TITAGARH RAIL SYSTEMS LIMITED

(Formerly Titagarh Wagons Limited)

Titagarh Rail Systems Limited (our "**Company**" or the "**Issuer**") was originally incorporated as 'Titagarh Wagons Limited' a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated July 3, 1997, issued by the Registrar of Companies, Kolkata, West Bengal, India. Consequently, the name of our Company was changed to 'Titagarh Rail Systems Limited' and a fresh certificate of incorporation pursuant to such name change was issued by the RoC on May 19, 2023. For details of changes to our Registered Office, see "*Organisational Structure – changes to Registered Office*" on page 214.

Registered Office: Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India.
Corporate Office: Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India.
Contact Person: Dinesh Arya, Company Secretary and Chief Compliance Officer | **Telephone:** +91 33 4019 0800 | **E-mail:** investors@titagarh.in | **Website:** www.titagarh.in
CIN: L27320WB1997PLC084819

Issue of [●] equity shares of face value ₹ 2 each of our Company ("**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating to ₹ [●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 41.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT READ WITH RULE 14 OF THE PAS RULES, OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 51 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Our Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on December 6, 2023 was ₹ 966.10 and ₹ 966.80 per Equity Share, respectively. In-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, have been received from BSE and NSE on December 7, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules (as defined hereinafter), as amended. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (as defined hereinafter). This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. For further details, see "*Issue Procedure*" on page 240. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

The information on the websites of our Company, Subsidiary, Associate or Joint Ventures or any other website directly or indirectly linked to the websites of our Company, Subsidiary, Associate, Joint Ventures, or the websites of the Book Running Lead Managers (as defined hereinafter) or any of its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated December 7, 2023.

BOOK RUNNING LEAD MANAGERS	
HSBC	nuvama
HSBC Securities and Capital Markets (India) Private Limited	**Nuvama Wealth Management Limited (*Formerly Known as Edelweiss Securities Limited*)**

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiary, our Associate, our Joint Ventures and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, Subsidiary, our Associate, our Joint Ventures and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, Subsidiary, our Associate, our Joint Ventures and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, Subsidiary, our Associate, our Joint Ventures and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as on the date of this Preliminary Placement Document and neither our Company nor the BRLMs have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. HSBC Securities and Capital Markets (India) Private Limited and Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) (the "**Book Running Lead Managers**" or "**BRLMs**") have made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue, our Company, our Subsidiary, our Associate, our Joint Ventures and the distribution of Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates other than our Company in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiary, our Associate and our Joint Ventures and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("SEC"), any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLMs or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document or any offering material in connection with

the Equity Shares. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 7, 257 and 265, respectively of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Except for India, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiary, our Associate, our Joint Ventures and the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLMs are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. Further, this Preliminary Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

The information on the websites of our Company, Subsidiary, or any other website directly or indirectly linked to

the websites of our Company, Subsidiary, Associate, Joint Ventures or the websites of the Book Running Lead Managers (as defined hereinafter) or any of its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PRELIMINARY PLACEMENT DOCUMENT OR APPROVED OR DISAPPROVED THE EQUITY SHARES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE LAW OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO U.S. QIBS AND IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND (B) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS", AS DEFINED, AND IN RELIANCE ON, REGULATION S UNDER AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES ARE MADE. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTIONS "*SELLING RESTRICTIONS*" AND "*TRANSFER RESTRCITIONS AND PURCHASE REPRESENTATIONS*" ON PAGES 257 AND 265, RESPECTIVELY.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively.

Any information about our Company available on any website of the Stock Exchanges, our Company or the BRLMs, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By Bidding for and/or subscribing to any of the Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representation and Transfer Restrictions*" on pages 3, 257 and 265, respectively and have represented, warranted and acknowledged and agreed to our Company and to each of the BRLMs, as follows:

- You are a "qualified institutional buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable laws in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI, Stock Exchanges or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document, having a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under Schedule II of FEMA Rules, or (ii) a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- You are eligible to invest and hold the Equity Shares of our Company in accordance with consolidated FDI Policy and press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and Rule 6 of the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. Please note additional requirements or requirements apply if you are within the United States. For details, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively;

- You are aware that this Preliminary Placement Document and the Placement Document have not and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or

any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified, or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges only for the purposes of their records and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid-up and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results

to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

- You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 51;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares.

You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' of our Company (as defined under the Companies Act and the SEBI ICDR Regulations), and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoter or a person related to the Promoters;

- You agree that in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting

rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

(b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that none of the BRLMs, any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates, or any person acting on their behalf or any of the counsel or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 257 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and

"*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 265 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Purchaser Representations and Transfer Restrictions*" on page 265;

- If you are within the United States, you are a U.S. QIB, who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB in terms of Rule 144A of the U.S. Securities Act, for investment purposes only, and not with a view to, or for offer or sale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;

- If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction" within the meaning of Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

- You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S of the U.S. Securities Act) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) thereof. You understand and agree that the Equity Shares are transferrable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Kolkata, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document.

- Each of the representations, warranties, acknowledgements, and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with the consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate. However, affiliates of the Book Running Lead Managers, which are Eligible FPIs, may purchase, to the extent permissible under applicable law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 14;

- Our Company, the BRLMs, their respective affiliates, directors, officers, counsel, employees, shareholders, representatives, agents, associates, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLMs, who are registered as Category I FPIs, 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 in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to the Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;

It should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "bidders", "investors", "offeree", "potential investor", "prospective investors", "purchaser", "subscriber", and "recipient" are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to this Issue, references to "our Company", the "Company", or the "Issuer" are to Titagarh Rail Systems Limited *(formerly Titagarh Wagons Limited)* on a standalone basis and references to "our", "us", "we", or "Group" are to our Company together with its Subsidiary, Associate and Joint Ventures on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or 'USA' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Preliminary Placement Document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs unless stated otherwise. One lakh represents "0.10 million" or 0.01 crores". Further, certain figures in the "*Industry Overview*" section of this Preliminary Placement Document have been presented in millions and billions. Our Audited Consolidated Financial Statements for Fiscals 2023, 2022 and 2021, Unaudited Consolidated Financial Statements for the six months periods ended September 30, 2023 and September 30, 2022 and Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months period ended September 30, 2023, are prepared in lakhs and have been presented in this Preliminary Placement Document in lakhs for presentation purposes.

In this Preliminary Placement Document, references to "lakh(s)" represent "100,000", "million" represents "10 lakhs" or "10,00,000", "crore(s)" represents "1,00,00,000" or "10 million" or "100 lakhs", and "billion" represents "1,00,00,00,000" or "1,000 million" or "100 crore".

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires, all references to the terms "Fiscal(s)", "Financial Year", "Fiscal Year" or "FY", refer to the 12-month period ending March 31 of that particular year. Unless stated otherwise or unless context requires otherwise, the financial data in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements and the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements.

Our Company has published its Audited Consolidated Financial Statements for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months period ended September 30, 2023 and Unaudited Consolidated Financial Results for the quarter and six months period ended September 30, 2023 and September 30, 2022 in Indian Rupees in lakhs and have been presented in this Preliminary Placement Document. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

- Audited consolidated financial statements of our Company, its Subsidiary, Associate and Joint Ventures, as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**");

- Unaudited consolidated financial results of our Company, its Subsidiary, Associates and Joint Ventures, as at and for the quarter and six months ended September 30, 2023 and September 30, 2022 prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations (the "**Unaudited Consolidated Financial Results**"); and

- Unaudited Interim Special Purpose Condensed Consolidated Financial Statements for our Company, its Subsidiary, Associates and Joint Ventures for the six month period ended September 30, 2023, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India (the "**Unaudited Interim Special Purpose Condensed Consolidated Financial Statements**").

In accordance with Section 139 of the Companies Act, Price Waterhouse & Co Chartered Accountants LLP and M/s. Salarpuria & Partners, Chartered Accountants, have been appointed as our Joint Statutory Auditors. Price Waterhouse & Co Chartered Accountants LLP was appointed pursuant to a board resolution dated August 13, 2022 and a shareholders resolution dated September 15, 2022, for a period of 5 years, commencing from the conclusion of the 25th AGM till the conclusion of the 30th AGM of our Company. M/s. Salarpuria & Partners, Chartered Accountants was appointed pursuant to a board resolution dated September 4, 2023 and a shareholders resolution dated September 29, 2023, for a period of 5 years, commencing from the conclusion of the 26th AGM till the conclusion of the 31st AGM of our Company. For details, see "*Our Statutory Auditors*" on page 301.

Our statutory auditors, Price Waterhouse & Co Chartered Accountants LLP have audited our Audited Consolidated Financial Statements as at and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and have issued audit reports dated May 24, 2023, May 30, 2022 and June 8, 2021, respectively, on such financial statements.

Our statutory auditors, Price Waterhouse & Co Chartered Accountants LLP have reviewed our Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2022 and have issued review report dated November 14, 2022, on such financial results and our Joint Statutory Auditors have reviewed our Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2023, and have issued review report dated October 18, 2023, on such financial results.

Our Joint Statutory Auditors have reviewed our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements for the six months period ended September 30, 2023 and have issued review report dated December 7, 2023, on such financial statements.

The Audited Consolidated Financial Statements, the Unaudited Consolidated Financial Results and the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements should be read along with the respective audit reports or review reports, as applicable.

The unaudited consolidated financial results for the quarter and six months ended September 30, 2022 included the financial information of Firema which was based on the unaudited management accounts approved by the board of directors of Firema and in respect of such unaudited consolidated financial results a qualified review report was issued by our earlier statutory auditors (now one of our Joint Statutory Auditors). Accordingly, the consolidated financial results as of and for the quarter and six months ended September 30, 2023 are not directly comparable with the consolidated financial results of our Company as of and for the quarter and six months ended September 30, 2022. For further information, see "Risk Factors - *Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30,*

2022, and Joint Statutory Auditor have issued a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. Further, our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included emphasis of matter paragraphs in their audit report on the audited consolidated financial statements as of and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and in their review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023." Further, Firema ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company and therefore, the audited consolidated financial statements as of and for the year ended March 31, 2023 are not directly comparable with the audited consolidated financial statements as of and for the year ended March 31, 2021 and 2022. See "*Presentation of Financial and Other Information*" on page 16 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information"* on page 168.

Our Company presents its annual financial statements as per Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements as per Ind AS 34. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements or Unaudited Consolidated Financial Results or Unaudited Interim Special Purpose Condensed Consolidated Financial Results to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements or the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements or the Unaudited Consolidated Financial Results included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document, Ind AS, the Companies Act and the SEBI ICDR Regulations should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. See *"Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our results of operations, financial condition and cash flows."* on page 82.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise stated or unless context requires otherwise, all figures as at or for respective year/ period end are from or derived from the Audited Consolidated Financial Statements or Unaudited Consolidated Financial Results or Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, are in decimals and have been rounded off to two decimal points, as has been presented in the Audited Consolidated Financial Statements, Unaudited Consolidated Financial Results and Unaudited Interim Special Purpose Condensed Consolidated Financial Statements. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

For further details, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 161.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margin, PBT Margin, Return on Equity, Return on Capital Employed and Net Debt to EBITDA Ratio (together referred as "**Non-GAAP Measures**") presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS or any other generally accepted accounting principles. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS or any other generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS or any other generally accepted accounting principles. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity. See "*Risk Factors – Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, PBT Margin, Return on Capital Employed, Return on Equity and Net Debt to EBITDA have been included in this Preliminary Placement Document. These non-GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable*." on page 75.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Preliminary Placement Document has been obtained or derived from publicly available information as well as other industry publications and sources including the *"Industry Research Report on Railway Wagons, Passenger Coach and Propulsion System"* dated November 2023 (the "**CARE Report**") prepared by CARE Analytics and Advisory Private Limited ("**CareEdge Research**"), that we have commissioned and paid for the purpose of the Issue. CareEdge Research is not related in any manner to our Company, its Promoters, its Directors, its Subsidiary, its Associate or the BRLMs Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

Accordingly, neither the accuracy nor completeness of information contained in the CARE Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

While we have taken reasonable care in the reproduction of the information from the CARE Report, neither we nor the BRLMs have independently verified this market and industry data, nor do we or the BRLMs make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the BRLMs can assure potential Investors as to their accuracy. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CARE Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the CARE Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks*." on page 75. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "estimate", "expect", "goal", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, strategies, objectives, business plans and prospects are forward-looking statements. The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our expected results of operations, financial condition, liquidity, prospects, growth, strategies (including, without limitation, any financial or operating projections or forecasts), business plans and dividend policy of our Company and the industry in which we operate. The forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. In addition, even if the results, performance, achievements or developments are consistent with the forward-looking statements contained in this Preliminary Placement Document, they may not be indicative of results, performance, achievements or developments in subsequent periods.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results, performance, or achievements to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- We derive a significant portion of our revenue from the Indian Railways. Any adverse change in the policy of the Ministry of Railways, Government of India may lead to our contracts being foreclosed, terminated, restructured or renegotiated;
- We depend on a few suppliers for our primary raw material i.e., steel and any delay, interruption or reduction in the supply of steel to manufacture our products;
- Our current order book may not necessarily translate into future income in its entirety or could be delayed. Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our customers;
- A slowdown or shutdown in our manufacturing operations or the under-utilization of our manufacturing facilities; and
- Our operations involve activities and materials which are hazardous in nature and could result in a suspension of operations and the imposition of civil or criminal liabilities

Additional factors that could cause our actual results, performance, or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" and on pages 51, 161, 105 and 145 respectively.

The forward-looking statements contained in this Preliminary Placement Document attributable to us are based on the beliefs of our management, as well as the assumptions made by, and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

The forward-looking statements contained in this Preliminary Placement Document speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document,

and neither we nor the BRLMs undertake any obligation to update or revise any of them, whether as a result of new information, future events, change in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors, Key Managerial Personnel and the members of the Senior Management of our Company named in this Preliminary Placement Document, are residents of India and all of the assets of such persons and a substantial portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction that is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the BRLMs cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and other foreign currencies, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period end[1]	Average[2]	High[3]	Low[4]
Fiscal ended*				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Month ended*				
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.12	82.28
July 31, 2023	82.25	82.15	82.68	81.81
June 30, 2023	82.04	82.23	82.64	81.88

(Source: www.rbi.org and www.fbil.org.in)

(in ₹ per EUR)

	Period end[1]	Average[2]	High[3]	Low[4]
Fiscal ended*				
March 31, 2023	89.61	83.72	90.26	78.34
March 31, 2022	84.66	86.56	90.51	83.48
March 31, 2021	86.10	86.67	90.31	81.50
Month ended*				
November 30, 2023	91.48	89.99	91.64	88.04
October 31, 2023	88.32	87.84	88.49	87.07
September 30, 2023	87.94	88.74	89.62	87.34
August 31, 2023	90.22	90.37	91.06	89.17
July 31, 2023	90.58	90.84	92.29	89.15
June 30, 2023	89.13	89.07	89.97	88.07

(Source: www.rbi.org and www.fbil.org.in)

Notes:

1. *The price for the period end refers to the price as on the last trading day of the respective annual or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

** In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. High, low and average are based on the RBI reference rate and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" on pages 105, 282, 287 and 305, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
our Company / the Company / the Issuer	Titagarh Rail Systems Limited *(formerly Titagarh Wagons Limited)*, a company incorporated in India under the Companies Act, 1956, having its Registered Office at Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India.
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company and its Subsidiary, Associate and Joint Ventures

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company as amended from time to time
Associate	Titagarh Firema SPA
Audit Committee	Audit committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 217
Audited Consolidated Financial Statements	Collectively, the audited consolidated financial statements of our Company and its Subsidiary, Associate and Joint Ventures as at and for the financial years ended March 31, 2023, 2022 and 2021 which have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, each comprising of the consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the years then ended, and notes to the respective consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Board of Directors/ Board/ our Board	The Board of Directors of our Company, or a duly constituted committee thereof
Chairman and Managing Director, designated as Executive Chairman	The chairman and managing director, designated as executive chairman of the Board of Directors of our Company, being Jagdish Prasad Chowdhary
Chief Financial Officer and Director (Finance)	The whole-time director and chief financial officer, designated as director (finance) and chief financial officer, being Anil Kumar Agarwal
Corporate Office	Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 217
Director(s)	Director(s) of our Company, unless otherwise specified
ESOS 2014	TWL's Employee Stock Option Scheme 2014
ESOS 2023	Titagarh Rail Systems Limited - Employee Stock Option Scheme 2023
Equity Shares	The equity shares of our Company of face value ₹ 2 each
Independent Director(s)	The independent directors of our Company, namely, Atul Joshi, Sunirmal Talukdar, Manoj Mohanka, Krishan Kumar Jalan, Sushil Kumar Roongta, Nayantara Palchoudhuri, Bontha Prasada Rao and Debanjan Mandal

Term	Description
Joint Ventures	As on date of this Preliminary Placement Document, the joint ventures of our Company, namely, Titagarh Mermec Private Limited, Ramkrishna Titagarh Rail Wheels Limited and Titagarh Firema Engineering Services Private Limited
Key Managerial Personnel/ KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further described in "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 231
Management Committee	Management committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 217
Managing Director designated as Vice Chairman	The managing director designated as vice chairman and managing director of the Board of Directors of our Company, being Umesh Chowdhary
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company as disclosed in "*Board of Directors and Senior Management*" on page 217
Non-Executive Director(s)	Non-executive director(s) of our Company, unless otherwise specified
Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting
Preference Shares	The preference shares of face value of ₹ 10 each
Promoter(s)	The promoters of our Company, namely, Titagarh Capital Management Services Private Limited, Jagdish Prasad Chowdhary, Jagdish Prasad Chowdhary (on behalf of the Chowdhary Foundation) and Savitri Devi Chowdhary
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
QIP Committee	The qualified institutions placement committee constituted by our Board
Registered Office	Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India
Risk Management Committee	Risk management committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 217
RoC / Registrar of Companies	Registrar of Companies, West Bengal at Kolkata
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Joint Statutory Auditors	The joint statutory auditors of our Company, namely, Price Waterhouse & Co Chartered Accountants LLP and M/s. Salarpuria & Partners, Chartered Accountants
Scheme of Amalgamation I	Scheme of amalgamation between our Company, Titagarh Steels Limited and Titagarh Biotec Private Limited
Scheme of Amalgamation II	Scheme of amalgamation between our Company, Cimmco Limited and Titagarh Capital Private Limited
Senior Management / SMP	Members of the senior management of our Company as determined in accordance with the Regulation 2(bbbb) of the SEBI ICDR Regulations. For details, see *"Board of Directors and Senior Management"* on page 217
Subsidiary	As on date of this Preliminary Placement Document, the subsidiary of our Company, namely, Titagarh Singapore Pte Ltd. Further, our Company held investment in Titagarh Wagons AFR, a subsidiary of our Company, which is under the control of liquidators.
Unaudited Interim Special Purpose Condensed Consolidated Financial Statements	The unaudited interim special purpose condensed consolidated financial statements of the Company, its Subsidiary, Associate and Joint Ventures, comprising of its consolidated condensed Balance Sheet as at September 30, 2023, and the consolidated condensed Statement of profit and loss (other comprehensive income), the consolidated condensed consolidated statement of cash flows and selected explanatory notes for the period then ended, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India
Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company, its Subsidiary, Associate and Joint Venture as at and for the quarter and six months ended September 30, 2023 and September 30, 2022 prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to Bidders on the basis of Application Forms submitted by them, in consultation with the Book Running Lead Managers and in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" should be construed accordingly
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bidder(s)	An Eligible QIB who has a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date inclusive of both dates during which Bidders can submit their Bids including any revision and/or modifications thereof
Book Running Lead Managers/ BRLM(s)	The book running lead managers to the Issue namely, HSBC Securities and Capital Markets (India) Private Limited and Nuvama Wealth Management Limited (*Formerly Known as Edelweiss Securities Limited*)
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the allocation of Equity Shares to such QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such QIBs
Category I FPIs	FPIs who are registered as Category I foreign portfolio investors under the SEBI FPI Regulations
Category II foreign portfolio investor(s)	FPIs who are registered as Category II foreign portfolio investors under the SEBI FPI Regulations
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [●], 2023
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the Book Running Lead Managers
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottee's demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Account	The account titled "*TRSL – QIP ESCROW ACCOUNT 2023*"to be opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited
Escrow Agreement	The agreement dated December 7, 2023 entered into amongst our Company, the Escrow Agent and the Book Running Lead Managers
Escrow Bank/ Escrow Agent	ICICI Bank Limited
Floor Price	The floor price is ₹ 976.10 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special

Term	Description
	resolution passed on December 2, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
Issue	The issue and Allotment of [●] Equity Shares each at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2023, the last date up to which the Application Forms shall be accepted by our Company (or the Book Running Lead Managers, on behalf of our Company)
Issue Opening Date	December 7, 2023, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the Book Running Lead Managers on behalf of our Company)
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	The aggregate size of the Issue, aggregating up to ₹ [●] lakhs
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated December 7, 2023 entered into by and amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the Net Proceeds
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	The agreement dated December 7, 2023 between our Company and the BRLMs
Placement Document	The Placement Document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules thereunder
Preliminary Placement Document	This Preliminary Placement Document dated December 7, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being private placement to QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	December 7, 2023, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue
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	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting

Term	Description
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded annual growth rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013 / Companies Act	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Control	As defined under Regulation 2(i)(e) of the Takeover Regulations
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations
DIN	Director identification number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary general meeting
Factories Act	Factories Act, 1948
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII Regulations	The erstwhile Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIIs	Foreign institutional investors as defined under Regulation 2(g) of the SEBI FPI Regulations and registered as such with the SEBI
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GBP	Pound Sterling
GDP	Gross domestic product
GoI/ Government	Government of India
GST	Goods and Services Tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Income-tax Act/ IT Act	The Income-tax Act, 1961, as amended
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Generally accepted accounting principles in India as notified by the MCA pursuant to Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
ISO	International Organisation for Standardisation
IT	Information Technology
ITAT	Income Tax Appellate Tribunal

Term	Description
LLP	Limited Liability Partnership
Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NRI	Non-Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
P-Notes	Participatory Notes
p.a.	Per annum
PAN	Permanent account number
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit for the period/year
PAT Margin	Profit for the period/year divided by Revenue from operations
Profit Before Tax Margin	Profit before tax divided by Revenue from operations
RBI Act	The Reserve Bank of India Act, 1934, as amended
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Revenue from operations	Revenue from operations is net of Goods and Service Tax as applicable
RoC	Registrar of Companies, West Bengal at Kolkata
ROCE	EBIT divided by Capital Employed
ROE	Profit for the period/year divided by Total Equity
Rule 144A	Rule 144A under the U.S. Securities Act
₹/ Rs. / Rupees/ Indian Rupees	The legal currency of India
S&P CNX NIFTY	Standard And Poor's CNX Nifty
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SENSEX	An index of 30 constituent stocks traded on BSE representing a sample of large, liquid and representative companies
SEZ	Special Economic Zone
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Supreme Court	Supreme Court of India
Takeover Regulations	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America and its territories and possessions
VCF	Venture capital fund as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

Technical and Industry Terms

Term	Description
AFTO	Automobile Freight Train Operator

Term	Description
CCMS	Coach Condition Monitoring System
CPI	Consumer Price Index
DPR	Detailed Project Report
EoTT	End-of-Train Telemetry
EMU	Electrical Multiple Unit
GFCF	Gross Fixed Capital Formation
GHG	Greenhouse Gas
GoA 4	Grade of Automation Level 4
GQ/GD	Golden Quadrilateral-Golden Diagonal
GVA	Gross Value Added
HSR	Mumbai-Ahmedabad High-Speed Rail
IIP	Index of Industrial Production
LDAC	Long Distance AC passengers
LDNA	Long Distance Non-AC passengers
LHB	Indian Railways-Linke Hofmann Busch
LWIS	Liberalised Wagon Investment Scheme
MEMU	Mainline Electric Multiple Unit
NIP	National Infrastructure Policy
NRP	National Rail Plan
NTKM	Net Tonne Kilometres
PDD	Pre-departure Detention
PLI	Production-linked Incentive
PPP	Public-Private Partnership
Ro-Ro	Roll-on, Roll-off
RTIS	Real-Time Train Information System
TCMS	Train Control and Management Systems
WLS	Wagon Leasing Scheme

SUMMARY OF BUSINESS

OVERVIEW

Established in 1997, we are a comprehensive rail mobility systems provider in the railway industry with over 25 years of experience. We are one of the largest wagon manufacturers and had a market share of 18% to 22% in railway ordering in India in terms of total tenders from Fiscal 2012 to Fiscal 2023 and had the largest market share of 25% to 30% in India in terms of total tenders from Fiscal 2020 and Fiscal 2023. (*Source: CARE Report*) We are an approved vendor for the Indian Railways. We presently operate under two business segments:

Freight Rail Systems Segment: We design and manufacture freight rolling stocks such as freight wagons, flat wagons, hopper wagons, tank wagons, box wagons, car carrying wagons, covered wagons and special purpose wagons brake vans for various purposes including container transportation, mining products, fuel, cement and bagged products. In May 2022, we received the largest order placed by the Indian Railways in the last ten years (*Source: CARE Report*) for the manufacture and delivery of 24,177 wagons. Further, this segment encompasses our shipbuilding, bridges and defence ("**SBD**") business, in which we manufacture products including (i) coastal research vessels, naval vessels, passenger ships and cargo ferry vessels, and tugs; (ii) metal canisters, and integrated field shelters for the Indian Air Force; and (iii) bailey bridges, steel modular bridges and unibridges. The following table sets forth certain details of our freight rail systems segment:

Freight Rail Systems[(1)]	**As of/ for the year ended March 31, 2021**	**As of/ for the year ended March 31, 2022**	**As of/ for the year ended March 31, 2023**	**As of/ for the six months ended September 30, 2022**	**As of/ for the six months ended September 30, 2023**
	(in ₹ lakhs)				
Revenue from operations	96,374.16	1,21,436.40	2,25,093.47	79,625.89	154,694.01
Order Book	102,362.00	129,487.00	853,039.00[(2)]	859,500.00	804,149.11[(2)]

[(1)] *During the last quarter of Fiscal 2023, considering the changes in the overall business activities and internal re-organisation, the operating segments were re-assessed, and the "Shipbuilding, Bridges and Defence" segment was merged with freight rolling stock. Accordingly, the operating segments of the Company have been identified as "Freight Rail Systems" (which includes Shipbuilding Bridges and Defence) and "Passenger Rail Systems" and the above table reflects this change for the year ended March 31, 2023 and six months period ended September 30, 2023.*

[(2)] *Excludes order size amounting to ₹ 12,35,459.61 lakhs for supply of forged wheels to Indian Railways which will be executed through a joint venture "Ramkrishna Titagarh Rail Wheels Limited". As of the date of this Preliminary Placement Document, our Company holds 49.00% of the paid-up equity share capital of Ramkrishna Titagarh Rail Wheels Limited.*

Passenger Rail Systems Segment: We offer a diverse portfolio of products to meet the demands of modern rail travel. We manufacture and supply passenger coaches for semi-high-speed trains, electric multiple-unit trainsets and urban rail systems. The following table sets forth certain details of our passenger rail systems segment:

Passenger Rail Systems	**As of/ for the year ended March 31, 2021**	**As of/ for the year ended March 31, 2022**	**As of/ for the year ended March 31, 2023**	**As of/ for the six months ended September 30, 2022**	**As of/ for the six months ended September 30, 2023**
(in ₹ lakhs)					
Revenue from operations	54,107.07	65,771.68	52,865.57	20,767.09	29,927.03
Order Book	3,84,098[(1)]	5,47,000[(1)]	5,69,073[(2)]	1,08,500.00	6,84,455.94[(2)]

[(1)] *Includes order book of Titagarh Firema S.p.A, Italy amounting to ₹ 2,64,300 lakhs as on March 31, 2021 and ₹ 4,29,200 lakhs as on March 31, 2022, which ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company. As of the date of this Preliminary Placement Document, our Company holds 49.70% of the paid-up equity capital of Titagarh Firema S.p.A, Italy.*

[(2)] *Excludes order size amounting to ₹ 13,47,360.00 lakhs for maintenance of Vande Bharat which will be executed through a joint venture which is to be incorporated with Bharat Heavy Electricals Limited.*

We supply our products to the Indian Railways, metro authorities and customers in the private sector. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our revenue from sales to the Indian Railways was ₹ 75,221.86 lakhs, ₹ 86,292.93 lakhs, ₹ 1,72,441.14 lakhs and ₹ 59,688.32 lakhs, respectively, representing 49.47%, 44.69%, 62.04% and 57.45% of our total revenue from operations, respectively. Further, based on our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, our revenue from sales to the Indian Railways for six months ended September 30, 2023, was ₹ 86,263.27 lakhs, representing 46.72% of our total revenue from operations.

We have vertically integrated manufacturing operations which allow us to manage production processes in-house, from design and development to manufacturing and delivery. We have four manufacturing facilities, of which two are located at Titagarh in West Bengal, one is located at Uttarpara in West Bengal and the other one is located at Bharatpur in Rajasthan. While our manufacturing facility at Uttarpara in West Bengal ("**Uttarpara Facility**") is engaged in the manufacturing of aluminium and stainless-steel passenger coaches, and production of propulsion systems (including traction motors, traction convertors and train control and management systems ("**TCMS**")), our manufacturing facility at Titagarh in West Bengal ("**Titagarh Facility I**") is engaged in the manufacturing of freight wagons, wagon components and shipbuilding and the other manufacturing facility at Titagarh in West Bengal ("**Titagarh Facility II**") is engaged in the manufacturing of foundry items for the freight rolling stock. Furthermore, our manufacturing facility at Bharatpur in Rajasthan ("**Bharatpur Facility**") is engaged in the manufacturing of special purpose wagons, loco shells and defence equipment. As of September 30, 2023, our installed capacity for the freight rolling stock was 8,400 wagons per annum and our installed capacity for the passenger rolling stock was 250 coaches per annum. Further, as of September 30, 2023, our installed capacity for traction motors was 2,400 per annum, for traction converters was 200 per annum and for foundry was 30,000 MT per annum of liquid metal.

We are engaged in various ongoing projects in the passenger rail systems segment. Some of the projects include: (i) design, manufacture, testing, commissioning and supply of passenger rolling stock to Maharashtra Metro Rail Corporation Limited in consortium with our associate, Titagarh Firema S.p.A, Italy ("**Firema**") for the Pune metro; (ii) manufacturing and supply of metro coaches as a subcontractor of CRRC Nanjing Puzhen Co., Limited ("**CRRC**") for the design, manufacture, supply, testing and commissioning to Bangalore Metro Rail Corporation Limited; (iii) manufacture of Vande Bharat coaches and maintenance of such coaches in consortium with Bharat Heavy Electricals Limited ("**BHEL**"); and (iv) design, manufacture, testing, commissioning and supply of metro coaches to Gujarat Metro Rail Corporation Limited for the Surat and Ahmedabad metros.

We benefit from the experience of our management team which comprises of members with extensive knowledge in operations, business development and customer relationships under the overall supervision of the Board of Directors. We believe that the strength of our Board and management team and their experience has enabled us to take advantage of market opportunities and to better serve our customers.

Our total revenue from operations has increased from ₹ 1,52,063.95 lakhs in Fiscal 2021 to ₹ 2,77,959.04 lakhs in Fiscal 2023 at a CAGR of 35.20% and our EBITDA has increased from ₹ 10,548.99 lakhs in Fiscal 2021 to ₹ 29,334.72 lakhs in Fiscal 2023 at a CAGR of 66.76%. The following table sets forth certain financial information for the years/ periods indicated:

Particulars	**As of/ For the year ended March 31,**			**As of/ For the six months ended September 30,**	
	2021	**2022**	**2023[9]**	**2022**	**2023**
Revenue from Operations (₹ lakhs)	1,52,063.95	1,93,079.19	2,77,959.04	1,03,897.21	1,84,621.04
Other Income (₹ lakhs)	2,485.92	3,583.56	4,258.30	2,520.28	1,065.93
Total Expenses	1,55,106.92	1,92,453.79	2,61,935.01	98,984.89	1,67,772.57
EBITDA[1] (₹ lakhs)	10,548.99	16,875.94	29,334.72	11,884.19	23,136.10
EBITDA Margin[2]	6.94%	8.74%	10.55%	11.44%	12.53%
Profit/ (Loss) before exceptional items and tax from continuing operations ("PBT")	(557.70)	4,208.96	19,009.70	7,266.96	17,865.25
PBT Margin [3]	(0.37)%	2.18%	6.84%	6.99%	9.68%
Total Non-Current Assets	1,06,912.32	1,17,723.90	90,590.96	83,816.00	95,541.69
Total Current Assets	1,40,457.50	1,50,166.89	1,34,144.99	1,19,496.35	177,178.52
Earning/ (loss) per Equity Share (₹ lakhs)	(1.28)	(0.03)	10.89	4.14	10.76
Net working capital days[4] (in days)	58	90	97	83	76
Return on Capital Employed[5,8] (%)	4.46%	7.12%	22.09%	9.20%	13.17%
Return on Equity[6,8] (%)	(2.23)%	(0.08)%	13.92%	5.21%	11.27%
Net debt to EBITDA[7] (in times)	7.25	5.05	0.66	1.30	0.71

Notes:

(1) *Earning before interest, depreciation, amortization and taxes ("**EBITDA**") is calculated as profit/(loss) before exceptional items and tax from continuing operations plus finance costs and depreciation and amortisation expense.*

(2) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

(3) *PBT Margin is calculated as Profit/(Loss) before exceptional items and tax from continuing operations divided by revenue from operations.*

(4) *Net working capital days is calculated as average trade receivable days plus average contract asset days plus average inventory days less average trade payable days. For Fiscal 2021, 2022 and 2023, 365 days have been considered whereas for September 30, 2022 and 2023, 183 days have been considered.*

(5) *Return on Capital Employed is calculated as Earning before interest and taxes ("**EBIT**") divided by capital employed. EBIT is calculated as profit/(loss) after exceptional items but before tax for the year/ period from continuing operations plus finance cost. Capital employed is calculated as total equity plus total borrowings and deferred tax liabilities (net).*

(6) *Return on Equity is calculated as profit/(loss) after tax for the year/period divided by average shareholders' equity. Average shareholders equity is calculated as average of equity at start and at close of the year/period.*

(7) *Net Debt to EBITDA is calculated as Net Debt divided by EBITDA. Net debt is calculated as total borrowings (current plus non-current borrowings) less cash and cash equivalents.*

(8) *The figures for Return on Capital Employed and Return on Equity for the six months period ended September 30,2023 and 2022 are not annualised.*

(9) *Titagarh Firema was a subsidiary of our Company till September 8, 2022 whose corresponding numbers are considered under discontinued operations in the Consolidated Statement of Profit and Loss for Fiscal 2023 and in the Statement of Consolidated Unaudited Financial Results for the six months ended September 30, 2022. See, "Financial Statements" on page 305.*

For reconciliation of EBITDA, EBITDA Margin, PBT Margin, Return on Capital Employed, Return on Equity and Net Debt to EBITDA, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Results of Operations –Non-GAAP Measures*" on page 165.

OUR STRENGTHS

Comprehensive rail mobility systems provider

We are a comprehensive rail mobility systems provider in the railway industry with over 25 years of experience. We offer a range of products under our two business segments:

Freight Rail Systems Segment: We provide a range of solutions catering to the needs of the freight transportation industry. We design and manufacture various types of freight wagons such as flat wagons, hopper wagons, tank wagons, box wagons, car carrying wagons, covered wagons and special purpose wagons brake vans. Our solutions are suitable for various purposes including container transportation, bulk cargo, fuel, cement, and bagged products. We also manufacture components for the freight rail systems, including cast bogies, couplers and draft gears which are primarily used for captive consumption in the freight wagons and we also manufacture loco shells and CMS crossing for sale to third parties. We are one of the largest wagon manufacturers and had a market share of 18% to 22% in railway ordering in India in terms of total tenders from Fiscal 2012 to Fiscal 2023 and had the largest market share of 25% to 30% in India in terms of total tenders from Fiscal 2020 and Fiscal 2023. (*Source: CARE Report*) We are an approved vendor for the Indian Railways. In May 2022, we received the largest order placed by the Indian Railways in the last ten years. (*Source: CARE Report*) for the manufacture and delivery of 24,177 wagons, with a total basic value of ₹ 7,83,854.65 lakhs (excluding price variation) which is required to be completed by August 2025.

We, in consortium with Ramkrishna Forgings Limited, have secured an order, under Atma Nirbhar Bharat initiative, to manufacture and supply 15,40,000 wheels of different rolling stocks over a period of 20 years, with a total contract value of ₹ 12,35,459.61 lakhs. To pursue this, a joint venture "*Ramkrishna Titagarh Rail Wheels Limited*" has been incorporated. We intend to set up a manufacturing facility in India with a targeted production capacity of up to 228,000 forged wheels per annum which we intend to use in both freight and passenger rolling stocks. Further, we intend to utilise surplus production for captive consumption, third-party sales and export purposes to increase our source of revenue.

Further, this segment encompasses our shipbuilding, bridges and defence ("**SBD**") business, in which we manufacture products including (i) coastal research vessels, naval vessels, passenger ships and cargo ferry vessels, and tugs; (ii) metal canisters, and integrated field shelters for the Indian Air Force; and (iii) bailey bridges, steel modular bridges and unibridges.

Passenger Rail Systems: We design, manufacture and supply passenger rolling stock such as metro coaches, electrical multiple units ("**EMU**")/ mainline electric multiple unit trainsets ("**MEMU**") and semi high-speed trains. In addition, we have received orders for the supply of propulsion systems (including traction motors, traction converters and TCMS) for EMU/MEMU and Vande Bharat trainsets and as well as locomotives. We are

also in the process of developing TCMS through technology transfer from ABB India Limited ("**ABB**") for the metro propulsion. We have entered into an arrangement with ABB, where ABB will provide technology support for manufacturing of traction motors for EMU/MEMU, as well as technology for manufacturing grade of automation level 2 ("**GoA 2**") and level 4 ("**GoA 4**") compliance TCMS system for metro coaches.

Our ongoing projects with respect to passenger rail systems include:

- *Metro Coaches*: We are executing the following orders:

  - *Pune Metro*: To design and supply 34 trainsets of three coaches each to Maharashtra Metro Rail Corporation Limited. As of September 30, 2023, we have supplied 23 trainsets and the delivery of the remaining trainsets is expected by March 2024.

  - *Bangalore Metro*: To manufacture and supply 36 metro coaches as a sub-contractor of CRRC for the supply to Bangalore Metro Corporate Limited. Under the arrangement, CRRC will manufacture and supply the first two metro coaches while we will manufacture and deliver the remaining 34 metro coaches by August 2025. Further, the first 16 metro coaches will be driverless, using communication based train control technology, while the remaining trainsets will be semi-automatic.

  - *Surat and Ahmedabad Metro*: To manufacture and supply 72 standard gauge cars for the Surat metro and 30 gauge cars for the Ahmedabad metro. The Surat trainsets will be equipped with GoA 4 and Ahmedabad trainset will be equipped with G0A 2 and grade of automation level 3 ("**GoA 3**") operations. The first prototype trainset for the Surat and Ahmedabad metro will be delivered by October 2024 and December 2024, respectively and the remaining 23 trainsets for the Surat metro will be delivered within 107 weeks from the letter of acceptance dated June 27, 2023 and nine trainsets for the Ahmedabad metro will be delivered within 94 weeks from the letter of acceptance dated August 29, 2023.

- *Semi High Speed Trains (Vande Bharat)*: To manufacture and maintain 80 long-distance (sleeper version) semi high speed trainsets (i.e., 1,280 coaches) to the Indian Railways. This order encompasses the supply of 16 cars, comprising eight motor cars and eight trailer cars. The first two prototype trainsets are expected to be delivered by June 2025 followed by the delivery of 12 trainsets in the first year post-delivery of the prototype, 18 trainsets in the second year and 25 trainsets from the third year onwards. Subject to price variation, of the total order value of ₹ 23,07,360 lakhs, ₹ 9,60,000 lakhs will be towards the supply of 80 trainsets (i.e., approximately ₹ 12,000 lakhs per trainset) and our share will be 51.49% of ₹ 9,60,000 lakhs.

  Further, the initial eight trainsets will be manufactured and assembled at our manufacturing facility at Uttarpara in West Bengal and the final commissioning process will be carried out at the Integral Coach Factory's facility in Chennai, Tamil Nadu ("**ICF Facility**"). Additionally, the remaining 72 trainsets will also be manufactured at our manufacturing facility at Uttarpara in West Bengal and the testing and commissioning of these trainsets will be carried out at the ICF Facility.

- *Service and Maintenance*: The order for Vande Bharat includes service and maintenance of the trains for a period of 35 years, in consortium with BHEL. This has enabled us to foray into the service and maintenance of the passenger rail systems. Of the total order value for Vande Bharat, ₹ 13,47,360.00 lakhs will be towards maintenance. Further, the order received by us from Maharashtra Metro Rail Corporation Limited for the Pune metro also includes an option for awarding a comprehensive annual maintenance contract for the metros to us for a period of 10 years.

- *Propulsion systems for Passenger Rail Systems*: We have received orders from the Indian Railways for the manufacture and supply of propulsion systems (including traction convertors, traction motors and TCMS). Further, we have also received our first export order from our Associate Firema for the manufacture and supply of traction convertors.

The following table sets forth certain details of our freight rail systems segment and passenger rail systems segment for the years/ period indicated:

Particulars	As of/ for the year ended March 31, 2021	As of/ for the year ended March 31, 2022	As of/ for the year ended March 31, 2023	As of/ for the six months ended September 30, 2022	As of/ for the six months ended September 30, 2023
	(₹ lakhs except for percentages)				
Freight Rail Systems[1]					
Revenue from operations (A)	96,374.16	121,436.40	225,093.47	79,625.89	154,694.01
Segment Profit/ (Loss) (B)	12,377.74	15,781.12	23,570.94	8,211.04	20,489.63
Segment Profit/ (Loss) as a percentage of Revenue from Operations (B/A)	12.84%	13.00%	10.47%	10.31%	13.25%
Order Book	102,362.00	129,487.00	853,039.00[2]	859,500.00	804,149.11[2]
Passenger Rail Systems					
Revenue from operations (C)	54,107.07	65,771.68	52,865.57	20,767.09	29,927.03
Segment Profit/ (Loss) (D)	(4,282.63)	(4,077.62)	2,198.13	685.47	997.35
Segment Profit/ (Loss) as a percentage of Revenue from Operations (D/C)	(7.92)%	(6.20)%	4.16%	3.30%	3.33%
Order Book	3,84,098 [3]	5,47,000 [3]	5,69,073[4]	1,08,500.00[4]	6,84,455.94[4]

[1]*During the last quarter of Fiscal 2023, considering the changes in the overall business activities and internal re-organisation, the operating segments were re-assessed, and the "Shipbuilding, Bridges and Defence" segment was merged with freight rolling stock. Accordingly, the operating segments of the Company have been identified as "Freight Rail Systems" (which includes Shipbuilding Bridges and Defence) and "Passenger Rail Systems" and the above table reflects this change for the year ended March 31, 2023 and six months period ended September 30, 2023.*

[2]*Excludes order size amounting to ₹ 12,35,459.61 lakhs for supply of forged wheels to Indian Railways which will be executed through a joint venture "Ramkrishna Titagarh Rail Wheels Limited". As of the date of this Preliminary Placement Document, our Company holds 49.00% of the equity share capital of Ramkrishna Titagarh Rail Wheels Limited.*

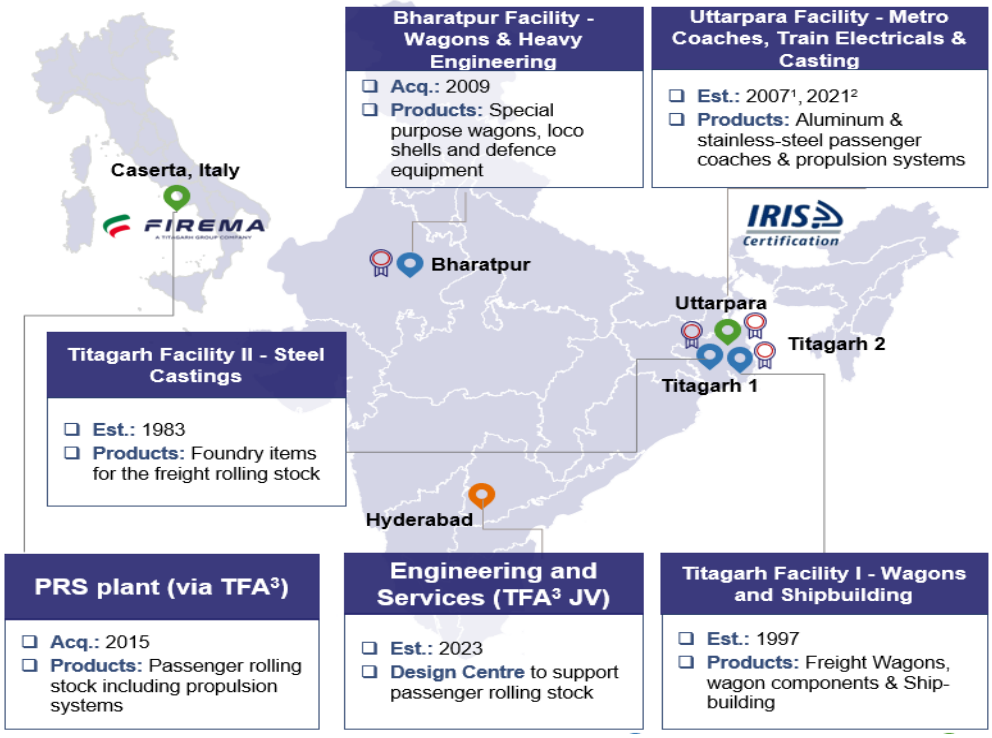
[3] *Includes order book of Firema amounting to ₹ 2,64,300 lakhs as on March 31, 2021 and ₹ 4,29,200 lakhs as on March 31, 2022, which ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company. As of the date of this Preliminary Placement Document, our Company holds 49.70% of the paid-up equity capital of Firema.*

[4] *Excludes order size amounting to ₹ 13,47,360.00 lakhs for maintenance of Vande Bharat which will be executed through a joint venture which is to be incorporated with Bharat Heavy Electricals Limited.*

Vertically integrated manufacturing facilities

We operate four manufacturing facilities, of which two are located at Titagarh in West Bengal, one is located at Uttarpara in West Bengal and the other one is located at Bharatpur in Rajasthan. Our vertically integrated advanced manufacturing operations allow us to manage production processes in-house, from design and development to manufacturing and delivery. Each of our manufacturing facilities is dedicated to specific manufacturing operations. At Titagarh Facility I, we focus on manufacturing freight wagons, wagon components, and shipbuilding whereas at Uttarpara Facility, we manufacture aluminium and stainless-steel passenger coaches including EMU/ MEMU, metros, semi high speed trainsets, electrical items such as cabinets, cubicles and cable harnessing which are primarily used for captive consumption and are in the process of developing propulsion systems (including traction motor, traction converter and TCMS). Further, our Bharatpur Facility is dedicated to manufacturing special purpose wagons, loco shells and defence equipment. In addition, at our Titagarh Facility II, we manufacture foundry items including cast bogies, couplers and draft gears which are primarily used for captive consumption in the freight wagons and manufacture other products such as CMS crossings and other miscellaneous castings products for sale to third parties.

In addition, our Associate, Firema operates a manufacturing facility at Caserta, Italy which manufactures passenger rolling stock including propulsion systems and has a design centre at Savona in Italy for the design and engineering of the passenger rolling stock. Further, we also have a design and engineering centre within our manufacturing facility at Uttarpara in West Bengal and our newly formed joint venture "*Titagarh Firema Engineering Services Private Limited*" with Firema has a design centre at Hyderabad, Telangana to support passenger rolling stocks.



(1) *Post acquisition in 2005, we started manufacturing EMU/ MEMU coaches from 2007.*

(2) *In 2021, the manufacturing facility was upgraded for metro and other passenger rolling stock and propulsion systems.*

(3) *TFA refers to our Associate, Firema.*

(4) *TFA JV refers to a newly incorporated joint venture with Firema in the name of "Titagarh Firema Engineering Services Private Limited",*

We have received various certifications including ISO 9001:2015, ISO 14001:2015 and OHSAS MS 45001: 2018, which confirm compliance with international standards for quality management systems. We also hold a certificate level CL1 according to EN 15085-2 for the welding of railway vehicles and components. For further information on the certifications, see "*Our Business- Quality Control*" on page 159.

We believe that we are in a position to leverage our advanced vertically integrated manufacturing facilities along with our customised design capabilities, expert engineers and strong manufacturing and execution capability to become one of the market leaders in both the freight and passenger rolling stocks in India.

Well positioned to capture industry tailwinds led by higher infrastructure spend and policy support by the government

As per the CARE Report, the Indian Railways is expected to benefit from higher infrastructure spending and policy support by the government. In the union budget for Fiscal 2024, the Government of India has allocated ₹ 2.9 lakh crores towards railways which is the highest-ever allocation and an increase of 15% over the previous year's allocation. (*Source: CARE Report*)

In addition, as per the union budget for Fiscal 2023, the Government of India aims to launch 400 Vande Bharat trains (16 coaches) and 1,000 mini-Vande Bharat trains (eight coaches) over the next three years. (*Source: CARE Report*) Further, India currently has 750 kilometres of operational metro lines with over 2,500 metro coaches deployed. (*Source: CARE Report*) As of October 2023, about 874 kilometres of metro lines have been operationalized across 20 cities. (*Source: CARE Report*) The metro network, along with regional rapid transit systems, is proposed to be expanded to 1,700 kilometres across 27 cities by 2025 and eventually to 50 cities. (*Source: CARE Report*) To push the 'Make in India' initiative, in August 2017, the Government of India mandated that 75% of the metro cars and 25% of critical equipment required for metro construction to be procured domestically. (*Source: CARE Report*)

Further, the Indian Railways has prepared a 'National Rail Plan', through which it aims to increase modal the share of the Indian railways in freight from the current 26% to 45% by Fiscal 2030 by augmenting freight volumes. (*Source: CARE Report*) In addition, the railway freight volumes are expected to increase from 1,512 million MT

in Fiscal 2023 to 3,000 million MT by Fiscal 2027 and to 3,600 MT tonnes by Fiscal 2031. (*Source: CARE Report*) The wagon requirement is expected to increase to 5.4 lakh wagons by Fiscal 2031 from 3 lakh wagons in Fiscal 2022 including replacement demand. (*Source: CARE Report*)

With our experience and expertise in manufacturing freight and passenger rolling stocks, we believe we are well-positioned to capitalize on the current industry tailwinds driven by higher infrastructure spending and policy support by the government. With the projected expansion of India's metro network and the Government of India's goal of increasing the share of rail freight, we anticipate benefiting from the rising demand for railway infrastructure.

Experienced promoters and senior management team

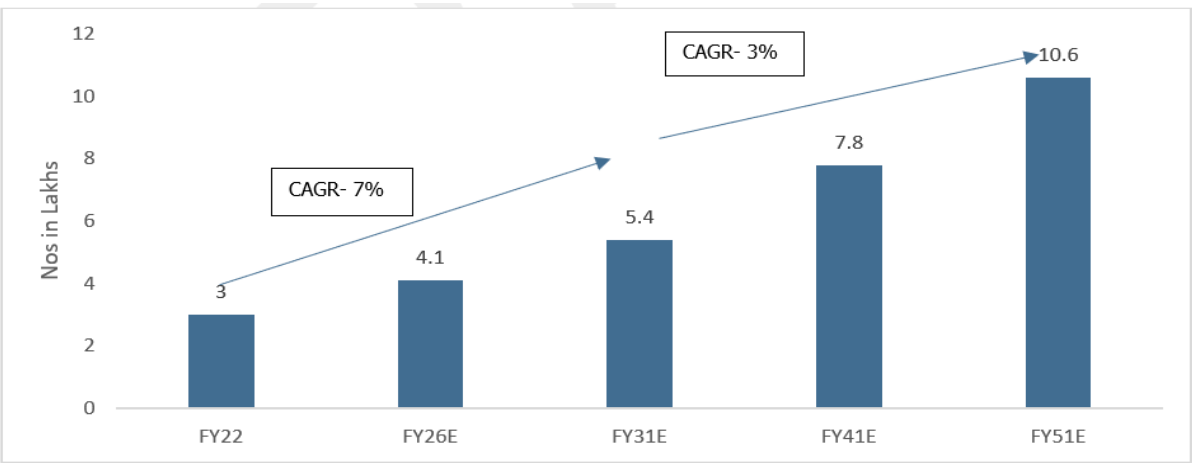
We benefit from the experience of our management team which has extensive knowledge in operations, business development and customer relationships. We believe that the strength of our Board and management team and their experience has enabled us to take advantage of market opportunities and to better serve our customers.

OUR STRATEGIES

Leverage sector growth in the freight and passenger rail systems

According to the CARE Report, the railway freight volumes are expected to increase from 1,512 million MT in Fiscal 2023 to 3,000 million MT by Fiscal 2027 and to 3,600 million MT by Fiscal 2030, implying an increase in the wagon requirement from 3 lakhs wagons in Fiscal 2022 to 5.4 lakhs by Fiscal 2031. (*Source: CARE Report*) Further, the Indian Railways is expected to procure around 1 to 1.2 lakhs incremental wagons between Fiscal 2022 and Fiscal 2026, representing a market opportunity of ₹ 35,00,000 lakhs to 40,00,000 lakhs over the period. (*Source: CARE Report*)

Forecast of Indian Railway Wagon Requirement



(*Source: CARE Report*)

Between Fiscal 2022 and Fiscal 2026, the Indian Railways is expected to procure 8,000 to 9,000 incremental passenger coaches (AC and non-AC), representing a market opportunity of ₹ 15,00,000 lakhs to 18,00,000 lakhs. (*Source: CARE Report*) As of July 2023, a total of 50 Vande Bharat trains have already been incorporated into the railway network. (*Source: CARE Report*) The Government of India aims to launch 400 Vande Bharat trains (16 coaches) and 1,000 mini Vande Bharat trains (eight coaches) over the next three years. (*Source: CARE Report*) The estimated market opportunity size for Vande Bharat trains in the next three to four years is ₹ 48,00,000 lakhs to ₹ 52,00,000 lakhs, while for mini Vande Bharat trains, it is ₹ 60,000,00 lakhs to ₹ 65,00,000 lakhs. (*Source: CARE Report*)

The Government of India aims to increase the total operational metro rail network to 1,700 kilometres across 27 cities by 2025 and subsequently to 50 cities. (*Source: CARE Report*) This expansion will require the procurement of 2,000 to 2,500 metro rail coaches over the next five to six years, resulting in a market size of ₹ 3,00,00,000 lakhs to 3,50,00,000 lakhs over this period. (*Source: CARE Report*)

The above indicates growth prospects in the Indian railway sector, specifically in the manufacturing of wagons, passenger coaches, and metro rail coaches.

With our expertise in manufacturing freight and passenger rolling stocks, we intend to capitalize on the current sector growth. To further strengthen our position and increase our competitiveness, we intend to collaborate with global players to obtain technical support for developing new-age wagons. We believe such collaborations will enable us to remain at the forefront of advancements in wagon manufacturing, allowing us to secure a significant share of tenders offered by the Indian Railways.

Expand Capacity at our existing manufacturing facilities

Over the years, we have expanded our capacity across our four manufacturing facilities to cater to the demand for the freight rail systems and passenger rail systems. As of September 30, 2023, our installed capacity for the freight rolling stock was 8,400 wagons per annum and our installed capacity for the passenger rolling stock was 250 coaches per annum. Further, as of September 30, 2023, our installed capacity for traction motors was 2,400 per annum, for traction converters was 200 per annum and for foundry was 30,000 MT per annum of liquid metal. For further information, see " *Our Business –Capacity and Capacity Utilisation*" on page 155.

With the increase in the demand for freight and passenger rolling stocks owing to the Indian Railway's initiative of increasing its market share in the overall share of logistics coupled with the 'Make in India' and 'Atmanirbar Policy', we intend to expand our production capacity for both the freight and passenger rolling stocks to meet the growing demand.

Establish and strengthen our presence in the railway components market for both freight rail systems and passenger rail systems

We intend to increase our revenue, improve profitability and reduce supply chain dependence by diversifying into the manufacturing and supply of components used in the freight and passenger rail systems. We recognise the recuring revenue potential in the components market, especially as railway systems expand and rolling stock ages. To capitalise on this opportunity, we are committed to offering diverse products as well as establishing strategic partnerships. In line with this strategy, we have entered into arrangements and secured orders for the supply propulsion systems (i.e., traction motors, traction convertors and TCMS) and forged wheel sets.

Establish and strengthen our presence in the service and maintenance business

Our consortium with BHEL for the Vande Bharat order has allowed us to tap into the service and maintenance business. Further, the order received by us from Maharashtra Metro Rail Corporation Limited for the Pune metro also includes an option for awarding a comprehensive annual maintenance contract for the metros to us for a period of 10 years. With the initial success in receiving orders for the service and maintenance, we aim to focus on expanding and growing our service and maintenance business for both the freight and passenger rail systems.

Grow inorganically through joint ventures and strategic partnerships

We intend to pursue inorganic growth opportunities through joint ventures and strategic partnerships to expand and enhance our product portfolio with an aim to cater to the entire value chain in our two business segments. For instance, we have incorporated a joint venture "*Ramkrishna Titagarh Rail Wheels Limited*" with Ramkrishna Forgings Limited. Through this joint venture, we intend to set up a manufacturing plant in India for the production of 228,000 forged wheels per annum which will enable us to cater to the existing orders received from the Indian Railways and utilise surplus production for captive consumption, third-party sales, and export purposes to expand our revenue source in the railway components market. Further, in line with this strategy, we have entered into an arrangement with ABB to provide technology support for the manufacturing of traction motors for EMU/MEMU, as well as technology for manufacturing GoA 2 and GoA 4 compliance TCMS system for metro coaches.

By collaborating with other such organizations, we aim to expand our business and leverage complementary strengths to achieve mutual benefits and growth.

Enhance our presence in the international and export markets, particularly in the passenger rail systems business, in cooperation with our Associate Firema

The acquisition of Firema in 2015 provided our Company with the expertise in modern commuter railway technologies. For instance, we received our first export order from Firema for the manufacture and supply of

traction convertors for the Italian market. While, Firema has ceased to be our subsidiary with effect from September 8, 2022, it continues to be an associate of our Company and as of the date of this Preliminary Placement Document, our Company holds 49.70% of the equity share capital of Firema. We believe that our association and investment in Firema will enable us to leverage multiple synergies such as joint development of design and engineering capabilities, access to the international markets and outsourcing of manufacturing from Firema into our Company. For example, we have incorporated a joint venture with Firema with effect from September 17, 2023, in the name of "*Titagarh Firema Engineering Services Private Limited*", for the purpose of engineering and design related services to support the transit and propulsion business. We anticipate the opportunity to manufacture and provide components for the coaches manufactured by Firema for the European and international market.

Firema has approached its existing shareholders (including our Company) for infusion of additional equity based on the revised business plan approved by its board of directors which *inter-alia* includes requirement of additional working capital for execution of the existing order book and recapitalisation of Firema due to past losses which has resulted into significant decline in its networth. While we are reviewing the request for additional investment, the Board of Directors of our Company may consider the option for further investment in Firema based on its merits.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 51, 91, 255, 240 and 273, respectively.

Issuer	Titagarh Rail Systems Limited *(formerly Titagarh Wagons Limited)*
Face value	₹ 2 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 976.10 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations Our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution through video conferencing/other audio visual means dated December 2, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Size	Issue of [●] Equity Shares, aggregating up to ₹ [●] lakhs, at a premium of ₹ [●] each. A minimum of 10% of the Issue Size, i.e., [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs
Date of Board resolution authorizing the Issue	November 8, 2023
Date of Shareholders' resolution authorizing the Issue	December 2, 2023
Dividend	See "*Description of Equity Shares*" and "*Dividends*" on pages 273 and 104 respectively
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 240, 257 and 265, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs.
Equity Shares issued and outstanding immediately prior to the Issue	127,171,089 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 240
Listing and trading	Our Company has obtained in-principle approvals dated December 7, 2023 from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue
Lock-up	For details of the lock-up, see "*Placement – Lock-up*" on page 255
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively,

	including in relation to lock-in requirement. See "*Issue Procedure*" and "*Selling Restrictions*" on pages 240 and 257, respectively.	
Use of proceeds	The gross proceeds from the Issue will be aggregating to approximately ₹ [●] lakhs. The net proceeds from the Issue, after deducting Issue related expenses is expected to be approximately ₹ [●] lakhs See "*Use of Proceeds*" on page 91 for information regarding the use of Net Proceeds from the Issue	
Risk factors	See "*Risk Factors*" on page 51 for a discussion of risks you should consider before investing in the Equity Shares	
Indian taxation	See "*Taxation*" which describes the statement of possible tax benefits available to our Company and its Shareholders under the applicable laws in India, on page 282	
Closing Date	The Allotment of the Equity Shares is expected to be made on or about [●], 2023	
Ranking and dividends	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. See sections "*Dividends"* and "*Description of the Equity Shares"* on pages 104 and 273, respectively	
Security Codes/ Symbols for the Equity Shares	**ISIN**	INE615H01020
	BSE Code	532966
	NSE Symbol	TITAGARH

SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from and should be read in conjunction with:

(a) the Audited Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.;

(b) the Unaudited Consolidated Financial Results prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the SEBI Listing Regulations, as amended and

(c) Unaudited Interim Special Purpose Condensed Consolidated Financial Statements of our Company prepared in accordance with the principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act and other accounting principles generally accepted in India.

For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 161 and 305, respectively.

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for the six months ended September 30, 2022 and 2023 has been derived from our Unaudited Consolidated Financial Results beginning on page F-42.

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SUMMARY OF CONSOLIDATED BALANCE SHEET

Particulars	As at period ended September 30, 2023 (₹ in lakhs)	As at period ended September 30, 2022 (₹ in lakhs)	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)	As at March 31, 2021 (₹ in lakhs)
ASSETS					
Non-current Assets					
Property, Plant and Equipment	61,410.20	61,046.31	61,998.03	87,901.56	83,303.29
Right-of-use Assets	9,630.84	5,661.40	10,191.97	5,991.81	152.15
Investment Property	821.24	821.24	821.24	821.24	821.24
Capital Work-in-progress	5,849.92	458.58	1,227.91	1,518.05	1,622.89
Intangible Assets (Other than Goodwill)	122.05	190.99	164.09	1,869.40	2,851.12
Intangible Assets under Development	-	-	-	4,592.93	2,509.41
Equity Accounted Investments	5.85	1,106.99	-	-	-
Financial Assets					
(i) Investments	3,179.81	3,015.25	3,179.80	3,015.26	3,127.92
(ii) Loans and Deposits	-	-	-	-	359.64
(iii) Others Financial Assets	5,710.44	4,650.95	6,060.15	3,818.44	4,921.87
Deferred Tax Assets (Net)	-	-	-	3,792.36	3,783.04
Non-current Tax Assets (Net)	2,868.68	2,894.46	2,868.68	2,640.77	2,640.77
Contract Assets	-	-	87.38	-	-
Other Non-current Assets	5,942.66	3,969.83	3,991.71	1,762.08	818.98
Sub total - Non-current Assets	**95,541.69**	**83,816.00**	**90,590.96**	**117,723.90**	**106,912.32**
Current Assets					
Inventories	40,342.47	43,986.86	46,137.13	50,385.63	38,518.95
Financial Assets					
(i) Trade Receivables	61,958.22	35,602.75	27,914.49	65,907.58	21,417.42
(ii) Cash and Cash Equivalents	9,668.02	12,840.88	5,540.55	895.85	7,969.38
(iii) Bank Balances other than (ii) above/ Other Bank Balances	7,350.76	3,940.88	4,457.79	3,309.76	4,434.30
(iv) Loans and Deposits	-	-	-	-	4,022.70
(v) Others Financial Assets	3,848.65	4,319.61	634.22	8,736.86	38,339.62
Current Tax Assets (Net)	-	-	-	-	10.96
Contract Assets	28,203.46	-	27,080.65	-	-
Other Current Assets	25,806.94	18,805.37	22,380.16	20,931.21	25,744.17
Sub total - Current Assets	**177,178.52**	**119,496.35**	**134,144.99**	**150,166.89**	**140,457.50**
Asset held for sale	71.13	-	71.13	-	-
TOTAL ASSETS	**272,791.34**	**203,312.35**	**224,807.08**	**267,890.79**	**247,369.82**

Particulars	As at September 30, 2023 (₹ in lakhs)	As at September 30, 2022 (₹ in lakhs)	As at March 31, 2023 (₹ in lakhs)	As at March 31, 2022 (₹ in lakhs)	As at March 31, 2021 (₹ in lakhs)
EQUITY AND LIABILITIES					
EQUITY					
a) Share Capital	2,543.42	2,391.42	2,391.42	2,391.42	2,387.75
b) Other Equity	135,917.39	85,895.62	93,963.75	81,821.40	81,667.65
Total Equity - Attributable to Owners of Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited)	**138,460.81**	**88,287.04**	**96,355.17**	**84,212.82**	**84,055.40**
Non - Controlling Interest	-	-	-	14.41	-
Total Equity	**138,460.81**	**88,287.04**	**96,355.17**	**84,227.23**	**84,055.40**
Non-current Liabilities					
Financial Liabilities					
(i) Borrowings	4,355.53	2,439.22	4,962.50	49,557.75	53,738.85
(ii) Lease Liabilities	9,667.51	5,505.86	9,945.92	5,665.56	117.20
Contract Liabilities	14,228.16	-	2,826.72	-	-
Provisions	356.01	338.80	343.64	340.93	350.55
Deferred Tax Liabilities (Net)	1,068.98	1,015.28	1,346.36	1,448.60	1,143.26
Other Non-current Liabilities	-	-	-	-	17,535.77
Sub total - Non-current Liabilities	**29,676.19**	**9,299.16**	**19,425.14**	**57,012.84**	**72,885.63**
Current Liabilities					
Financial Liabilities					
(i) Borrowings	21,683.67	25,811.94	19,969.91	36,495.29	30,714.44
(ii) Lease Liabilities	509.01	295.69	447.69	260.81	-
(iii) Trade Payables					
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	1,459.45	592.53	574.92	686.99	771.78
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	24,720.18	36,918.78	31,733.41	43,185.84	39,027.03
(iv) Other Financial Liabilities	3,046.58	503.91	751.13	1,182.39	1,273.89
Contract Liabilities	49,480.73	-	53,863.86	-	-
Other Current Liabilities	342.83	38,975.97	306.62	34,471.65	10,831.95
Provisions	748.15	853.63	772.12	8,778.30	7,786.80
Current Tax Liability (Net)	2,584.24	1,773.70	527.61	1,589.45	22.90
Sub total - Current Liabilities	**104,574.84**	**105,726.15**	**108,947.27**	**126,650.72**	**90,428.79**
Liabilities Held for sale	**79.50**	**-**	**79.50**	**-**	**-**
TOTAL - LIABILITIES	**134,330.53**	**115,025.31**	**128,451.91**	**183,663.56**	**163,314.42**
TOTAL - EQUITY AND LIABILITIES	**272,791.34**	**203,312.35**	**224,807.08**	**267,890.79**	**247,369.82**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	For the six months period ended September 30, 2023 (₹ in lakhs)	For the six months period ended September 30, 2022 (₹ in lakhs)	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)	For the year ended March 31, 2021 (₹ in lakhs)
Revenue from operations	184,621.04	103,897.21	277,959.04	193,079.19	152,063.95
Other Income	1,065.93	2,520.28	4,258.30	3,583.56	2,485.92
Total Income	**185,686.97**	**106,417.49**	**282,217.34**	**196,662.75**	**154,549.87**
Expenses					
Cost of raw materials & components consumed	140,633.17	83,097.07	216,530.39	122,625.04	104,566.24
Changes in inventories of finished goods, work-in-progress and saleable scrap	2,716.55	(3,484.61)	(1,536.56)	(1,797.09)	(5,224.37)
Employee benefits expense	3,308.09	2,545.79	5,652.64	22,350.93	21,056.99
Finance Costs	3,938.55	3,546.25	8,074.67	9,339.50	8,119.93
Depreciation and Amortisation Expense	1,332.30	1,070.98	2,250.35	3,327.38	2,986.76
Other expenses	15,843.91	12,209.41	30.963.52	36,607.93	23,601.37
Total expenses	**167,772.57**	**98,984.89**	**261,935.01**	**192,453.79**	**155,106.92**
Profit/(Loss) before Share of Loss of Joint Ventures or Associates, Exceptional Items and Tax	**17,914.40**	**7,432.60**	**20,282.33**	**4,208.96**	**(557.05)**
Share of Loss of Joint Ventures or Associate	(49.15)	(165.64)	(1,272.63)	-	(0.65)
Profit/(Loss) before Exceptional Items and Tax	**17,865.25**	**7,266.96**	**19,009.70**	**4,208.96**	**(557.70)**
Exceptional Items	-	-	-	1,313.44	-
Profit/(Loss) before Tax from continuing operations	**17,865.25**	**7,266.96**	**19,009.70**	**2,895.52**	**(557.70)**
Tax Expense					
Current tax	4,944.25	1,931.40	5,305.50	2,751.37	176.96
Deferred tax	(297.12)	(143.49)	240.87	212.70	1,143.99
Total Tax Expense	**4,647.13**	**1,787.91**	**5,546.37**	**2,964.07**	**1,320.95**
Profit /(Loss) for the Period / Year after tax from continuing operations	**13,218.12**	**5,479.05**	**13,463.33**	**(68.55)**	**(1,878.65)**
Profit / (Loss) from discontinued operations	19.00	(986.30)	(891.70)	-	-
Tax expense of discontinued operations	-	-	-	-	-
Profit / (Loss) for the Period / Year after tax from discontinued operations	**19.00**	**(986.30)**	**(891.70)**	**-**	**-**
Profit for the Period / Year	**13,237.12**	**4,492.75**	**12,571.63**	**(68.55)**	**(1,878.65)**
Attributable to:					
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)	13,237.12	4,941.49	13,020.37	(32.84)	(1,499.65)
Non-Controlling Interest	-	(448.74)	(448.74)	(35.71)	(379.00)
Other Comprehensive Income					
Items that will be reclassified to profit or loss in subsequent period:					
Exchange differences on Translation of Foreign Operations	(3.09)	8.93	20.42	1.89	348.92
Fair value change of cash flow hedges	79.24	(1,161.39)	(1,361.11)	743.00	580.23
Tax on above	(19.94)	292.30	342.56	(187.00)	(146.03)
Items that will not be reclassified to profit or loss:					

Particulars	For the six months period ended September 30, 2023 (₹ in lakhs)	For the six months period ended September 30, 2022 (₹ in lakhs)	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)	For the year ended March 31, 2021 (₹ in lakhs)
Remeasurement gains/ (losses) on defined benefit plans	(0.93)	9.75	(2.10)	19.50	41.90
Tax expenses on above	0.24	(2.45)	0.53	(4.91)	(10.55)
Total Other Comprehensive Income	**55.52**	**(852.86)**	**(999.70)**	**572.48**	**814.47**
Attributable to:					
Continuing Operations	58.61	(852.86)	-	-	-
Discontinued Operations	(3.09)	-	-	-	-
Total Comprehensive Income for the Period /Year	**13,292.64**	**3,639.89**	**11,571.93**	**503.93**	**(1,064.18)**
Attributable to:					
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)	13,292.64	4,088.63	12,020.67	539.64	(685.18)
Non-controlling Interest	-	(448.74)	(448.74)	(35.71)	(379.00)
Arising from:					
Continuing Operations	13,276.73	4,626.19	12,443.21	-	(1,064.18)
Discontinued Operations	15.91	(986.30)	(871.28)	-	-
Paid-up Equity Share Capital (Face value of ₹ 2 each)					
Earnings/ (Loss) Per Equity Share (of ₹2 each) (Not annualised except for March 31, 2023, March 31, 2022 and March 31, 2021)					
For Continuing Operations					
Basic (₹)	10.74	4.96	11.63	(0.03)	(1.28)
Diluted (₹)	10.74	4.96	11.63	(0.03)	(1.28)
For Discontinued Operations					
Basic (₹)	0.02	(0.83)	(0.75)	-	-
Diluted (₹)	0.02	(0.83)	(0.75)	-	-
For Continued and Discontinued Operations					
Basic (₹)	10.76	4.14	10.89	(0.03)	(1.28)
Diluted (₹)	10.76	4.14	10.89	(0.03)	(1.28)

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

Particulars	For the six months period ended September 30, 2023 (₹ in lakhs)	For the six months period ended September 30, 2022 (₹ in lakhs)	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)	For the year ended March 31, 2021 (₹ in lakhs)
Cash Flows from Operating Activities					
Profit/ (Loss) before Tax from:					
Continuing Operations	17,865.25	7,266.96	19,009.70	2,895.52	(557.70)
Discontinued Operations	19.00	(986.30)	(891.70)	-	-
Profit/ (Loss) before Tax	17,884.25	6,280.66	18,118.00	2,895.52	(557.50)
Adjustments for:					
Depreciation and Amortisation Expense	1,332.30	1,721.70	2,250.35	3,327.48	2,986.76
Finance Cost	3,938.55	5,240.44	8,074.67	9,339.50	8,119.93
Employee Stock Option Expenses	-	-	-	16.68	9.33
Unrealised Foreign Exchange Fluctuations (Gain)/ Loss	169.23	(590.68)	(1,464.85)	20.13	26.49
Irrecoverable Debts/ Advances Written Off (net)	-	111.93	2,526.81	2,253.48	331.22
Warranty Claims (net)	-	-	-	3,390.93	-
Provision for Doubtful Debts and Advances	452.31	-	-	-	73.81
Loss on fair valuation of Financial Liabilities measured at FVTPL	-	-	-	-	12.32
Net Gain on Disposal of Property, Plant and Equipment	-	(0.47)	(17.95)	(290.32)	(61.57)
Net Gain on Disposal of Investments	-	-	-	(24.27)	-
Fair Value (Gain)/Loss on Investment inequity Securities at FVTPL	-	-	(164.55)	(183.28)	(254.47)
Share of Loss of Associates	-	165.64	1,272.63	-	-
Share of Loss of Joint Venture	49.15	-	-	-	0.65
Unspent Liabilities/ Provisions No Longer Required Written Back	(2.61)	(239.73)	(335.99)	(14.20)	(162.43)
Other Income for Security Deposit of Leases	-	(7.40)	(16.55)	(6.77)	-
Interest Income classified as investing cashflow	(553.04)	(276.10)	(759.41)	(576.38)	(431.59)
Discontinued Operations – non cash portion	(19.00)	(3,481.51)	(3,481.51)	-	-
Exceptional Item – non cash portion	-	-	-	467.32	-
Operating Profit before Changes in Operating Assets and Liabilities	**23,251.14**	**8,924.48**	**26,001.65**	**20,615.82**	**10,092.75**
Increase/ (Decrease) in Trade Payables	(6,109.28)	-	12,910.09	-	-
Increase in Contract Liabilities	7,018.31	-	22,899.69	-	-
Increase/ (Decrease) in other Non-current and Current Financial and Non-financial Liabilities and Provisions	1,781.81	24,111.94	2,276.08	7,046.78	7,467.18
(Increase)/ Decrease in Trade Receivables	(34,630.96)	(10,524.37)	(10,280.68)	(10,520.92)	3,701.51
(Increase) / Decrease in Inventories	4,785.66	(13,894.13)	(17,277.43)	(14,182.39)	(2,730.58)
Increase in Contract Assets	(1,035.43)	-	(17,296.90)	-	-
(Increase)/ Decrease in other Non-current and Current Financial and Non-financial Assets	(6,917.62)	(6,147.22)	(8.545.57)	3,673.46	(11,892.63)
Cash Generated from Operations	**(11,856.37)**	**2,470.70**	**10.686.93**	**6,632.75**	**6,638.23**
Income Taxes paid (net of Refund)	(2,887.62)	(2,000.84)	(6,595.25)	(1,173.86)	137.37
Net Cash From Operating Activities	**(14,743.99)**	**469.86**	**4,091.68**	**5,458.89**	**6,775.60**

Particulars	For the six months period ended September 30, 2023 (₹ in lakhs)	For the six months period ended September 30, 2022 (₹ in lakhs)	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)	For the year ended March 31, 2021 (₹ in lakhs)
Cash Flows From Investing Activities					
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(5,846.40)	(665.49)	(3,674.09)	(10.217.70)	(5,999.31)
Proceeds from Disposal of Property, Plant and Equipment	-	2.50	23.18	612.89	105.00
Proceeds from non current Investment	-	-	-	320.22	-
Purchase of Business	-	-	-	-	(13.59)
Fixed Deposits Made	(5,634.66)	(1,884.21)	(7,125.07)	(10,191.89)	(6,800.72)
Fixed Deposits Matured	3,184.43	543.97	4,053.43	12,079.58	5,256.21
Investment in a Joint Venture	(55.00)	-	-	-	-
Interest Received	405.37	102.28	587.38	448.86	245.10
Net Cash Used in Investing Activities	**(7,946.26)**	**(1,900.95)**	**(6,135.17)**	**(6,948.04)**	**(7,207.31)**
Cash Flows From Financing Activities					
Proceeds from Issue of Equity Shares Pursuant to Employee Stock Option Scheme	-	-	-	81.13	26.96
Transactions with Non-controlling Interests	-	1,656.84	1,656.84	85.78	-
Proceeds from issue of Share Capital	152.00	-	-	-	-
Receipts of Securities Premium	28,728.00	-	-	-	-
Share Issue Expenses	(67.00)	-	-	-	-
Proceeds from Long-term Borrowings	-	-	4,962.50	2,000.00	11,162.04
Repayment of Loan from Related Parties	-	-	(2,000.00)	-	-
Repayment of Long-term Borrowings	(2,365.00)	16.73	(2,705.02)	(10,325.53)	(4,650.00)
Payment of Lease Liabilities	(673.87)	(381.34)	(864.83)	(385.75)	(10.76)
Receipts/ (Payments) of Short-term Borrowings (Net)	3,404.66	15,966.93	10,798.89	9,571.73	4,147.15
Finance Costs Paid	(2,365.55)	(3,769.78)	(5,193.50)	(6,295.23)	(6,358.01)
Dividend Paid (including Dividend Distribution Tax) for earlier years	(3.88)	-	(2.28)	(2.73)	(2.08)
Net Cash From / (Used in) Financing Activities	**26,809.36**	**13,489.38**	**6,652.60**	**(5,270.60)**	**4,315.30**
Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	8.36	(113.26)	35.59	(313.78)	790.28
Net Increase / (Decrease) in Cash and Cash Equivalents	**4,127.47**	**11,945.03**	**4,644.70**	**(7,073.53)**	**4,673.87**
Cash and Cash Equivalents – Opening Balance	5,540.55	895.85	895.85	7,969.38	2,897.18
Cash acquired on account of Purchase of Business	-	-	-	-	398.33
Cash and Cash Equivalents – Closing Balance	**9,668.02**	**12,840.88**	**5,540.55**	**895.85**	**7,969.38**
The above Cash flow includes following related to discontinued operation					

Particulars	For the six months period ended September 30, 2023 (₹ in lakhs)	For the six months period ended September 30, 2022 (₹ in lakhs)	For the year ended March 31, 2023 (₹ in lakhs)	For the year ended March 31, 2022 (₹ in lakhs)	For the year ended March 31, 2021 (₹ in lakhs)
Net Cash (Used in)/ Generated from Operating Activities	-	(2,661.91)	4,061.48	-	-
Net Cash Used in Investing Activities	(625.59)	(175.93)	(1,506.92)	-	-
Net Cash (Used in)/ Generated from Financing Activities	(579.40)	(910.19)	12,649.17	-	-
	(1,204.99)	**(3,748.03)**	**15,203.73**	-	-

RISK FACTORS

This Issue and an investment in the Equity Shares involve a certain degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in this Preliminary Placement Document before making an investment in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future.

This section should be read together with "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 105, 145 and 161, respectively, as well as the financial statements, including the notes thereto, and other financial information included in "Financial Statements" on page 305.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, Fiscal 2022 and Fiscal 2023 has been derived from our Audited Consolidated Financial Statements. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for the six months ended September 30, 2022 and 2023 has been derived from our Unaudited Consolidated Financial Results. See, "Financial Statements" on page 305. Further, the consolidated financial results as of and for the quarter and six months ended September 30, 2023 are not directly comparable with the consolidated financial results of our Company as of and for the quarter and six months ended September 30, 2022. Also, Firema ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company and therefore, the audited consolidated financial statements as of and for the year ended March 31, 2023 are not directly comparable with the audited consolidated financial statements as of and for the year ended March 31, 2021 and 2022. See "Presentation of Financial and Other Information" on page 16 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" on page 168. Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiary, Joint Ventures and Associate on a consolidated basis.

This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Our results could differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For further details, see "Forward-Looking Statements" on page 21.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Railway Wagons, Passenger Coach and Propulsion System" dated November 2023 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal. For further information, see "Industry Overview" on page 105.*

Internal Risk Factors

1. ***Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30, 2022, and Joint Statutory Auditor have issued a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. Further, our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included emphasis of matter paragraphs in their audit report on the audited consolidated financial statements as of and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and in their review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023.***

In this Preliminary Placement Document, we have included the audited consolidated financial statements as of and for the year ended March 31, 2022, the unaudited consolidated financial results for the quarter ended September 30, 2022 and as of and for the six months ended September 30, 2022 and unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023, in respect of which, qualified audit opinion/ qualified review conclusions, along with emphasis of matter paragraphs as applicable, have been issued by our earlier statutory auditors (now one of our Joint Statutory Auditors)/ Joint Statutory Auditors, as applicable.

Qualifications:

- ***Audited consolidated financial Statements as of and for the year ended March 31, 2022****:*

  "*We draw your attention to the following paragraph (as reproduced) included in the audit report on the special purpose financial information of Titagarh Firema S.p.A (a subsidiary of the Holding Company) issued by other auditors vide their report dated May 27, 2022:*

  As of 31 March 2022 the Company has a financial debt with two financial institution, according to the provisions of the reference accounting standards, that have to be classified as due within 12 months due to failure to comply with some financial parameters, pending the formalization of waiver letters with the banking class. As of 31 March 2022, however in the absence of a specific request by the banking class for an immediate repayment of the debt exposure, the company continues to report the financial debt as long term and specifically (i) to the Italian credit institution, equal to Euro 10 million (of which Euro 0,6 million withing twelve months and Euro 9,4 million beyond twelve months), and (ii) to the foreign credit institution, equal Euro 75,3 million (of which Euro 32,3 million withing twelve months and Euro 43 million beyond twelve months), maintaining the original classification in the special purpose financial information as required by the financial agreements. So, the Company, although contractually regulated, has not classified the previous amounts in the current liabilities in the special purpose financial information as of 31 March 2022."

- ***Unaudited consolidated financial results as of and for the quarter and six months ended September 30, 2022:***

  "*The Statement includes the financial information of Titagarh Firema Spa (TFA) for the quarter ended September 30, 2022, which has been consolidated by the Parent Company based on Management Accounts of TFA, as approved by their Board of Directors and for reasons stated in Note 3 to the Statement. TFA was a subsidiary of the Parent Company up to September 8, 2022, subsequent to which it became as associate. Accordingly, the Statement reflects loss from discontinued operations of Rs. 1,524.96 lakhs for the period July 1 to September 8, 2022 and share of loss of Rs. 165.64 lakhs for the period September 9, 2022 to September 30, 2022 as considered in the consolidated unaudited financial results. As the financial information of TFA has not been audited or reviewed by us or any other auditors, the consequential impact, if any, on the Statement is presently not ascertainable.*"

- ***Unaudited interim condensed consolidated financial statements as of and for the six months ended September 30, 2023:***

  "*We draw attention to Note 2.1 (i) to the Unaudited interim special purpose condensed consolidated financial statements in respect of non-disclosure of comparative financial information, which comprise the Condensed Consolidated Balance Sheet as at March 31, 2023, and the Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Cash Flow Statement and selected explanatory notes for the six month period ended September 30, 2022, which is not in compliance with the requirements of Ind AS 34, "Interim Financial Reporting"."*

Emphasis of matter paragraphs

- ***Audited consolidated financial Statements as of and for the year ended March 31, 2023:***

  "*We draw attention to Note 46(a) of the consolidated financial statements which describes that the financial information of Titagarh Firema S.p.A, Italy, an associate company of the Group with effect from September 9, 2022, has been considered based on unaudited financial information for the reasons*

mentioned therein. The consolidated financial statements include the Group's share of loss of Rs. 1,272.63 lacs for the period from September 9, 2022, to March 31, 2023, in respect of the aforesaid associate company, which has resulted in reduction of carrying amount of the investment to Nil as at March 31, 2023. The financial information is unaudited and has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on unaudited financial information, which is subject to audit by other auditors.

The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Singapore Pte Ltd, a subsidiary of the Holding Company, vide their report dated May 23, 2023:

"We draw attention to Para 4 of Note No 2.1 of Financial Statement which mentions passing of Board Resolution by shareholders of the company on 14th November 2022, for voluntary winding up of Titagarh Singapore PTE Ltd and therefore the financial statements are prepared on the basis of liquidation."

Refer Note 46(b) to the consolidated financial statements in this regard."

- ***Audited consolidated financial Statements as of and for the year ended March 31, 2022:***

"*The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Firema S.p.A (a subsidiary of the Holding Company) vide their report dated May 27, 2022:*

"In the reporting package ended 31 March 2022, the Company reported a net loss for some Euro 9,2 million, shareholders' equity for some Euro 2,4 million and has a significant bank debt for some Euro 85,3 million, of which some Euro 52,3 million classified by the Company as expiring beyond 12 months. Current assets exceed current liabilities by some Euro 12,3 million. Trade payables, equal to some Euro 28,6 million as at 31 March 2022, decreased by some Euro 5,9 million during the year, and include an overdue payable to third party suppliers for some Euro 18,1 million at same date. The Company is currently proceeding with the rescheduling and the payment of the overdue commercial debt for the main suppliers of the Company.

In the explanatory note accompanying the special purpose financial information (the "explanatory note"), the Directors of the Company indicate that the special purpose financial information as at 31 March 2022 has been prepared according to the assumption of the going concern and illustrate the reasons. These reasons are based on the expectation that the Company implements an important growth plan, envisaged by the Budget 1 April 2022 – 31 March 2023 (the "Budget"), approved by the Board of Directors on 27 May 2022, with the generation of significantly higher margins compared to the historical values achieved, the failure of which could affect the overall value of cash generation, also to meet the overdue debt to suppliers.

In particular, the Budget is based on the positive expectation of the financial debt renegotiation indicated above at the paragraph "Basis for Qualified Opinion" for which negotiations are underway.

The Directors indicate in the aforementioned explanatory notes that, despite the aforementioned material uncertainty that may give rise to doubts about the Company's going concern, the special purpose financial information have been drawn up on a going-concern basis, as they have a reasonable expectation that the Company will be able to reach a financial balance in the short term through the successful conclusion of the actions indicated above.

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

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

- ***Audited consolidated financial Statements as of and for the year ended March 31, 2021:***

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

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

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

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

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

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

- ***Unaudited Interim Condensed Consolidated Financial Statements as of and for the six months ended September 30, 2023:***

  "*We draw attention to Note 2.1 (i) to the Unaudited interim special purpose condensed consolidated financial statements, which describes the Basis of Preparation of the financial information for the six month period ended September 30, 2023. These Unaudited interim special purpose condensed consolidated financial statements are not intended to, and do not, comply with all the disclosure provisions applicable to financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of the Unaudited interim special purpose condensed consolidated financial statements for the purposes for which those have been prepared. Our conclusion is not modified in respect of this matter.*"

  For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Reservations, qualifications, or adverse remarks of our auditors in the last five fiscals immediately preceding the year of this Preliminary Placement Document*" on page 200. We cannot assure you that our Statutory Auditor's Report for any future financial period will not contain any qualification or emphasis of matter paragraphs and that such matters or remarks will not otherwise affect our business, results of operations, financial condition and cash flows.

2. We derive a significant portion of our revenue from the Indian Railways. Any adverse change in the policy of the Ministry of Railways, Government of India may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

We derive a significant portion of our revenues from the Indian Railways. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our revenue from sales to the Indian Railways was ₹ 75,221.86 lakhs, ₹ 86,292.93 lakhs, ₹ 1,72,441.14 lakhs and ₹ 59,688.32 lakhs, respectively, representing 49.47%, 44.69%, 62.04% and 57.45% of our total revenue from operations, respectively. Further, based on our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, our revenue from sales

to the Indian Railways for six months ended September 30, 2023 was ₹ 86,263.27 lakhs, representing 46.72% of our total revenue from operations. 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. In addition, our Company also benefits from the wagon procurement policies of the Indian Railways where 55% of the total order for wagons is based on the past performance and track record of the bidder as per the recent tender documents issued by Indian Railways.

Any changes to the government policy may result in the Indian Railways reducing their spending on the purchase of wagons or modification of their procurement policy. If we are unable to continue to receive orders in the manner we have in the past from the Indian Railways, it may have an adverse effect on our business, results of operations, financial condition and cash flows. If Indian Railways were to 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 does not release any new orders, our business, results of operations, financial condition and cash flows may be adversely affected.

3. ***We depend on the Indian Railways and metro authorities for a significant portion of contracts which are awarded on a tender basis. We cannot assure that our bids will be accepted and future contracts will be awarded to us by the Indian Railways and metro authorities. This may result in an adverse effect on our business, results of operations, financial condition and cash flows.***

Our revenues in the future depend on the acceptance of bids submitted to the Indian Railways and metro authorities to a large extent. Our railway related projects are awarded by the Indian Railways and metro authorities through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. While we are one of the approved vendors for the Indian Railways, we may not be selected for the projects for which we may have submitted a bid. In selecting contractors, the Indian Railways and metro authorities generally limit the tender to contractors who have pre-qualifications based on several criteria, including experience, technological capacity and performance, reputation for quality, safety record, financial strength, manufacturing capacity and size of previous contracts. Further, once prospective bidders satisfy the pre-qualification requirements of the tender, the project is usually awarded on the basis of price competitiveness of the bid. The growth of our business mainly depends on our ability to obtain new contracts. While we have, in the past, been awarded contracts, we cannot assure you that we will continue to be awarded such contracts.

In addition, such tender processes may be challenged even after contracts have been awarded on the grounds of certain factors including validity of tender conditions, satisfaction of eligibility criteria and representations made in bid documents. Occurrence of such instances may result in reputational damage and adversely affect our business, results of operations, financial position and cash flows due to loss of opportunities. Litigation may be necessary to clarify these disputes and protect our brand equity, which could result in incurring additional costs.

We spend considerable time and resources in the preparation and submission of bids, and if we are unable to pre-qualify on our own credentials to bid for larger projects, we may be required to partner and collaborate with other companies in bids for such projects. If we are unable to partner with other companies in the future, we may lose the opportunity to bid for such future projects which could affect our growth plans.

Further, we have entered into contracts with government institutions and public sector undertakings. Such contracts may be subject to extensive internal processes, policy changes, and insufficiency of funds which may lead to lower number of contracts available for bidding or increase in the time gap between invitation for bids and award of the contract. Due to these and other factors, certain terms of such contracts, such as pricing terms, contract period, use of sub-contractors and ability to transfer receivables under the contract or make appropriate adjustments as a result of changes in the tax regime, are also less flexible than contracts with private companies.

Further, payments from government entities may be, and have been in the past, subject to delays, due to regulatory scrutiny and procedural formalities including with respect to determination on achievement of certain service milestones. To the extent that payments under our contracts with government entities are delayed, our cash flows may be impacted.

In addition, government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. The terms of contracts procured under the tender process may or may not prove to be optimally beneficial for us. In the event that new projects which have been announced and which we intend to bid for are not put up for bidding within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, results of operations, financial condition and cash flows could be adversely affected. Further, in situations where our bids have been successful, there may be delays in award of the projects, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our business, results of operations, financial condition and cash flows.

4. We depend on a few suppliers for our primary raw material i.e., steel and any delay, interruption or reduction in the supply of steel to manufacture our products may adversely affect our business, results of operations, financial condition and cash flows.

We depend on a select few suppliers for the purchase of our primary raw material i.e., steel and we typically do not have long-term or formal contracts with such suppliers. We typically source steel by placing purchase orders from time to time with such suppliers. In the absence of long-term or formal contracts, we cannot assure you that we will be able to continue to obtain adequate supplies of steel, in a timely manner, in the future.

Any reductions or interruptions in the supply of steel, and any inability on our part to find alternate sources for the procurement of steel, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner. We may also be required to replace a supplier if its products or services do not meet our quality standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

Further, the discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business, results of operations, financial condition and cash flows. We cannot assure that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of steel. If we were to experience a significant or prolonged shortage of steel from any of our suppliers, and we cannot procure steel from other sources, we would be unable to meet our production schedules and to deliver such order to our customers in a timely manner, which would adversely affect our sales, margins and customer relationships.

5. *Volatility in the prices of steel, may adversely affect our business, results of operations, financial condition and cash flows.*

We are exposed to volatility in the prices of our primary raw material i.e., steel. The supply and pricing of steel can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates. The prices at which we purchase steel are significantly dependent on steel prices in the domestic as well as in the international markets. The prices of steel are highly volatile and cyclical in nature. Any price fluctuations in the prices of steel will adversely affect our business, results of operations, financial condition and cash flows. In the event that the cost of steel increases after we enter into contracts with our customers and if we are not able to pass on such price increase to our customers, we would be forced to absorb such increases. Any such absorption of increased costs would cause an adverse impact on our business, results of operations, financial condition and cash flows.

6. Our current order book may not necessarily translate into future income in its entirety or could be delayed. Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our customers, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

The profitability of a contract in our order book and our cash flows may be affected due to the following amongst others:

- withholding of payments by customers or mismatch between our internal cost milestones and the payment milestones under our contracts;
- cancellation or termination of existing contracts or non-payment by our customers; or
- changes in government policies or change in budget appropriations

As any of the above occurrences may adversely impact and reduce the order book position, we cannot assure you that the income anticipated in our order book will be realised, or, if realised, will be realised on time or result in profits. In addition, our order book during a particular future period depends on continued growth of the railway sector in India and our ability to remain competitive. We cannot assure you that in the future such contracts (entered/ to be entered into by us) will get completed in scheduled time and/ or cost overruns on our contracts will not have an adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, we cannot assure you that our customers will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or that we may not need to renegotiate some of our contracts in future. Our customers may refuse to renegotiate our contracts which could have an adverse effect on our business, financial condition, results of operations and cash flows.

7. ***Our Associate, Firema has suffered losses in the past and may incur losses in the future. If Firema fails to recover from its losses through future profits or secure additional equity infusion, the viability of Firema as a going concern may be at risk. Further, Firema has obtained a secured loan from Bank of Baroda, which includes security in the form of one of our land parcels, pledge of our shares of Firema as well as personal guarantee by our Vice Chairman, Managing Director and Chief Executive Officer, Umesh Chowdhary. In the event Firema fails to repay its debt obligation, the security may be invoked, which will have an adverse impact on our business, results of operations, financial condition and cash flows.***

Firema has suffered losses in the past which have significantly reduced its net worth. As of the date of this Preliminary Placement Document, our Company holds 49.70% of the equity share capital of Firema whose carrying value after considering the proportionate share of loss in Firema is nil as on September 30, 2023. If Firema is unable to recover from its losses through future profits or securing additional equity infusion, the viability of Firema as a going concern may be at risk.

In addition, against a term loan of Euro 50 million (equivalent to ₹ 43,969.95 lakhs, assuming 1 Euro to be equivalent to ₹ 87.94 as on September 30, 2023) and an overdraft facility of Euro 30 million (equivalent to ₹ 26,381.37 lakhs, assuming 1 Euro to be equivalent to ₹ 87.94 as on September 30, 2023) the outstanding balance of which as on September 30, 2023 is Euro 71.03 million (equivalent to ₹ 62,460.53 lakhs, assuming 1 Euro to be equivalent to ₹ 87.94 as on September 30, 2023) availed by Firema from Bank of Baroda, our Company has provided *pari pasu* security of its land situated at Bharatpur in Rajasthan (net block of which was ₹ 15,874.27 lakhs as of September 30, 2023) on which one of our manufacturing facilities is situated and pledged 30,00,000 shares of Firema amounting to Euro 3 million (equivalent to ₹ 2,638.14 lakhs, assuming 1 Euro to be equivalent to ₹ 87.94 as on September 30, 2023). Further, our Vice Chairman, Managing Director and Chief Executive Officer, Umesh Chowdhary in his capacity of being a promoter of Firema has provided a personal guarantee of ₹ 8,000 lakhs which may be enhanced to cover the entire loan amount subject to permission by RBI. In the event of default by Firema, the loan may be recalled and if Firema is unable to repay, the security provided above may be invoked, which will have an adverse impact on our business, results of operations, financial condition and cash flows.

Further, we rely on the synergy of our association with Firema for export markets in Europe by supplying components and parts for trains manufactured by Firema. Any disruptions to the operations of Firema will have an adverse impact on our business, results of operations, financial condition and cash flows. Further, Firema has approached its existing shareholders (including our Company) for infusion of additional equity based on the revised business plan approved by its board of directors which *inter-alia* includes requirement of additional working capital for execution of its existing order book and recapitalisation of Firema due to past losses which has resulted into significant decline in its networth. While we are reviewing the request for additional investment, the Board of Directors of our Company may consider the option for further investment in Firema based on its merits. We cannot assure that any investments, if made, in Firema will generate the desired returns, which may have adverse impact on our business, results of operations, financial condition and cash flows.

8. ***A slowdown or shutdown in our manufacturing operations or the under-utilization of our manufacturing facilities could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We operate four manufacturing facilities, of which two are located at Titagarh in West Bengal, one is located at Uttarpara in West Bengal and the other one is located at Bharatpur in Rajasthan. For further information on our manufacturing facilities and capacities, see "*Our Business – Manufacturing Facilities*" on page 155. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment, disruption in electric power or water resources, fire or industrial accidents and severe weather conditions and natural disasters. While we have not experienced any material slowdown in or shutdown of our manufacturing operations in the last three Fiscals and the six months ended September 30, 2023, we cannot assure you that there will be no such instances in the future.

Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to an inability to comply with our customers' requirements and result in us breaching our contractual obligations which may lead to loss of our customers or a significant reduction in demand from such customers.

Our ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have an adverse effect on our business, results of operations, financial condition and cash flows.

9. ***Out of our four manufacturing facilities, three are concentrated in a single region and any adverse developments affecting this region could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We have four manufacturing facilities, of which three are located in the state of West Bengal. The geographical concentration of our manufacturing facilities renders our operations susceptible to regional risks, adverse changes and events occurring in and around such regions. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in this region, or changes in the policies of the state or local governments of this region or the Government of India, could require us to incur significant capital expenditure and change our business strategy. Further, since our manufacturing facilities are located in a concentrated geographical region, we may incur additional costs and expenses in transporting our products to far away regions. Additionally, any disruption in the state of West Bengal may also adversely impact our vertically integrated manufacturing operations. We cannot assure you that there will not be any significant disruptions in our operations in the future. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

10. ***We have incurred substantial capital expenditure in the past and may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.***

Our business is capital intensive. We have expanded and upgraded our existing manufacturing facilities in the last three Fiscals. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our gross additions to plant and equipments were ₹ 1,206.91 lakhs, ₹ 4,982.00 lakhs, ₹ 1,264.66 lakhs and ₹ 95.16 lakhs, respectively. Based on our Unaudited Interim Condensed Consolidated Financial Statements, our gross additions to plant and equipments for the six months ended September 30, 2023 was ₹ 91.96 lakhs. Our sources of additional capital, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. Further, our budgeted resources may prove insufficient to meet our requirements which could drain our internal accruals or compel us to raise additional capital. If we are required to raise additional funds through the incurrence of debt, our

interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could restrict our ability to raise additional capital or access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding.

11. Our business requires working capital. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, financial condition and cash flows.

We require working capital to finance the purchase of materials and for the manufacture and other related work before payment is received from customers. For Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023, our working capital utilization was ₹ 21,674.04 lakhs, ₹ 31,245.77 lakhs, ₹ 16,683.78 lakhs, ₹ 21,851.82 lakhs and ₹ 20,132.03 lakhs, respectively. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities. Our inability to obtain adequate amount of working capital through debt or equity funding and internal cash flows in a timely manner may also have an adverse effect on our results of operations, financial condition and cash flows.

Further, the objects of the Issue include funding our working capital requirements, which are based on management estimates and certain assumptions in relation to *inter alia* sales of our products and services in the future. For details, see "*Use of Proceeds*" on page 91. The working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of our actual requirements and investors are advised to not place undue reliance on such estimates of future working capital requirements.

12. If we fail to comply with the product specifications, delivery schedules and production standards prescribed by our customers, we may be faced with liabilities and adverse consequences, including monetary penalties, warranty claims and loss of our customers, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Some of our customers, such as the Indian Railways, require us to furnish performance security under their purchase orders in the form of security deposits in cash and performance bank guarantees. Orders from the Indian Railways also provide for liquidated damages and monetary penalties for failure to adhere to delivery timelines. We are an approved vendor for the Indian Railways and we face the risk of being de-registered by the Indian Railways, and hence losing their contracts, if our factories or products do not meet their standards or specifications. Our supplies to our customers including the Indian Railways and metro authorities carry warranties and we make provision for warranty claims in our accounts, as well as provide annual maintenance contracts in certain instances. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023, warranty claims (net) charged to statement of profit and loss were ₹ 33.99 lakhs, ₹ (8.18) lakhs, ₹ 16.05 lakhs, ₹ 44.61 lakhs and ₹ 106.92 lakhs, respectively. Further, typically, under the terms of our purchase orders, our customers have the right to reject goods that do not meet their specifications or are not delivered on time. In essence, if we fail to meet the stipulated delivery timelines and product specifications or standards, we may face warranty and liquidated damages or other monetary claims, forfeiture of security deposits, invocation of performance bank guarantees, rejection of goods and de-registration by our customers or loss of our customers that could have an adverse effect on our business, results of operations, financial condition and cash flows.

13. We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders which may expose us to warranty claims.

All our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers in terms of the various contractual arrangements entered into with them or tender issued by them. While we believe we undertake the necessary measures to ensure that our manufacturing facilities comply with the applicable standards as imposed by our customers, any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. Additionally, it could expose us to monetary liability or litigation.

Majority of our key customers have assessed and approved our facilities and manufacturing processes in the past, and may undertake similar audits periodically in the future. Failure to meet their standards can have serious consequences including rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customers which could have adverse effect on our reputation, business, results of operations, financial condition and cash flow. This may result in our customers cancelling present or future purchases of our products.

Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. The quality of our product offerings is documented in the certifications which we have received including, ISO 9001:2015 and ISO 14001:2015 for quality management systems. For further information on the certifications, see "*Our Business – Quality Control*" on page 159. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be adversely affected.

14. We face certain competitive pressures from the existing competitors and new entrants in both public and private sectors. Increased competition and aggressive bidding by such competitors is expected to make our ability to procure business in the future more uncertain, which may adversely affect our business, results of operations, financial condition and cash flows.

Our business is highly competitive. We face competition from competitors in the domestic market as well as in international markets. With the liberalisation of the Indian economy, the Government has encouraged competitive bidding. We may not be in a position to aggressively price our products in the future which may result in loss of business and adversely affect our future prospects. With increased competition, our ability to estimate costs to provide goods required under the contracts and ability to deliver the project timely will determine our profitability and competitive position in the market. In accordance with the prevailing procurement policies of the Indian Railways, a certain proportion of these contracts are awarded to the lowest bidder. Our competition thus extends to relatively smaller base companies (who may be able to operate on lower overheads) and any new entrants to the industry who may be willing to reduce their margins in order to gain market share and may lower their bid values for securing these contracts. Further, the possibility exists that our competitors might develop new technologies that might cause the existing technology and offerings used by us to become less competitive.

Further, some of our competitors may have access to superior technology and more financial resources than those available to us, as a result of which, they may be more successful than us in bidding for the projects. For further details, see "*– Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements, could adversely affect our business, results of operations, financial condition and cash flows".* Any failure on our part to compete effectively in terms of pricing of our services or providing quality services could have an adverse effect on our business, results of operations, financial condition and cash flows. We may in the future face competition from foreign entities entering the Indian market for locomotive bodies and components in the railways industry, to the extent private entities are permitted by the Government of India to participate in this area. We cannot assure that we will be able to compete successfully in such event or that such increased competition will not have an adverse effect on our business, results of operations, financial condition and cash flows.

15. Our business depends on the levels of capital investment and maintenance expenditures by our customers, which in turn are affected by government investment in state-sponsored infrastructure projects. Any of these factors could have an adverse effect on the operations of our customers which in turn may affect the demand for our products and services and, as a result, could have an adverse effect on our business, results of operations, financial condition and cash flows.

We derive a significant portion of our revenue from the Indian Railways which receives financing or other support from the Government of India. Changes in the Central Government and/or State Governments, scaling back of government policies, initiatives or budgetary allocation, or the insufficiency of funds on the part of governmental entities could result in delays to our projects with such entities. Government projects may also be subject to political or financial pressures that may lead to such agreements being restructured or renegotiated by these entities, which could adversely affect our business, results of operations, financial

condition and cash flows. As our operations involve significant working capital requirements, non-payment or delayed collection of our receivables could adversely affect our liquidity which may, in turn, affect our business, results of operations, financial condition and cash flows. The reductions or postponements in the capital expenditures or reduction in financing in the infrastructure sector by the Government of India, could lower demand for our products and services and, as a result, could have an adverse effect on our business, results of operations, financial condition and cash flows.

16. An inability to effectively manage our growth and expansion may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our revenue from operations increased from ₹ 1,52,063.95 lakhs in Fiscal 2021 to ₹ 2,77,959.04 lakhs in Fiscal 2023 at a CAGR of 35.20%. Further, our revenue from operations increased by 77.70%, from ₹ 1,03,897.21 lakhs during six months ended September 30, 2022 to ₹ 1,84,621.04 lakhs during six months ended September 30, 2023. However, we cannot assure that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies, include, leveraging sector growth in the freight and passenger rail systems, strengthening our presence in the railway components and maintenance market, expanding capacity at our existing manufacturing facilities and capitalizing on international markets with the support of our Associate, Firema. For further information, see "*Our Business – Our Strategies*" on page 152. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify trends and demands in the industry, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel and undertake complex chemistries. Many of these factors are beyond our control and we cannot assure that we will succeed in implementing our strategy. We may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. We cannot assure that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.

17. We design, manufacture and supply passenger coaches and the same is subject to various risks concerning the safety and quality of the coaches, as well as the technological aspects involved in their manufacturing, which could have an adverse impact on our business, reputation, results of operations, financial condition and cash flows.

We design, manufacture and supply passenger coaches for semi-high-speed trains, electric multiple-unit trainsets and urban rail systems. While we implement quality control measures, safety concerns and performance issues may arise due to design flaws or manufacturing defects. Further, in the event of a railway accident resulting from such defects, we could be subject to regulatory fines, legal liabilities and negative publicity, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, the manufacturing process for our passenger coaches involves complex and advanced technologies. As a result, there are inherent challenges in the manufacturing process that can result in performance issues. Our ability to address these manufacturing challenges may require substantial investments in advanced technology, which in turn results in increased manufacturing costs, which could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, the successful utilization of our technology systems rely heavily on having a highly skilled workforce. If our workforce lacks the necessary expertise, we may experience obstacles to execute the manufacturing process efficiently which may lead to delays, inefficiencies, and a potential decline in the quality of our passenger coaches, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

18. We are engaged in the shipbuilding, bridges and defence business. While we are pursuing to identify a suitable strategic or joint venture partner for this business, we cannot assure you we will be successful in this endeavour.

Our business segment "Freight Rail Systems" encompasses our shipbuilding, bridges and defence ("**SBD**") business, in which we manufacture products including (i) coastal research vessels, naval vessels, passenger ships and cargo ferry vessels and tugs; (ii) metal canisters, and integrated field shelters for the Indian Air Force; and (iii) bailey bridges, steel modular bridges and unibridges. We intend to have a focused management team and strategic business partner for our SBD business. Our Board in its meeting dated November 8, 2023 has formed a committee of directors to identify a suitable strategic or joint venture partner for our SBD business. We cannot assure you that we will be successful in the identification of a strategic or joint venture partner for our SBD business.

19. The demand for our commodity specific wagons is related to GDP growth which sustains the demand for specific commodities such as cement, mining and bagged products.

We design and manufacture freight rolling stocks such as freight wagons, flat wagons, hopper wagons, tank wagons, box wagons, car carrying wagons, covered wagons and special purpose wagons, brake vans for various purposes including transportation of specific commodities such as specific commodities like cement, mining and bagged products. 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. Further, any amendment in or withdrawal of the programmes and policies beneficial to the private sector may also reduce the demand for our special purpose commodity specific wagons. If the share of the Indian Railways in India's freight traffic decline, the demand for wagons will consequently reduce which may adversely affect our business, financial condition and results of operations. Any of these events may adversely affect our business, results of operations, financial condition and cash flows.

20. We have significant power, fuel and water requirements and any increases in the price or inadequate supply of power, fuel and water may adversely affect our results of operations and cash flows.

We require substantial power and fuel for our manufacturing facilities. The following tables set forth below our power and fuel expenses for the years/ periods indicated:

Particulars	Power and Fuel Expenses (₹ lakhs)	Percentage of Revenue from Operations
Fiscal 2021	3,422.12	2.25%
Fiscal 2022	4,521.69	2.34%
Fiscal 2023	4,370.01	1.57%
Six months ended September 30, 2022	2,081.32	2.00%
Six months ended September 30, 2023	2,479.06	1.34%

We purchase utilities for our operations from the state electricity boards and Calcutta Electric Supply Corporation. In case the cost of electricity from state electricity boards is increased significantly and we are not able to pass on such increase to our customers, our cost of production and profitability will be adversely affected. Interruptions of electricity supply can result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Any significant increase in power price or increased interruptions may require us to add captive power generation capacity which will lead to incremental capital expenditure which may adversely impact our results from operations. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our business, results of operations, financial condition and cash flows will be adversely impacted.

In addition, we source most of our water requirements from state utilities, and we cannot assure that we will be able to obtain a sufficient supply of water from sources in these areas, some of which are prone to drought. We are subject to price risk due to scarcity of water and if supply or access is not available, our manufacturing operations may be disrupted. We may also be forced to shut down or scale down our production if the drought worsens and we are unable to access sufficient volumes of water.

Frequent production shutdowns lead to increased costs associated with restarting production and corresponding loss of production, any of which would adversely affect our business, results of operation, financial condition and cash flows. While we have not experienced any interruptions to our power, fuel or water supplies in the last three Fiscals and the six months ended September 30, 2023, we cannot guarantee that interruptions would not occur due to any events unforeseen by us.

21. Our operations involve activities and materials which are hazardous in nature and could result in a suspension of operations and the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, financial condition and cash flows.

Our operations are subject to operating risks. Certain operations at our manufacturing facilities, including steel plate cutting, melting, painting and shot blasting can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons and cause damage to our properties or equipment and the properties of others or to the environment. Further, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, weather and natural disasters, discharges or releases of hazardous substances, chemicals or gases; and other environmental risks. We have experienced work-related incidents that have resulted in minor injuries, such as cuts on hands and legs, as well as minor burns.

The occurrence of any of these hazards could result in a suspension of operations and the imposition of civil or criminal liabilities. We may also face claims and litigations filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our manufacturing facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, financial condition and cash flows could be adversely affected.

22. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations, financial condition and cash flows.

Our financial statements are presented in Indian Rupees. Our foreign currency exchange exposure relates primarily to the operating activities (when the revenue or expense is denominated in foreign currency) and borrowings in foreign currencies. Our foreign currency transactions are in USD, Euro, JPY, NPR and NOK. We typically hedge certain of our foreign currency exposures through use of foreign exchange forward contracts. The following table provides details of net exposure to foreign currency risk (assets less liabilities) as of the relevant date:

Foreign Currency (₹ equivalent of)	**As of March 31,**		
	2021	**2022**	**2023**
	(₹ in lakhs)		
USD	551.26	568.23	3,804.22
Euro	(197.27)	1,587.19	(1,753.50)
JPY	580.23	3,475.11	(1,076.38)
NPR	560.85	316.66	467.89
NOK	200.76	-	-

Our foreign currency exposures, adverse exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, Euro, JPY, NPR and NOK, may have an impact on our results of operations, financial condition and cash flows.

23. We are dependent on third party transportation providers for procurement of raw materials and for supply of our products and disruptions of transportation services could adversely affect our business, results of operations, financial condition and cash flows. In addition, increases in the costs of transportation could adversely affect our results of operations, financial condition and cash flows.

We engage third-party logistics service providers to support our transportation requirements, which includes procurement of raw material and distribution of products. In the event that these third-party logistics service providers are unable to provide services for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations, financial condition, cash flows may be adversely affected. Further, disruptions of transportation services because of natural disasters, pandemics, mass protests, civil unrest, strikes, lockouts

or other events may affect our delivery schedules and impair our supply to our customers.

While we maintain insurance to cover various risks during the transit of goods, any damage suffered by us in excess of coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on transportation charges levied by our third-party logistic service providers. Further, the unavailability of adequate port and shipping infrastructure for transportation of our products to our foreign markets may have an adverse effect on our business, results of operations, financial condition and cash flows.

24. Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business, results of operations, financial condition and cash flows.

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. Work stoppages due to strikes or other events could result in slowdowns or closures of our operations which could have an adverse effect on our business, results of operations, financial condition and cash flows. While there has been no instance in the last three Fiscals and the six months ended September 30, 2023 where we experienced work stoppages due to strikes or labour unrest or any other workforce disruption that resulted in closure of our operations, we cannot assure you that we may not experience any such events in the future.

Increases in labour costs may make us less competitive unless we are able to increase our efficiency and productivity proportionately and we can pass on such costs in the prices that we charge our customers. Any significant increase in our labour costs may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our Company also appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. As on September 30, 2023, we had engaged 2,931 contract labourers. Although we do not engage these laborers directly, we may be held responsible for wage payments to laborers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, results of operations, financial condition and cash flows. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be directed to absorb some of these contract laborers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business, results of operations, financial condition and cash flows.

25. ***We have incurred indebtedness and have breached certain financial covenants in past. Our inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, financial condition and cash flows. Further, five of our lenders have indicated merely in-principle approvals for the Issue by way of their respective letter and e-mail communications and have stated that the final consents would be subject to the approval of the competent authority of the respective lenders. We may not get such final consents in a timely manner or at all.***

We have entered into various financing arrangements with various lenders for short-term and long-term facilities. As of September 30, 2023, our total borrowings amounted to ₹ 26,039.20 lakhs. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flows from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions.

In terms of security, we are required to create a mortgage or charge over our current assets, movable and immovable properties. We may also be required to furnish additional security if required by our lenders. Additionally, these financing agreements also require us to maintain certain financial ratios. In the past, our erstwhile subsidiary Firema (now an Associate) breached certain financial covenants such as minimum interest cover and gearing ratio and the same have been condoned by the relevant lenders. We cannot assure you that we will be able to comply with the financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, pursuant to the one-time restructuring applicable for the Covid-19 pandemic, introduced

by the RBI, our erstwhile subsidiary Firema restructured its long-term debts of Euro 79.75 million with the Bank of Baroda on December 17, 2021. The restructuring of the long-term debts *inter alia* included rescheduling and extending the repayment of the long-term debts over two more years. Except for the above instance, there has been no re-scheduling/ re-structuring in relation to borrowings availed by our Company or any of our Joint Ventures or Associate from any financial institutions or banks in the last three Fiscals and six months ended September 30, 2023.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions including altering our capital structure, further issuance of any Equity Shares, effecting any scheme of amalgamation or reconstruction, change in powers and, change in the management of the Company and dilution of Promoters' shareholding, alteration in the constitutional documents, creation of security, undertaking capital expenditure or new projects or implementing any scheme of expansion or acquisition of fixed assets, changing or expanding the scope of business and declaring dividends. Our Company sought to obtain relevant consents in relation of the Issue from respective lenders prior to the date of this Preliminary Placement Document. However, we have not received all consents required from our lenders in connection with the Issue. Five of our lenders with working capital utilization of ₹ 36,175.00 lakhs (including fund based of ₹ 3,975.00 lakhs and non-fund based of ₹ 32,220.00 lakhs) outstanding as of September 30, 2023, have indicated merely in-principle approvals for the Issue by way of their respective letter and e-mail communications and have stated that the final consents would be subject to the approval of the competent authority of the respective lenders. We may not get such final consents in a timely manner or at all.

Any inability to comply with the covenants under our financing arrangements or to obtain necessary consents required thereunder, including for the Issue as set out above, may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided, which could have an adverse effect on our business, financial condition, results of operations and cash flows. Defaults under any of our debt obligations may also trigger cross-defaults under certain of our financing arrangements. Further, the obligations under any of our financing agreements are accelerated, we may also have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, in the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future and not waived, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Any such adverse development may have an adverse effect on our business, financial condition, results of operations and cash flows.

26. We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

We require certain statutory and regulatory permits, licenses and approvals to operate our business, such as consents to establish and operate and hazardous waste authorisation from the state pollution control board (where our manufacturing facilities are located), licenses issued under the Factories Act for our manufacturing facilities, fire safety licenses from fire safety authorities, license under the Petroleum and Explosives Organisation, contract labour registration certificates and approval under the Arms License Act. Additionally, our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and restrict certain of our business activities. We cannot assure you that our approvals, licenses, permits and registrations may not be revoked or suspended in the event of any non-compliance with any terms or conditions set forth thereof.

In the future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. Certain of our approvals are applied for, and registration for such approvals are yet to be received. While we will endeavour to renew or obtain such permits, licenses and approvals as required, we cannot assure you that the relevant authorities will issue any such approvals within our anticipated timeframe or at all.

Further, we cannot assure you that the legal framework, licensing and other regulatory requirements or enforcement trends in the industries and jurisdictions in which we operate will not further change in a manner that makes it more costly or difficult to renew or obtain the statutory and regulatory permits, licenses and approvals we require to operate our business, or that we will be successful in responding to such changes. Moreover, as we grow our business, the requirements for obtaining new licenses, approvals and

authorisations will also increase. If we lose or are otherwise unable to maintain any of our required licenses, registrations, permits and approvals under the applicable laws and regulations, our business operations may be adversely affected which in turn could have an adverse effect on our results of operations, financial condition and cash flows.

27. ***We depend on our key managerial personnel, senior management and other personnel with technical expertise, and if we are unable to recruit and retain qualified and skilled personnel, our business and our ability to operate or grow may be adversely affected.***

Our future performance would depend on the continued service of our Promoters, Key Managerial Personnel, Senior Management, persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, results of operations, financial condition and cash flows. While there has been no instance in the last three Fiscals and the six months ended September 30, 2023 where the resignation of any Key Managerial Personnel or Senior Management had an adverse impact on our business, results of operations, financial condition and cash flows, we cannot assure you that such instance will not arise in the future. Our future success, amongst other factors, will depend upon our ability to continue to attract, train and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping us develop products and support key customers. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our business, results of operations, financial condition and cash flows.

The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. The following table sets forth the attrition rate for the years/ periods indicated:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
Number of Employees Resigned	29	47	139	52	62
Attrition Rate*	8.21%	10.32%	24.77%	9.90%	10.42%

**Attrition rate is calculated as overall exits including retired employees divided by average number of employees.*

Our inability to hire, train and retain a sufficient number of qualified employees could have an adverse effect on our business, results of operations, financial condition and cash flows. Our success also depends, in part, on key customer relationships forged by our senior management. If we were to lose members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them, which could adversely affect our business, results of operations, financial condition and cash flows.

28. ***There are outstanding legal proceedings involving us. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.***

We are contesting certain legal proceedings in various courts, including certain civil, criminal and taxation cases that have been filed against us, which are pending at different levels of adjudication before various courts, tribunals and other authorities. For further details of the legal proceedings that we are subject to, see *"Legal Proceedings"* on page 287. We cannot assure you that the outcome of any of these legal proceedings will be favourable. Any adverse decision in any of these cases may adversely affect our business, results of operations, financial condition and cash flows. Such proceedings could divert our management's time and attention and consume our financial resources in their defence or prosecution. A summary of such outstanding legal proceedings as on the date of this Preliminary Placement Document is set forth below:

Types of Proceedings	Number of Cases	Amount (in ₹ lakhs)*
Litigation against our Company		
Criminal proceedings	2	N.A.
Actions by statutory or regulatory authorities	NIL	NIL
Other pending material litigation	11	30.22

Types of Proceedings	Number of Cases	Amount (in ₹ lakhs)*
Direct and indirect tax proceedings	80	22,338.68
Total	**93**	**22,368.90**
Litigation by our Company		
Criminal proceedings	3	N.A.
Other pending material litigation	14	140.66
Total	**17**	**140.66**
Litigation against our Subsidiaries		
Criminal proceedings	NIL	NIL
Actions by statutory or regulatory authorities	NIL	NIL
Other pending material litigation	NIL	NIL
Direct and indirect tax proceedings	NIL	NIL
Total	**NIL**	**NIL**
Litigation by our Subsidiaries		
Criminal proceedings	NIL	NIL
Other pending material litigation	NIL	NIL
Total	**NIL**	**NIL**
Litigation against our Directors		
Criminal proceedings	1	N.A.
Actions by statutory or regulatory authorities	NIL	NIL
Other pending material litigation	NIL	NIL
Direct and indirect tax proceedings	5	56.09
Total	**6**	**56.09**
Litigation by our Directors		
Criminal proceedings	1	N.A.
Other pending material litigation	NIL	NIL
Total	**1**	**N.A.**
Litigation against our Promoters		
Criminal proceedings	NIL	NIL
Actions by statutory or regulatory authorities	NIL	NIL
Other pending material litigation	1	Not Quantifiable
Direct and indirect tax proceedings	9	299.70
Disciplinary action taken by SEBI or the Stock Exchanges in the past five years	NIL	NIL
Total	**10**	**299.70**
Litigation by our Promoters		
Criminal proceedings	NIL	NIL
Other pending material litigation	5	16.75
Total	**5**	**16.75**

**To the extent quantifiable.*

In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations, financial condition and cash flows could be adversely affected.

29. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements, could adversely affect our business, results of operations, financial condition and cash flows.

Our business is continually changing due to technological advances and scientific discoveries. If our technologies become obsolete for various factors, our business, results of operations, financial condition and cash flows could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations, financial condition and cash flows. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements, could adversely affect our business, results of operations, financial condition and cash flows.

30. We may undertake acquisitions, investments, joint ventures or other strategic alliances, which may have an adverse effect on our ability to manage our business, and such undertakings may be unsuccessful.

We may undertake acquisitions, investments, joint ventures or other strategic alliances to expand our business operations. Any future acquisitions may expose us to new operational, regulatory, market and geographic risks as well as risks associated with additional capital requirements as well as other considerable risks, including:

- our inability to integrate new operations, personnel, products, services and technologies;
- unforeseen or hidden liabilities, including exposure to lawsuits associated with newly acquired companies;
- the diversion of resources from our existing businesses;
- failure to comply with laws and regulations as well as industry or technical standards of the overseas markets into which we may expand;
- our inability to generate sufficient revenues to offset the costs and expenses of such acquisitions or strategic investment; and
- potential loss of, or harm to employees or customer relationships.

Any of these events could disrupt our ability to manage our business, which in turn could have an adverse effect on our business, results of operations, financial condition and cash flows. Such risks could also result in our failure to derive the intended benefits of the acquisitions, and we may be unable to recover our investment in such initiatives.

31. Damage to our reputation could have an adverse effect on our business, results of operations, financial condition and cash flows.

The success of our business depends on our customers' trust in our reputation as a reliable supplier, and in our ability to meet their key performance targets and other expectations. Actual or alleged instances of inferior product quality or of damage caused by our products could damage our reputation and could prompt customers to reduce or terminate their business with us. Events or allegations of malfunctioning products could also lead to legal claims being brought against us, and we could incur substantial legal fees and other costs in defending or compensating for such legal claims. For further details, see "- *We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders which may expose us to warranty claims"* on page 59. If any of these risks were to materialize, our reputation and brand image may be damaged, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

32. We have certain contingent liabilities that have been disclosed in our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, which if they materialize, may adversely affect our business, results of operations, financial condition and cash flows.

As of September 30, 2023, our contingent liabilities as per Ind AS 37 that have been disclosed in our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, were as follows:

Particulars	Amount (₹ lakhs)
Disputed claims contested by the Group and pending at various courts/arbitration	3,826.58
Matters under appeal with:	
Income Tax Authorities	4,845.72
Custom and Excise Authorities	13,610.73
Goods and service tax Authorities	181.52
Sales Tax Authorities	2,510.17

Particulars	Amount (₹ lakhs)
Custom Duty on import of equipment's and spare parts under EPCG scheme	1,190.54
Total	26,165.26

Further (a) Erstwhile Cimmco Limited (since merged with the Company) had prior to the year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of ₹ 1,128.95 lakhs on erstwhile Cimmco Limited (since merged with the Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Parent Company believes that there would not be any liability that would crystallise on account of the above.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further information, see "*Management's Discussion and Analysis of Condition and Results of Operation*" and "*Financial Statements*" on page 161 and 305, respectively.

33. A substantial portion of our assets are hypothecated or mortgaged in favour of lenders as security for some of our fund-based and non-fund-based borrowings. Our lenders may enforce such security in the event we fail to service our debt obligations, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

As of September 30, 2023, all of our borrowings are secured and based on our Unaudited Interim Condensed Consolidated Financial Statements we had non-current borrowings of ₹ 4,355.53 lakhs and current borrowings of ₹ 21,683.67 lakhs. These secured borrowings are secured, among others, through a charge by way of hypothecation on our present and future current assets and fixed assets as well as through mortgage on our land and buildings. As these assets are hypothecated or mortgaged, our rights in respect of transferring or disposing of these assets are restricted. Further, in the event we fail to service our debt obligations, certain of our lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations, financial condition and cash flows could be adversely affected.

Further, against the loan availed by Firema from Bank of Baroda, our Company has provided *pari pasu* security of its land situated at Bharatpur in Rajasthan on which one of our manufacturing facilities is situated. For more information, see "- *Our Associate, Firema has suffered losses in the past and may incur losses in the future. If Firema fails to recover from its losses through future profits or secure additional equity infusion, the viability of Firema as a going concern may be at risk. Further, Firema has obtained a secured loan from Bank of Baroda, which includes security in the form of one of our land parcels, pledge of our shares of Firema as well as personal guarantee by our Vice Chairman, Managing Director and Chief Executive Director, Umesh Chowdhary. In the event Firema fails to repay its debt obligation, the security may be invoked, which will have an adverse impact on our business, results of operations, financial condition and cash flows."*

34. Any downgrade of our credit ratings may lead to an increase in our borrowing costs and constrain our access to borrowings.

The cost and availability of borrowings is dependent, among other factors, on our short-term and long-term credit ratings. The following table sets forth our details of credit rating received in the last three Fiscals and the six months ended September 30, 2023:

Rating Agency	Instrument Type	Credit Rating	Date
CRISIL Rating Limited	Long Term Rating	CRISIL A+/ Stable	September 29, 2023
	Short Term Rating	CRISIL A1 (Reaffirmed)	
CRISIL Rating Limited	Long Term Rating	CRISIL A-/ Positive	November 14, 2022
	Short Term Rating	CRISIL A2+ (Reaffirmed)	
CRISIL Rating Limited	Long Term Rating	CRISIL A-/ Stable	July 20, 2021
	Short Term Rating	CRISIL A2+	

Any downgrade of our credit ratings may lead to an increase in our borrowing costs and constrain our access to borrowings. In addition, any downgrade of our credit ratings could result in a default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements.

35. An inability to successfully manage our international operations could adversely affect our business and results of operations.

Our international operations especially through our Associates and Joint Ventures are subject to political, economic, regulatory and other risks of doing business in those jurisdictions, including uncertain political and economic environments and political instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations that we may be familiar with in India. Our Associate, Firema operates a manufacturing facility at Caserta, Italy which manufactures passenger rolling stock including propulsion systems and has a design centre at Savona in Italy for the design and engineering of the passenger rolling stock. An inability to successfully manage our international operations could adversely affect our business and results of operations. In particular, different legal and tax regimes may affect our business and result of operations. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws of different jurisdictions.

36. While certain of our trademarks and copyright used by us for our business are registered, any inability to protect our intellectual property from third party infringement may adversely affect our business and prospects.

As of the date of this Preliminary Placement Document, we had 8 registered trademarks in India under classes 6, 7, 12, and 42 of the Trade Marks Act, 1999 and 4 foreign registered trademarks in Italy, European Union, Spain and South Africa. These include registrations for Titagarh Word mark, Titagarh (device of T) (logo) and TWL device mark. In addition, as of the date of this Preliminary Placement Document, we are in process of making applications for additional three trademarks in India, which are pending at various stages before relevant authorities. Further, as of the date of this Preliminary Placement Document, we have filed four applications for registration of copyrights and five applications for designs.

We have recently changed the name of our Company from 'Titagarh Wagons Limited' to 'Titagarh Rail Systems Limited' on May 19, 2023. Consequent to such name change, we have also modified our corporate logo to reflect our current brand. We are currently in the process of making applications for registration of trademark of our revised corporate logo. Accordingly, we currently do not have a trademark registration for our logo . If we are unable to register our corporate logo, we may not be able to protect or enforce our rights to own or use our corporate logo which could have an adverse effect on our business and competitive position. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these trademarks or logos and our other intellectual property rights. Further, we cannot assure that we will be granted the registration for such trademarks and logos and until such time any infringement of such mark may adversely

affect our business. We may not be able to protect our intellectual property rights against third party infringement and unauthorized use of our intellectual property including our brand on products which are not manufactured by us and which are of inferior quality, and which may adversely affect our brand value and consequently our business. Further, the use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business. In addition, any adverse experience of customers of such third-party products, or negative publicity attracted by such third-party products could adversely affect our reputation and brand and business prospects. We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations, financial condition and cash flows.

37. We may be subject to claims of infringement of third-party intellectual property rights, which could adversely affect our business.

While we take precautions to ensure that we do not infringe upon the intellectual property rights of third parties, we may do so unknowingly. Any allegations of infringement by us on the intellectual property rights of third parties, regardless of their merit, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert our management attention from our business. The occurrence of any of the foregoing could result in unanticipated expenses. Such licenses can be extremely costly, and the necessary licences may not be available to us on satisfactory terms, if at all.

In addition, we may be liable for any past infringement of third-party intellectual property rights. Our customers may from time to time share their intellectual property rights in the course of our carrying out the product development process for them. If our customer's intellectual property rights are misappropriated by our employees, intentionally or not, the customer may seek compensation from us. This and any of the abovementioned risks could have an adverse effect on our business, results of operations, financial condition and cash flows, and damage our reputation, brand and relationships with our customers.

38. Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our business, results of operations, financial condition and cash flows.

Although we supervise our employees and workmen to prevent illegal and unethical behaviour, fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. In the past, we have had an instance where one of our ex-employees, Soumen Majumdar along with others had conspired to defraud our Company *inter alia* where they had made false and frivolous representations to induce our Company to engage services of a logistics company. For further details, see *"Legal Proceedings – Criminal Proceedings by our Company – point 2"* on page 288. Misconduct by our employees or executives could bind us to transactions that exceed authorised limits, present unacceptable risks or involve us in unauthorised or unlawful activities without our knowledge, which may result in penalties, damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in serious reputational and financial harm, including harm to our brand. Further, the precautions taken and systems put in place to prevent, detect and deter such activities may not be effective in all cases and could have an adverse effect on our business, results of operations, financial condition and cash flows.

39. Our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included certain observations in the annexure to their audit reports on the Companies (Auditor's Report) Order, 2016 / Companies (Auditor's Report) Order, 2020, for Fiscal 2021, 2022 and 2023.

Our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included certain observations in the annexures to their audit reports on the consolidated financial statements of our Company for Fiscal 2021, 2022 and 2023 pursuant to the Companies (Auditor's Report) Order, 2016/ Companies (Auditor's Report) Order, 2020, as applicable. For more information regarding such observations, see, "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Reservations, qualifications or adverse remarks by Statutory Auditors*" on page 200.

We cannot assure you that our Joint Statutory Auditor's observations for any future financial period will not contain similar remarks under CARO and that such matters or remarks will not otherwise affect our business, results of operations, financial condition and cash flows.

Also, see "*Risk Factors - Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30, 2022, and Joint Statutory Auditor have issued a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. Further, our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included emphasis of matter paragraphs in their audit report on the audited consolidated financial statements as of and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and in their review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023.*." on page 51.

40. Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our results of operations, financial condition and cash flows.

We maintain insurance policies to cover our assets, including a standard marine cargo open policy, industrial all risk insurance and all risk insurance which covers building (including road, culverts, boundary walls), plant and machinery, office equipment, furniture, fixtures, fittings and inventory and stock including spares and attachments. We maintain a personal accident (group) insurance policy for its employees. We also maintain product liability insurance to cover our legal liability.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our manufacturing facilities or corporate offices or in the regions or areas where our manufacturing facilities or corporate offices are located. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain types of risks. There are many events, other than the ones covered in the insurance policies specified above, that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations, financial condition and cash flows could be adversely affected. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. While there has been no instance in the last three Fiscals and the six months ended September 30, 2023 where any event occurred where we experienced losses exceