, labour and shops and establishments related laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Employee State Insurance Act, 1948, the West Bengal State Tax on Professions, Trades, Callings and Employment Rules, 1979, the West Bengal Municipality Act 1993, and the West Bengal Shops and Establishments Act, 1963, as applicable.

OTHER REGULATORY AND STATUTORY DISCLOSURES

SECTION II - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to a resolution dated April 26, 2019. The Board in its meeting held on September 13, 2019 has determined the Issue Price as ₹ 46.70 per Rights Equity Share and the Rights Entitlement as 19 Rights Equity Shares for every 100 fully paid-up Equity Shares held on the Record Date. The Issue Price has been determined in consultation with the Lead Manager.

Our Company has received 'in-principle' approvals from BSE and NSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue through letters dated [●] and [●], respectively.

See also, "*Government and Other Approvals*" on page [●].

Prohibition by SEBI, the RBI and other Authorities

Our Company, our Promoters, the members of the Promoter Group, our Directors, and the persons in control of our corporate Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority or court.

Our Company, our Promoters and our Directors have not been identified as wilful defaulters by any bank or financial institution (as defined under the Companies Act) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our individual Promoter nor any of our Directors is a fugitive economic offender.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended

Our Company, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("**SBO Rules**"), to the extent applicable, as on the date of this Letter of Offer.

Under the Companies (Significant Beneficial Ownership) Rules, 2018, certain persons who are 'significant beneficial owners' ("**SBO**"), are required to intimate their beneficial holdings to the company in Form no. BEN-1 within 90 days from February 8, 2019. Upon receipt of a declaration by an SBO, companies are required to, within 30 days of receiving such declaration, file a return in Form no. BEN-2 with the relevant registrar of companies in respect of each such declaration received by the reporting company. Further, each company is required to maintain a register of SBOs in Form no. BEN-3 which shall be available for inspection to the shareholders of the company and is also required to give notice in Form no. BEN-4 to all its members who are not individuals) who hold more than 10% of the shares asking the members to, *inter-alia*, disclose information of the respective SBO of such member.

Directors associated with securities market

Except as disclosed below, none of the Directors are associated with the securities market in any manner:

- Saroj Kumar Poddar and Akshay Poddar are associated with Zuari Finserv Limited, a company registered with SEBI. No actions have been initiated against Zuari Finserv Limited in the five years preceding the date of this Letter of Offer.

There is no outstanding action initiated by the SEBI against the Directors in the five years preceding the date of this Letter of Offer.

Eligibility for the Issue

The Equity Shares of our Company are listed on the BSE, CSE and the NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations.

Pursuant to Clause (3) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part A of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 61 of the SEBI ICDR Regulations, to the extent applicable.

Our Company is in compliance with the conditions specified in Regulation 62, to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations and accordingly, our Company is eligible to make the Issue by way of a 'fast track issue':

1. the Equity Shares have been listed on the Stock Exchanges, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

2. the entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;

3. the average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹2,500 million;

4. the annualized trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period;

5. the annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-month period;

6. our Company has been in compliance with the equity listing agreement and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

7. our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;

8. no show-cause notices have been issued or prosecution proceedings have been initiated by the SEBI and are pending against our Company or our Promoters or the whole-time Directors as at the date of filing this Letter of Offer with the Designated Stock Exchange;

9. our Company, our Promoters, the members of the Promoter Group or our Directors have not settled any alleged violation of securities laws through the consent or settlement mechanism with the SEBI during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

10. the Equity Shares have not been suspended from trading as a disciplinary measure during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

11. there are no conflicts of interest between the Lead Manager and our Company or the Group Companies in accordance with applicable regulations;

12. the Promoters and members of the Promoter Group shall mandatorily subscribe to their Rights Entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group. For subscription by the Promoters and members of the Promoter Group and details in relation to

compliance with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, see "*Issue Information – Terms of the Issue – Subscription to the Issue by the Promoters and the Promoter Group*" on page [●]; and

13. there are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company in respect of those financial years for which such accounts are disclosed in this Letter of Offer.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER, ICICI SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, ICICI SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. THE SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS LETTER OF OFFER.

Disclaimer from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accept no responsibility for statements made other than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information, including our Company's website www.texmaco.in, or the respective websites of our corporate Promoters, Promoter Group or any affiliate(s) of our Company would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the Identified Jurisdictions. The information contained in this Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Filing

This Letter of Offer has been filed with the Stock Exchange and the SEBI at the SEBI Eastern Regional Office, 3rd Floor, L & T Chambers, 16, Camac Street, Kolkata – 700 017, West Bengal, India. Further, the Lead Manager have also made an online filing of this Letter of Offer through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Disclaimer Clause of the BSE

[●]

Disclaimer Clause of the NSE

[●]

Offering Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, the Abridged Letter of Offer or CAF and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an address in India.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with the SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction other than India and to foreign corporate or institutional Shareholders in Identified Jurisdictions, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer or CAF will not constitute an invitation or offer in those jurisdictions in which it would be illegal to make such an invitation or offer or would subject the Company or its Affiliates or the Lead Manager or its Affilates to any filing or registration requirements (other than India) and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, CAF and other offering materials must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer or CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer or CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer or CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction.

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF SUCH SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, (A) in the United States when the buy order is made or (B) outside India or the United States, and not a corporate person acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of such other jurisdiction. Envelopes containing a CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, the Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made and (a) is either in India or (b) is a corporate person acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of its jurisdiction, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States; (ii) does not include the relevant certification set out in the CAF headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States, is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such CAF.

For further details, see "*Restrictions on Subscriptions and Transfers*" on page [●].

Consents

Consents of our Directors, the Lead Manager, the Monitoring Agency, the legal advisor, the Registrar to the Issue and the Bankers to the Issue, to act in their respective capacities have been obtained in writing and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated September 9, 2019 from the Statutory Auditors, namely, L B Jha & Co, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a statutory auditor and in respect of their (i) examination report dated September 9, 2019 on the Restated Consolidated Statements, and (ii) report dated September 9, 2019 on the statement of possible special tax benefits. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Expert Opinion

Except as stated above, the Company has not obtained any expert opinions.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues of Equity Shares during the five years preceding the date of this Letter of Offer.

Commission or brokerage on previous issues in the last five years

Our Company has not paid any brokerage or commission on previous issues in the last five years.

Particulars in regard to our Company and listed Group Companies/Subsidiaries/Associates which made any capital issue during the last three years

None of our Subsidiaries are listed. Except as disclosed in the section "*Our Group Companies*" page [●], none of our listed Group Companies has undertaken any capital issue during the last three years.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issues in the five years preceding the date of this Letter of Offer. None of our listed Promoters have undertaken any public issue or rights issue during the five years preceding the date of this Letter of Offer.

Stock Market Data for Equity Shares

Our Equity Shares are listed on the BSE and the NSE. Our Equity Shares are actively traded on the BSE and the NSE. For details in connection with the stock market data of the BSE and the NSE, see "*Stock Market Data for the Equity Shares of Our Company*" on page [●].

Status of Outstanding Investor Complaints in relation to our Company

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Karvy Fintech Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Compliance Officer.

Our Company has received 52 investor complaints during the three years preceding the date of this Letter of Offer, none of the investor complaints are pending.

Investor complaints received by our Company are typically disposed off within the stipulated time period from the receipt of the complaint.

Status of outstanding investor complaints in respect of our Company

As at the date of this Letter of Offer, there are no outstanding investor complaints against our Company.

Status of Outstanding Investor Complaints in relation to our Subsidiaries and Group Companies

None of our Subsidiaries are listed. There are no investor complaints received by our listed Group Companies, that are listed in India, which are pending as at the date of this Letter of Offer.

Investor Grievances arising out of the Issue

Investors may contact the Registrar to the Issue at:

Karvy Fintech Private Limited
E-mail: einward.ris@karvy.com
Investor Grievance E-mail: trel.rights@karvy.com
Website: www.karvyfintech.com
Contact Person: Murali Krishna
SEBI Registration No.: INR000000221

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment Advice/share certificates/ demat credit/refund orders etc.

Neha Singh is the Compliance Officer of our Company. Her contact details are as follows:

Neha Singh
Belgharia
Kolkata – 700 056
West Bengal
Telephone: + 91 33 2569 1500
E-mail: neha.singh@texmaco.in;

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the ASBA Investors and Non-ASBA Investors proposing to subscribe to the Issue through the ASBA process and non-ASBA process, respectively. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI, or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice or share certificate.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 ("2009 ASBA Circular") and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 ("2011 ASBA Circular" and together with 2009 ASBA Circular, the "ASBA Circulars"), all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and may apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category. Provided, however, that all Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process.

ASBA Investors should note that the ASBA process involves procedures that may be different from the procedure applicable to the non-ASBA process. ASBA Investors should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "- *Procedure for Application*" on page [●].

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making Application in the Issue and clear demarcated funds should be available in such account for ASBA Applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the Application, for ensuring compliance with the applicable regulations.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of our Board of Directors of our Company approved at their meeting held on April 26, 2019 pursuant to Section 62 (1)(a) of the Companies Act.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in dematerialized form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, you are entitled to the number of Rights Equity Shares as set out in Part A of the CAF.

The distribution of this Letter of Offer, Abridged Letter of Offer, CAFs and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. We are making the issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address. Any person who acquires Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer and the CAFs, that it is not and that at the time of subscribing for the Rights Equity Shares, it will not be, in the United States and in other restricted jurisdictions.

Face Value

Each Rights Equity Share will have the face value of ₹ 1.

Issue Price

Each Rights Equity Share is being offered at a price of ₹46.70 per Rights Equity Share (including a premium of ₹45.70 per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 19 Rights Equity Shares for every 100 fully paid-up Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹ 46.70 per Rights Equity Share is payable on application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 19 Rights Equity Shares for every 100 fully paid-up Equity Shares held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 100 Equity Shares or not in the multiple of 100, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds between 100 and 199 Equity Shares, such Shareholder will be entitled to 19 Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded on BSE (Scrip Code: 533326; ISIN: INE621L01012), CSE (Scrip Code: 30285) and NSE (Symbol: TEXRAIL; ISIN: INE621L01012). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE, CSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●], from CSE through letter no. [●] dated [●] and from NSE through letter no. [●] dated [●]. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment.

The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the Master Circular for Depositories bearing number SEBI/HO/MRD/DP/CIR/P/2016/134, dated December 15, 2016 issued by the SEBI, be Allotted under a temporary ISIN to be kept frozen until final listing and trading approval is granted by the Stock Exchanges. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of the Basis of Allotment.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. For further details, see "*Payment of Refund*" on page [●].

Subscription to the Issue by the Promoters and the Promoter Group

Pursuant to letter dated September 9, 2019, our Promoters and Promoter Group, as applicable, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and do not intend to renounce such rights, except to the extent of renunciation within the Promoters and Promoter Group.

Rights of Equity Shareholders of our Company

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share. In case an Investor holds Equity Shares in the physical form, our Company would issue to the Allottees one certificate for the Equity Shares allotted to each folio (the "**Consolidated Certificate**"). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Investor.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

The nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all of the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Rights Equity Shares offered in the Issue. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages and obligations to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Shares, in the event of death of such Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Rights Equity Shares are held by more than one person jointly, the nominee shall become entitled to all rights in the Rights Equity Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Rights Equity Shares; or
- to make such transfer of the Rights Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Equity Shares himself, he/she shall deliver to our Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be allotted in the Issue under the same folio.

In case the Allotment of Rights Equity Shares is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective

Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of Kolkata, where our Registered Office is situated) and/or, will be sent by post to the addresses of the Eligible Equity Shareholders provided to our Company. Please note that our Company will dispatch this Letter of Offer, the Abridged Letter of Offer and the CAF only to Eligible Equity Shareholders holding Equity Shares as on the Record Date who have provided an address in India.

Procedure for Application

The CAF for the Rights Equity Shares offered as part of the Issue along with Abridged Letter of Offer would be printed for all Eligible Equity Shareholders. In case the original CAF is not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and his/her full name and address. In case the signature of the Investor(s) does not match with the specimen registered with our Company or the depository participant, the Application is liable to be rejected.

Please note that neither our Company, the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making an Application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both Applications.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations and subject to the conditions prescribed under the ASBA Circulars, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and may apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category. Provided, however, that all Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in the Issue.

CAF

The Registrar to the Issue will dispatch the CAF along with the Abridged Letter of Offer to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date.

Applicants may choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see "- *Application on Plain Paper (Non-ASBA)*" and "- *Application on Plain Paper under the ASBA Process"* on pages [●] and [●], respectively.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of the Issue, in full or in part, and for applying for additional Rights Equity Shares;

Part B: Form for renunciation of Rights Equity Shares;

Part C: Form for application of Rights Equity Shares by Renouncee(s); and

Part D: Form for request for SAFs.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in Rights Equity Shares, then such shareholder can:

- Apply for his/her Rights Entitlement of Rights Equity Shares in full;
- Apply for his/her Rights Entitlement of Rights Equity Shares in part;
- Apply for his/her Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his/her Rights Entitlement in full and apply for additional Rights Equity Shares; and
- Renounce his/her Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for your Rights Entitlement, either in full or in part, by filling Part A of the CAFs and submit such CAFs along with the Application Money payable to the Banker to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Investors at centers not covered by the collection branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Registrar to the Issue by registered post, speed post or courier so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that our Company, the Lead Manager or the Registrar to the Issue shall not be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such Applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see "- *Mode of Payment for Resident Investors*" and "- *Mode of Payment for Non-Resident Investors*" on pages [●] and [●], respectively.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favor of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, subject to sectoral caps and in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed under the section "- *Basis of Allotment*" on page [●].

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favor may also apply for additional Rights Equity Shares by indicating details of additional Rights Equity Shares applied for in place provided for additional Equity Shares in Part C of CAF.

Under the foreign exchange regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of Equity Shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Non-resident Investors who are not Eligible Equity Shareholders may not apply for Rights Equity Shares in addition to their Rights Entitlement, i.e., non-resident Renouncees who are not existing Shareholders cannot apply for additional Rights Equity Shares.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made in the manner prescribed under the section "- *Basis of Allotment*" on page [●].

For restrictions on applications for additional Rights Equity Shares pursuant to conditions imposed by the RBI, see also "- *Procedure for Application*" on page [●].

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favor of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register the Equity Shares in favor of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories); (iv) HUFs; or (v) any society or trust (unless such society or trust is registered under the Societies Registration Act, 1860, as amended or the Indian Trusts Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitutional documents or bye-laws to hold Rights Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favor of persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities or other laws.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favor of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favor renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part or the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under the Issue in favor of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company or the Depositories, the Application is liable to be rejected.

Renouncee(s)

The person(s) in whose favor the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the Application Money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three including you, who is or are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Rights Equity Shares offered, using the CAF.

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance	Fill in and sign Part A (*All joint holders must sign in the same sequence*)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (*All joint holders must sign in the same sequence*)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Rights Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (*all joint holders must sign in the same sequence*) requesting for SAFs. Send the CAF to the Registrar so as to reach on or before the last date for receiving requests for SAFs. Splitting will be permitted only once On receipt of the SAF take action as indicated below. (i) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. (ii) For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (*Joint Renouncees are considered as one*)	Fill in and sign Part B (*all joint holders must sign in the same sequence*) indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (*all joint Renouncees must sign*)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C

In case of Equity Shares held in physical form, Applicants must provide information in the Application as to their respective bank account numbers, name of the bank, to enable the Registrar to print such details on the refund order. Failure to comply with this may lead to rejection of the Application. In case of Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Options (3), (4) and (5) will not be available for Eligible Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the Application invalid.
- Request for each SAF should be made for a minimum of one Rights Equity Share or, in each case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.
- Request by the Eligible Equity Shareholders for the SAFs should reach the Registrar to the Issue on or before the close of business hours on the last date of receiving requests for SAFs as provided herein.

- Only the Eligible Equity Shareholder to whom this Letter of Offer and/or Abridged Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

- SAFs will be sent to Eligible Equity Shareholders by post or other means at the Applicant's risk.

- Eligible Equity Shareholders may not renounce in favor of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

- Submission of the CAF to the Banker to the Issue at their collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for use of the person(s) applying for Rights Equity Shares in Part C of the CAF to receive Allotment of such Rights Equity Shares.

- While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the corresponding CAF/SAF and in the same order and as per specimen signatures recorded with our Company or the Depositories.

- Non**-resident Eligible Equity Shareholders:** Application(s) received from Non-Residents or NRIs, or persons of Indian origin residing abroad for allotment of Rights Equity Shares allotted as a part of the Issue shall, *inter-alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or an NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his/her shareholding, he/she should enclose a copy of such approval with the CAF.

- Applicants applying through the non-ASBA process must write their corresponding CAF/SAF number at the back of the cheque/ demand draft.

- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in a reduced frequency, i.e., once a week. This may have an impact on timelines for the issuance of the final certificate by the Escrow Collection Banks. Hence, the CAF/SAF accompanied by non-CTS cheques could get rejected. In order to ensure listing of Rights Equity Shares issued and Allotted pursuant to the Issue in a timely manner, Applicants are advised to use CTS cheques or the ASBA facility to make payment.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number or DP and Client ID number and his/ her full name and address to the Registrar. Please note that the request for duplicate CAF should reach the Registrar within seven days prior to the Issue Closing Date. Please note that Applicants who are making the Application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received or found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of either original CAF or both the Applications. Our Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "- *Modes of Payment*" on page [●].

The envelope should be superscribed "Texmaco Rail & Engineering Limited – Rights Issue". The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Texmaco Rail & Engineering Limited ;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Share Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form (including DP ID and Client ID), if held in physical form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ 46.70 per Rights Equity Share;
- Particulars of cheque/ demand draft;
- Savings or current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order (in case of Equity Shares held by the Eligible Equity Shareholder in physical form). In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- If the payment is made by a draft purchased from NRE or FCNR or NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

  *"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand that this application should not be forwarded to or transmitted in or to the United States at any time, except to Qualified Institutional Buyers (as defined in the US Securities Act). I/we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States and is not a Qualified Institutional Buyer (as defined in the US Securities Act), or if such person is outside India and the United States, such person is not a*

corporate Shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that the Applicants who are making the Application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received or found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such Application Money to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, the Lead Manager or our Directors. In cases where multiple Applications are submitted, including cases where an Eligible Equity Shareholder submits CAFs along with a plain paper Application, such Applications shall be liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "-*Subscription to the Issue by the Promoters and the Promoter Group*" on page [●]). Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in Applications being rejected, with our Company, the Lead Manager, our Directors and the Registrar to the Issue not having any liability to the Eligible Equity Shareholders. The plain paper Application format will be available on the website of the Registrar to the Issue at www.karisma.karvy.com.

Last date for Application

The last date for submission of the duly filled in CAF or a plain paper Application is [●]. Our Board or any committee thereof, subject to the provisions of the Articles of Association may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF or the plain paper Application, together with the amount payable, is either: (i) not blocked with an SCSB; or (ii) not received by the Banker to the Issue or the Registrar to the Issue, on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or the Committee of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or the Committee of Directors shall be at liberty to dispose off the Rights Equity Shares hereby offered, as provided under the section "- *Basis of Allotment*" on page [●].

Modes of Payment

Mode of payment for Resident Investors

- All cheques / demand drafts accompanying the Application should be drawn in favor of "Texmaco Rail – Rights Issue – NR" crossed 'A/c Payee only' and should be submitted along with the Application to the Banker to the Issue or to the Registrar to the Issue on or before the Issue Closing Date.

- Investors residing at places other than places where the bank collection centers have been opened by our Company for collecting Applications, are requested to send their Applications together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn at par in favor of "Texmaco Rail – Rights Issue – R ", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach on or before the Issue Closing Date. The envelope should be super scribed "Texmaco Rail – Rights Issue – R". Our Company or the Registrar will not be responsible for postal delays or loss of Applications in transit, if any.

- Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the Application Money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards Applications by non-resident Investors, the following conditions shall apply:

- Individuals non-resident Indian Applications who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain Applications from the following addresses:

  Karvy Fintech Private Limited
  Karvy Selenium Tower B
  Plot No. 31-32
  Gachibowli, Financial District
  Nanakramguda,
  Hyderabad 500 032

- Applications from non-resident Investors in any jurisdiction will not be accepted where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws. Applications from non-resident Investors in any jurisdiction outside India will not be accepted when such person is not a corporate person. See "*Notice to Investors*" on pages [●].

- Non-resident Investors applying from places other than places where the bank collection centers have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft/cheque for the full Application Money, net of bank and postal charges, in case of application on a non-repatriable basis, drawn in favor of "Texmaco Rail – Rights Issue – NR, and in case of a repatriable basis, drawn in favor of "Texmaco Rail – Rights Issue – R ", each crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach on or before the Issue Closing Date. The envelope should be superscribed Texmaco Rail – Rights Issue – NR". Our Company or the Registrar will not be responsible for postal delays or loss of Applications in transit, if any.

- Payment by non-residents must be made by demand drafts, cheques or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);

- By cheque/draft drawn on an NRE or FCNR Account with the Escrow Collection Banks;

- By Rupee draft purchased by debit to NRE or FCNR Account maintained elsewhere in India and payable at par;

- FPIs registered with SEBI must utilize funds from special non-resident rupee account;

- Non-resident Investors with repatriation benefits should draw the cheques/ demand drafts in favor of "Texmaco Rail – Rights Issue – R", crossed "A/c Payee only" for full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue or collection centers or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the Application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account or Rupee Draft purchased out of NRO Account maintained elsewhere in India. In such cases, the Allotment of Rights Equity Shares will be on a non-repatriation basis.

- Non-resident Investors without repatriation benefits should draw the cheques/demand drafts in favor of "Texmaco Rail – Rights Issue – NR", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue or collection centers or to the Registrar.

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the Application shall be considered incomplete and is liable to be rejected.

- An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

- In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an Application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

- Applications received from non-residents, NRIs or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest and export of share certificates. NRIs who intend to make payment through NRO accounts shall use the form meant for resident Indians.

- In the case of NRs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account, details of which should be furnished in the appropriate columns in the CAF. In the case of NRs who remit their Application Money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U. S. Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Applicant's bankers.

Procedure for Application through the ASBA Process

The procedure for application through the ASBA process is set out below

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application has been blocked in the relevant ASBA Account.

Please note that in accordance with Regulation 76 of the SEBI ICDR Regulations and subject to the conditions prescribed under the ASBA Circulars, all Eligible Equity Shareholders who (a) hold Equity Shares in dematerialized form, (b) have not renounced their Rights Entitlement in part or in full, and (c) are not Renouncees, shall use the ASBA process to make an application in the Issue. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and may apply for Rights Equity Shares only through the non-ASBA process, irrespective of the application amounts/applicant category. Provided, however, that all Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process.

Self Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable. For details on Designated Branches of SCSBs collecting the CAFs, please refer the above mentioned SEBI links.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

In accordance with the eligibility conditions in the 2009 ASBA Circular and the SEBI ICDR Regulations, the option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialized form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialized form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not Renouncees;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their Applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the Application in their respective ASBA Accounts.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Applications with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to a Designated Branch of an SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors of our Company in this regard.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above the number of Rights Equity Shares that you are entitled to, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favor of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "- *Basis of Allotment*" on page [●].

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF.

For restrictions on applications for additional Rights Equity Shares pursuant to conditions imposed by the RBI, see also "- *Procedure for Application*" on page [●].

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment under ASBA process

The Investor applying under the ASBA Process agrees to block the entire Application Money with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the Application Money, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the Application Money mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act. The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire Application Money at the time of the submission of the CAF.

The SCSB may reject the Application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF, does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application only on technical grounds.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity

Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Rights Equity Shares, using the respective CAFs received from Registrar:

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (*All joint holders must sign in the same sequence*)
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares (*All joint holders must sign in the same sequence*)

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide necessary details as required. However, in cases where this option is not selected, but the CAF is tendered to a Designated Branch of an SCSB with the relevant details required under the ASBA process option and the SCSB blocks the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper under the ASBA Process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to a Designated Branch of an SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the bank account maintained with such SCSB.

The envelope should be superscribed "Texmaco Rail & Engineering Limited – Rights Issue". The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Texmaco Rail & Engineering Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ 46.70 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;

- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/we understand that this application should not be forwarded to or transmitted in or to the United States at any time, except to Qualified Institutional Buyers (as defined in the US Securities Act). I/we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States and is not a Qualified Institutional Buyer (as defined in the US Securities Act), or if such person is outside India and the United States, such person is not a corporate Shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that the Applicants who are making the Application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received or found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such Application Money to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, the Lead Manager or our Directors. In cases where multiple Applications are submitted, including cases where an Investor submits CAFs along with a plain paper Application, such Applications shall be liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*-Subscription to the Issue by the Promoters and the Promoter Group*" on page [●]). Investors are requested to strictly adhere to these instructions. Failure to do so could result in Applications being rejected, with our Company, the Lead Manager and the Registrar to the Issue not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar to the Issue at www.karisma.karvy.com.

Option to receive Rights Equity Shares in dematerialized form

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE RIGHTS EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) Application should be made on the printed CAF and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer and Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) ASBA Applicants are required to select ASBA option/mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.

(d) The CAF or plain paper Application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company, the Registrar or the Lead Manager. Eligible Equity Shareholders participating in the Issue other than through ASBA are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard.

(e) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.**

(f) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order is not acceptable in the ASBA process. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.

(h) In case of joint holders, all joint holders must sign the relevant part of the Application in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(i) All communication in connection with Applications for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

(j) Only the Eligible Equity Shareholders to whom the Rights Equity Shares have been offered shall be eligible to participate under the ASBA process. Renouncee(s) shall not be eligible to participate under the ASBA process.

(k) Only Eligible Equity Shareholders who are eligible to subscribe for Rights Entitlement and Rights Equity Shares in their respective jurisdictions under applicable securities laws are eligible to participate.

(l) Only the Eligible Equity Shareholders holding shares in demat form are eligible to participate through the ASBA process.

(m) Eligible Equity Shareholders who have renounced their entitlement in part or in full are not entitled to apply using the ASBA process.

(n) Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

(o) Please note that ASBA Applications may be submitted at all designated branches of the SCSBs available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable.

(p) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section *" - Applications on Plain Paper under the ASBA Process"* on page [●].

(q) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.

Do's:

(a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Rights Equity Shares will be allotted in the dematerialized form only.

(c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares applied for} X {Issue Price of Rights Equity Shares}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorized the SCSB for blocking funds equivalent to the total Application Money mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed such CAF.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

(g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the Demographic Details are updated, true and correct, in all respects.

(j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorizing such funds to be blocked.

(k) If you determine that your participation in the Issue through subscription to additional Rights Equity Shares (over and above the Rights Entitlement) or as a Renouncee will result in your post-Issue shareholding exceeding 5% or more of the post-Issue equity share capital of our Company, please seek approval of the RBI and attach a copy of such approval to the Application.

Don'ts:

(a) Do not apply if you are not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(c) Do not pay the Application Money in cash, by money order, pay order or postal order.

(d) Do not send your physical CAFs to the Lead Manager, the Registrar, the Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit such CAFs to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

(f) Do not apply if your ASBA account has been used for five Applications.

(g) Do not apply through the ASBA Process if you are not an ASBA Investor.

(h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for technical rejection under the ASBA Process

In addition to the grounds listed under section "- *Grounds for technical rejections for non-ASBA Investors*" on page [●], Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

(a) Application on a SAF.

(b) Application for allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.

(c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(d) Sending an ASBA Application on plain paper to any person other than a Designated Branch of an SCSB.

(e) Sending CAF to Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(f) Renouncee applying under the ASBA Process.

(g) Submission of more than five CAFs per ASBA Account.

(h) Insufficient funds are available with the SCSB for blocking the amount.

(i) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(j) Account holder not signing the CAF or declaration mentioned therein.

(k) CAFs that do not include the certification set out in the CAF to the effect that the subscriber is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations.

(l) Application by an Eligible Equity Shareholder which is eligible under the 2009 ASBA Circular, where the cumulative value of Rights Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.

(m) Multiple CAFs submitted by an Investor, including cases where an Investor submits CAFs along with a plain paper Application, other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*-Subscription to the Issue by the Promoters and the Promoter Group*" on page [●].

(n) Submitting the GIR instead of the PAN.

(o) An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

(p) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(q) ASBA Bids by an SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

(r) Applications by Applicants ineligible to make Applications through the ASBA process, made through the ASBA process.

(s) If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

(t) CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF or the plain paper Applications, as the case may be, the Registrar to the Issue will obtain from the Depository Demographic Details of these Investors. Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the Applications would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Applications, the Investors applying under the ASBA Process would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories.

The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the Application would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Applications are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "– *Investment by Mutual Funds*" below on page [●].

In cases where multiple CAFs are submitted, including cases where an Investor submits CAFs along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "- *Subscription to the Issue by the Promoters and the Promoter Group*" on page [●]).

Issue schedule

Issue Opening Date	**September 30, 2019**
Last date for receiving requests for SAFs	**October 14, 2019**
Issue Closing Date	**October 29, 2019**

Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favor, have applied for additional Rights Equity Shares will be made provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts**.**

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, share certificates, refund instructions to the clearing system in case of electronic refunds or letters of regret, as the case may be, along with refund orders or credit the Allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at the prescribed rate.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be delivered within two months from the date of Allotment thereof under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in the NRE or FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to applicable law and other approvals, in case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in U.S. Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into U.S. Dollars. The share certificate(s) will be sent by registered post or speed post to the address of the non-resident Eligible Equity Shareholders or Investors as provided to our Company.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. **NACH** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

2. **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Cod**e"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

4. **RTGS** – If the refund amount exceeds ₹200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the **IFSC** Code in the CAF. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For **all** other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

6. **Credit** of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

Where Applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the Applications made are accompanied by NRE, FCNR or NRO cheques, refunds will be credited to the respective accounts on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice, Share Certificates or Demat Credit

Allotment advice or share certificates or demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues an Allotment advice, the respective share certificates will be dispatched within 30 days from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Rights Equity Shares in Dematerialized Form

Please note that pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL and the Registrar to the Issue on November 1, 2010 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL and the Registrar to the Issue on November 2, 2010 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In the Issue, the Allottees who have opted for Rights Equity Shares in dematerialized form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the Application, after verification with a Depository Participant. Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice and refund orders (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to the Investor a confirmation of the credit of such Rights Equity Shares to the Investor's depository account. Applications which do not accurately contain this information will receive Allotment of the Rights Equity Shares in physical form. No separate Applications for Rights Equity Shares in physical and dematerialized form should be made. If such Applications are made, the Applications for physical Rights Equity Shares will be treated as multiple CAFs and are liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and the balance, if any, will be allotted in physical form. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to the Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares pursuant to the Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information (including the Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's Depository Participant.

- If incomplete or incorrect beneficiary account details are given in the Application, the Investor may receive Allotment of Rights Equity Shares in physical form.

- The Rights Equity Shares allotted to Applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the Application after verification.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

General instructions for non-ASBA Investors

(a) Please read the instructions printed on the CAF carefully.

(b) In accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

(c) Application should be made on the printed CAF, provided by our Company except as stated in the section "-*Application on* Plain *Paper*" on page [●] and should be complete in all respects. CAFs which are incomplete with regard to any of the particulars required to be given therein, or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, as applicable. The CAF must be filled in English and the names of all the Investors and other Demographic Details must be filled in block letters.

(d) The CAF together with the cheque or demand draft should be sent to the Banker to the Issue or the Escrow Collection Banks or to the Registrar and not to our Company or the Lead Manager. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorized by our Company for collecting Applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such Application is liable to be rejected.

Non-ASBA Applications where separate cheques or demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stock-invest are liable to be rejected.

(e) Except for Applications on behalf of the Central and the State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of Applications in joint names, each of the joint Investors, should mention their PAN allotted under the IT Act, irrespective of the amount of the Application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(f) Investors holding Equity Shares in physical form are advised that it is mandatory to provide information as to their savings or current account number, the nine digit MICR number and the name of the bank with which such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Applications not containing such details are liable to be rejected.

(g) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application money will be refunded and no interest will be paid thereon.

(h) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.

(i) In case of an Application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under the Issue and to sign the Application and a copy of the Memorandum of Association and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the documents need not be furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the Application is liable to be rejected. In no case should these papers be attached to the Application submitted to the Banker to the Issue.

(j) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor’s name and all communication will be addressed to the first Investor.

(k) Application(s) received from non-residents, NRIs or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, *inter-alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of Application Money, Allotment of Rights Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a non-resident or NRI has specific approval from the RBI, in connection with his/her shareholding, he/she should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from non-residents or NRIs in any jurisdiction where the offer or sale of the Rights Equity Shares may be restricted by applicable securities laws.

(l) All communication in connection with Applications for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Share Transfer Agent of our Company, in the case of Rights Equity Shares held in physical form and to the respective Depository Participant, in case of Rights Equity Shares held in dematerialized form.

(m) SAFs cannot be re-split.

(n) Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(o) Investors must write their CAF number at the back of the cheque or demand draft.

(p) Only one mode of payment per Application should be used. The payment must be by cheque or demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the center indicated on the reverse of the CAF where the Application is to be submitted.

(q) A separate cheque or demand draft must accompany each CAF. Outstation cheques, demand drafts or post-dated cheques and postal or money orders will not be accepted and Applications accompanied by such cheques, demand drafts, money orders or postal orders will be rejected. The Registrar will not accept payment against any Application if made in cash.

(r) No receipt will be issued for Application money received. The Escrow Collection Banks or the Registrar will acknowledge receipt of the Application money by stamping and returning the acknowledgment slip at the bottom of the CAF.

(s) The distribution of this Letter of Offer and issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Such persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

(t) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.

(u) In case of non – receipt of CAF, Application can be made on plain paper mentioning all necessary details as mentioned under the section *"- Application on Plain Paper (Non-ASBA)" on page* [●].

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply, i.e. ,you are an Eligible Equity Shareholder on the Record Date.

(b) Read all the instructions carefully and ensure that the cheque or draft option is selected in Part A of the CAF and necessary details are completed.

(c) In the event you hold Equity Shares in dematerialized form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Rights Equity Shares will be Allotted in dematerialized form only.

(d) Ensure that the value of the cheque or draft submitted by you is equal to the (number of Rights Equity Shares applied for) X (Issue Price of Rights Equity Shares) before submission of the Application form. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorized by us for collecting Applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges.

(e) Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.

(f) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim, officials appointed by the courts and persons/entities not required to hold PAN under applicable law.

(g) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(h) Ensure that the demographic details are updated, true and correct, in all respects.

(i) If you determine that your participation in the Issue through subscription to additional Rights Equity Shares (over and above the Rights Entitlement) or as a Renouncee will result in your post-Issue shareholding exceeding 5% or more of the post-Issue equity share capital of our Company, please seek approval of the RBI and attach a copy of such approval to the Application.

Don’ts for non-ASBA Investors:

(a) Do not apply if you are not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection center.

(c) Do not pay the Application Money in cash, by money order, postal order or stockinvest.

(d) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Grounds for technical rejections for non-ASBA Investors

Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable.

- Bank account details (for refund) are not given and the same are not available with the Depositories (in the case of dematerialized holdings) or the Registrar and Share Transfer Agent (in the case of physical holdings).

- Age of Investor(s) not given (in case of Renouncees).

- Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for an Application of any value.

- In case of CAF under power of attorney or by limited companies, bodies corporate, societies, trusts etc., relevant documents are not submitted.

- If the signature of the Investor does not match the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with the Depositories.

- CAFs which are not submitted by the Investors within the time periods prescribed in the CAF and this Letter of Offer.

- CAFs not duly signed by the sole or joint Investors.

- CAFs or SAFs by OCBs not accompanied by a copy of an RBI approval to apply in the Issue.

- CAFs accompanied by stockinvest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

- In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

- CAFs that do not include the certification set out in the CAF to the effect that the subscriber is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations.

- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws).

- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

- In case the GIR number is submitted instead of the PAN.

- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

- Multiple CAFs, including where an Investor submits CAFs along with a plain paper Application, other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*-Subscription to the Issue by the Promoters and the Promoter Group*" on page [●].

- Non-ASBA Applications from persons eligible to apply under the ASBA process.

- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before completing the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Investment by FPIs

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government of India from time to time.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA 20, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

In terms of FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The categorization and manner of holding of Equity Shares by FPIs is also subject to FEMA 20.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, or unlisted debt securities or securitized debt instruments as its underlying) directly or indirectly, only in the event: (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who do not satisfy the conditions specified under Regulation 4 of the SEBI FPI Regulations.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the conditions prescribed by the SEBI from time to time, including: (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Investment by NBFC – SI

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, Applications by VCFs or FVCIs will not be accepted in the Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. **Accordingly, Applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue.** Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such eligible AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, Applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by Regulation 5 of FEMA 20.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI ICDR Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Rights Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹5 million or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in the Issue.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Banker to the Issue, the Registrar or the Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money received/blocked will be refunded. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at the prescribed rate.

For further instructions, please read the CAF carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(e) Where release of block on the Application Money for unsuccessful Investors or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(f) Other than any Equity Shares issued pursuant to exercise of employee stock options under the ESOS Schemes, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under-subscription etc.

(g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI.

Minimum subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount within the prescribed time after the Issue Closing Date, our Company and the Directors who are "officers in default" become liable to refund the subscription amount along with interest for the delayed period, as prescribed under applicable law.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed "Texmaco Rail & Engineering Limited – Rights Issue" on the envelope to the Registrar at the following address:

Karvy Fintech Private Limited
Karvy Selenium, Tower B
Plot no. 31 & 32
Gachibowli Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

ARTICLES OF ASSOCIATION OF TEXMACO RAIL & ENGINEERING LIMITED

TABLE A EXCLUDED

Article 1 provides that "the regulations contained in in Table A in schedule 1 of the Companies Act, 1956 shall not apply in so far as they are not modified or altered herein under".

INTERPRETATION CLAUSE

Article 2 provides that "Unless the context otherwise requires:

(i) The Company or this company means **TEXMACO RAIL & ENGINEERING LIMITED.**

(ii) The words or expressions contained in these Articles shall bear same meaning as in the Act.

(iii) "**The Act**" means the Companies Act, 1956 or any statutory modification thereof and "Section" shall mean a section of the said Act.

(iv) "**The Seal**" means the Common Seal of the Company.

(v) The "**Office**" means the Registered Office of the Company.

(vi) Words importing singular shall include plural and vice versa and words importing the masculine gender shall include females and the words importing person shall include body corporate.

(vii) "**Month**" and "**Year**" means a calendar month and a year means from 1st April of one year to 31st March of the following year.

(viii) Expressions referring to "**writing**" shall be construed as including reference to printing, lithography, photography and other modes of, representing or reproducing words in a visible form.

(ix) "**The Register**" means the Register of Members to be kept pursuant to the Act."

AUTHORISED SHARE CAPITAL

Article 3 provides that "The Authorised Share Capital of the Company is ₹l ,97,00,00,000 (Rupees one hundred ninety-seven crore), divided into 1,97,00,00,000 (One hundred ninety seven crore) equity shares of ₹1 (Rupee one) each, with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time being, with power to increase and reduce the share capital of the Company and to divide the shares in the share capital for the time being into several classes and to attach there to respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company"

SHARE UNDER CONTROL OF BOARD

Article 5 provides that "The shares shall be under the control of the Board who subject to the provisions of the Act may classify, allot or otherwise dispose of the same to such persons on such terms and conditions and either at a premium or at par or at a discount and at such time as the board thinks fit and with full power to call for the allotment of any share either at par or at a premium or at a discount and for such time and for such consideration as the directors may think fit, provided that no option or right to call shall be given to any person except with the sanction of the Company in general meeting."

DIRECTORS MAY ALLOT SHARES OTHERWISE THAN FOR CASH

Article 6 (3) provides that "The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in one way and partly in the other."

ALTERATION IN CAPITAL

Article 48 provides that "The Company in General Meeting by ordinary resolution may:

(a) Increase its authorised share capital by such amount as it thinks expedient by creating new shares.

(b) Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares.

(c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

(d) Subdivide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association subject to the provisions of Section 94 (I) ('d') of the Act.

(e) Reduce its capital in any manner authorised by Section 100 to 105 of the Act.

The powers conferred by the Article may be exercised by an ordinary resolution, except in the case of reduction of capital when the exercise of the power in that behalf shall be by a special resolution. The Company shall give due notice to the Registrar of Companies of any such alteration in Capital."

PAYMENT OF COMMISSION AND BROKERAGE

Article 6 provides the following:

1 "The Company may exercise the powers of paying commissions conferred by section 76 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section.

2 Subject to the provisions of the section 76 of the Act, the rate of the commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be, and in case of debentures 2½% (two and half percent) of the price at which debentures are issued.

3 The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in one way and partly in the other.

4 The company may also pay such brokerage as may be lawful on any issue of shares or debentures."

POWER TO INCREASE OR REDUCE CAPITAL

Article 4 provides that "The Company shall have the power to increase or reduce the capital for the time being of the company and to divide the shares in the capital into several classes with rights, privileges or conditions as may be determined. The company may issue preference shares which shall, or at the option of the company shall be, liable to be redeemed."

CALLS

Article 14 provides that "the Board may, from time to time, make such calls on uniform basis, as it thinks fit upon the members in respect of all moneys unpaid on the shares(whether on account of the nominal value of the shares or by way of premium) held by them and not by conditions of allotments thereof made payable at fixed time and each such member shall pay the amount of every call so made on him to the person and at the time and places appointed by the Board. A call may be made payable by instalments."

Article 15 provides that "The joint holders of shares shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such shares."

Article 16 provides the following:

1 "A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed unless the same is expressly made effective on any other date under such resolution.

2 Not less than 14 days' notice of any call shall be given specifying the place and time of payment and to whom such call shall be paid; provided that Board may, subject to section 9 1 of the Act, by notice in writing to member, revoke the call or extend the time of payment thereof."

Article 17 provides that "If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount of instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given and all provisions herein contained in respect of calls for future or otherwise shall relate to such amount or instalment accordingly."

Article 18 provides that "If the sum payable in respect of any call of installment be not paid on or before the day appointed for payment thereof the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 9 (nine percent) per annum (or at such other rate as the Board may determine) from the day appointed for the payment thereof to the time of actual payment but the Board shall be at liberty to waive payment of the interest wholly or in part."

Article 19 provides that "the Board may, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance, or so much thereof, as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made upon the shares in respect of which such advance has been made and the Company may pay interest at such rate not exceeding nine (9) percent per annum or as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or participate in profits. Money so paid in excess of the amount of calls until appropriated towards satisfaction of any call shall be treated as advance to the Company and not a part of capital and shall be repayable at any time if the Directors so decide."

LIEN

Article 28 provides that "the Company shall have first and paramount lien upon all partly paid up shares registered in the name of such each member (whether solely or jointly with others), and shall also have such lien upon the proceeds of sale thereof for his debts, liabilities and engagements, solely or jointly with any other persons to or with any Company in respect of the shares in question and no equitable interest in any such shares shall be created except upon the footing and condition, that provisions of these presents are to have full effect, and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as waiver of the Company's lien, if any, on such shares.

Provided that the Company's lien shall be extended to money called or made payable at a fixed time in respect of such shares."

Article 29 provides that "no member shall exercise voting right in respect of any shares registered in his names on which any calls or other sums, presently payable by him, have not been paid or in regard to which the Company has exercised any right of lien."

Article 30 provides that "the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists and is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency."

Article 31 provides that "the net proceeds of any such sale shall be applied in or towards satisfaction of the debts, liabilities or engagements of such member, his executors, administrators or representatives and the residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the persons entitled to the shares at the date of the sale."

Article 32 provides that "Upon any sale after forfeiture or enforcing lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered, in the register of members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damaged only."

FORFEITURE

Article 20 provides that "If any member fails to pay the whole or any part of any call, or installment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or installment or other money remain unpaid serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all the expenses that may have been incurred by the Company by reasons of such non payment."

Article 21 provides that "the notice shall name a day (not being less than 14 days from the date of notice) and a place on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the share in respect of which such call was made or installment is payable will be liable to be forfeited."

Article 22 provides that "if the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of call or installment, interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect and the forfeiture shall be recorded in the Directors' Minute Book. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture."

Article 23 provides that "when any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and entry of the forfeiture with date thereof shall forthwith be made in the register of the members."

Article 24 provides that "any share so forfeited shall be deemed to be the property of the Company and the directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit."

Article 25 provides that "any member whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all calls, installments, interests, and expenses owing upon or in respect of such shares at the date of the forfeiture, together with interest thereon from the time off or feature until payment at the rate of 9% (nine percent) per annum and the Directors may enforce the payment thereof, if they think fit."

Article 26 provides that "the forfeiture of a share shall involve the extinction of all interest in and also of all claims, demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by Articles are expressly saved."

Article 27 provides that "a duly certified declaration in writing that the declarant is a Director of the Company and the certain shares in the Company have duly been forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares; and such declaration, and the receipt of the Company for the consideration, if any, given for the share on the sale or disposition thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as holder thereof and shall not be bound to see the application of the purchase money, nor shall his title to such shares be effected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposition."

GENERAL MEETING

Article 27 provides the following:

1 "The company shall hold statutory meeting and annual general meeting as provided under section 165 and 166 of the Act.

2 All general meetings other than annual general meeting shall be called extra ordinary general meetings."

Article 58 provides the following:

1 “The board may, whenever it thinks fit, call an extra ordinary general meeting.

2 If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director of the company may call an extra-ordinary general meeting in the same manner, or as nearly as possible, as that in which such a meeting may be called by the Board.”

Article 59 provides the following:

1 “No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

2 Save as herein otherwise provide, five members present in person shall be a quorum.”

Article 60 provides that “the chairman, if any, of the Board shall preside as chairman at every general meeting of the company.”

Article 61 provides that “if there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, of the meeting, the directors present shall elect one of the their members to be the chairman of the meeting.”

Article 62 provides that “if at any meeting no director is willing to act as chairmen or if no director is present within fifteen minutes after the time appointed for holding the meeting, the member present shall choose one of their members to be the chairman of the meeting.”

Article 63 provides the following:

1 “The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

2 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

3 When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

4 Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.”

Article 64 provides that “in the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded shall be entitled to a second or casting vote.”

Article 65 provides that “any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.”

VOTING

Article 66 provides that “subject to any rights or restrictions for the time being attached to any class or classes of shares-

(a) On a show of hands, every members present in person shall have, one vote; and

(b) On a poll the voting rights of members shall be as laid down in section 87 of the Act.

Article 67 provides that “in the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted in the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the register of members."

Article 68 provides that "a member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian on a poll vote by proxy."

Article 69 provides that "no member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid."

Article 70 provides the following:

1 "No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

2 Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive."

Article 71 provides that "the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the undertaking of the poll; and in default the instrument of proxy shall not be treated as valid."

Article 72 provides that "an instrument appointing a proxy shall be in either of the forms in schedule IX to the Act or a form as near thereto as circumstances permit."

EQUAL RIGHTS OF MEMBERS

Article 51 provides that "the holders of stocks shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividend and profits of the Company) shall be conferred by any such part of stock as would not, it existing in shares have conferred that privilege or advantage."

PROXY

Article 73 provides that "a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used."

BOARD OF DIRECTORS

Article 75 provides that "subject to the provision of the Companies Act, 2013, the Company in general meeting or the Board of Directors may at any time appointment Directors not more than fifteen."

Article 100 provides that "subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, the Company in General Meeting or the Board of Directors may at any time appoint one or more Directors as Managing Director(s) or Whole Time Director(s) on such remuneration, terms and conditions as may be decided by them on such Meeting. Except the Chairman, all other Whole Time or Managing Director(s) shall be liable to retire by rotation.

Subject to the provisions of the Act a manager or secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any manager or secretary so appointed may be removed by the Board."

Article 102 provides that "subject to the provision of section 269 and 314 of the Act a Director may be appointed as manager secretary."

Article 103 provides that "a provision of the Act or these Articles requiring or authorising a thing to be done by a director and the manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of, the manager or secretary."

DIRECTOR'S REMUNERATION

Article 77 provides the following:

1 "Each Director will be entitled to be paid out of the funds of the Company by way of remuneration for his services, such sums as may be fixed by the Directors but not exceeding such sum as may be prescribed by the Act or the Central Government from time to time, for any meeting of the Board or Committee attended by him. The Directors shall also be remunerated for any extra service done by them outside their duties as defined by these regulations. The Directors shall also be paid any travelling and other expenses of attending and returning from meeting of the Board (including hotel expenses) and any other expenses properly incurred in connection with the business of the Company.

2 Any Director performing extra services or making any special exertion for any of the purposes of the Company or who is a managing or whole time director, may be paid such fixed sum or remuneration either by way of monthly payment or at a specified percentage of profit or in any other manner as the Company may determine, subject to the provisions of the Act.

3 The remuneration of the directors shall, in so far as it consist of a monthly payment, be deemed to accrue from day to day.

4 In addition to the remuneration payable to them in pursuance of the Articles the directors may be paid all travelling hotel and other expenses properly incurred by them.

   (a) In attending and returning from meetings of the Board of Directors of any committee thereof or general meetings of the Company; or

   (b) In connection with the business of the Company."

CHAIRMAN OF THE BOARD

Article 90 provides the following:

1 "A committee may elect a chairman of its meetings.

2 If no such chairman is elected, or if at any meeting the chairman is not present or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the member present may choose one of their members to be the chairman of the meeting."

CASUAL VACANCY

Article 83 (1) provides that "the Board of Directors shall also have power to fill a casual vacancy in the Board. Any Director so appointed shall hold office only so long as the vacating Director would have held the same if no vacancy had occurred."

ALTERNATE DIRECTORS

Article 83(2) provides that "the Board may appoint any person to act as an alternate director for a Director during the latter's absence for a period of not less than three months form the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, which he holds office as an alternate director, shall be entitled to notice of meeting and to attend and vote thereto accordingly; but he shall "ipso facto" vacate office, if and when the absent Director returns to the State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director."

ADDITIONAL DIRECTORS

Article 82 provides the following:

1 "The Board shall have power at anytime, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the article 75 above.

2 Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act."

CORPORATION/ NOMINEE DIRECTOR

Article 84A provides that "in the event of the Company borrowing any money from the Industrial Development Bank of India (IDBI), or Industrial Finance Corporation of India Limited (IFCI) or the Industrial Credit and Investment Corporation of India Limited (ICICI), or Life Insurance Corporation of India (LIC), or Unit Trust of India (UTI), or General Insurance Corporation of India (GIC), or any Government body or Financial Institution or Bank while, any money remains due to the said Corporation or the Government body or the Institution or Bank the said Corporation, the Government body and Institution or Bank shall have and may exercise the rights and powers to appoint from time to time any person or persons to be a Director or Directors of the Company. Any person or persons so appointed may at any time be removed from office by the said Corporation or Government body who may from the time of such removal or in case of death or resignation of the person or persons so appointed, appoint any other person or persons in his/their place. Any such appointment or removal shall be in writing signed by the Corporation or Government body and served on the Company. Such nominated directors shall not be required to hold any qualification shares nor they will be liable to retire by rotation provided that at no time the Directors not liable for retirement should not exceed 1/3rd of the number of the company for the time being."

MEETING OF THE BOARD

Article 85 provides the following:

1 "The Board of directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, subject to the provisions of section 285 of the Act.

2 A director may, and manager or secretary on the requisition of a director shall at any time, summon a meeting of the Board."

Article 86 provides the following:

1 "Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

2 In case of an equality of votes, the chairman of the meeting shall have a second or casting vote."

Article 87 provides that "the continuing directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors of that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose."

Article 88 provides the following:

1 "The Board may elect a chairman of its meetings and determine the period for which he is to hold office.

2 If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may chose one of their number to be the chairman of the meeting."

Article 89 provides the following:

1 " The Board may subject to the provisions of the Act,. delegate any of its powers to a committee consisting of such member of its body as it thinks fit.

2 Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board."

POWERS OF BOARD

Article 94 provides that "subject to the provisions of the Act the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do ail such acts and things as the Company is authorised to exercise and do ; provided that the Board shall not exercise any power or do any act or thing which it directed or required, whether by the Act or any other stature or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power of doing any such act or thing, the Board shall be subject to the provision in that behalf contained in the Act or any other Statute or in the Memorandum of Association of the Company or in these A rticles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general Meeting and no such regulations shall invalidate any prior act of the Board which would have been valid if that regulation had not been made."

Article 95 provides that "subject to and in accordance with the provisions of the Act, the Board shall retain and employ such staff as may be necessary for carrying on the business of the Company. The salary or other remuneration of such staff shall be defrayed by the Company, and all or any of such staff be engaged exclusively for the Company or jointly with other concerns."

BORROWING POWERS

Article 96 provides the following:

1 "The Board may from time to time at its discretion subject to the provisions of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum of sums of money for purposes of the Company.

2 The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thanks fit, and in particular, by the issue of bonds perpetual or redeemable debentures or debenture-stock, or mortgage, charge or other security on the undertaking or the whole any part of the property of the Company (both present and future), including its uncalled capital for the time being."

Article 97 provides that "if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board may by instrument under the Company's seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for his to collect money in respect of calls made by the Board on members in respect of such uncalled capital and the provisions herein before contained in regard to call shall mutatis mutandis apply to calls made under such authority; and such authority may be made exercisable either conditionally or unconditionally either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be."

Article 98 provides that "debentures, bonds and other securities may be made assignable free from any equities, between the Company and the persons to whom the same may be issued."

Article 99 provides that "subject to the provisions of the Act any debenture, bonds or other securities may be issued by the Company at a discount, premium or otherwise, with any special privileges as to redemption, surrender, drawings, Shares, appointment of Directors or otherwise. Debentures and bonds with right to allotment of or conversion into shares shall not be issued except with sanction of the Company in general meeting and compliance of the provisions of the Act."

DIVIDENDS

Article 105 provides that "the company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board."

Article 106 provides that "the Board may from time to time pay to the members such interim dividends as appear to it be justified by the profits of the Company."

Article 107 provides the following:

1 "Subject to the provision of the Act, The Board may before recommending any dividend set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such applications, may, at the like discretion, either be employed in the business of the company or be invested in such investment (other than shares in the company) as the Board may from time to time, think fit.

2 The Board may also carry forward any profits which it may think prudent not to divide, without setting then aside as a reserve."

Article 108 provides the following:

1 "Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of where the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the nominal amounts of the shares.

2 No amount paid or credited as paid on a shares in advance of call shall be treated for the purposed of this Article as paid on the share.

3 Unless otherwise decided by the Board all dividend shall be allotted and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that is shall rank for dividend as from a particular date such share shall rank for dividend accordingly. 109.The Board may deduct from any dividend payable to any member all sums of money, if any presently payable by him to the company on account of calls or otherwise in relation to the shares in the company subject to section 205 of the Act."

Article 110 provides that "all dividend remaining unpaid shall be dealt with in the manner as provided under section 205A of the Companies Act, 1956."

Article 111 provides the following:

1 "Any dividend, interest on other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.

2 Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. 112.Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share."

Article 113 provides that "notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act."

Article 114 provides that "no dividend shall bear interest against the Company except as provided under law."

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, will be made available for inspection at our Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September 18, 2019 between our Company and the Lead Manager.
2. Registrar Agreement dated September 10, 2019 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated September 10, 2019 among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents in relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of incorporation upon incorporation, fresh certificates of incorporation upon changes in name of our Company.
3. Resolution of our Board dated April 26, 2019 approving the Issue.
4. Resolution of the Capital Issue committee dated September 13, 2019, finalizing the terms of the Issue, including the Issue Price, the Record Date and the Rights Entitlement Ratio.
5. Consents of our Directors, Compliance Officer, Statutory Auditor, Lead Manager, Bankers to the Company, Banker to the Issue, Legal Counsel to the Company as to Indian law and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
6. The examination reports dated September 9, 2019 of the Statutory Auditors on the Restated Consolidated Financial Information included in this Letter of Offer.
7. Statement of Special Tax Benefits dated September 9, 2019 from the Statutory Auditors.
8. Tripartite Agreement dated November 1, 2010 between our Company, NSDL and Karvy Fintech Private Limited.
9. Tripartite Agreement dated October 21, 2010 between our Company, CDSL and Karvy Fintech Private Limited.
10. Bright Power Scheme of Amalgamation.
11. Kalindee Rail Scheme of Amalgamation.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Saroj Kumar Poddar	**Akshay Poddar**
Sandeep Fuller	**Amal Chandra Chakrabortti**
Utsav Parekh	**Sunil Mitra**
Kaarthikeyan Devarayapuram Ramasamy	**Damodar Hazarimal Kela**
Mridula Jhunjhunwala	**Indrajit Mookerjee**
Ashok Kumar Vijay	**Girish Chandra Agrawal**

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Ashok Kumar Vijay
(Executive Director and Chief Financial Officer)

Date:
Place: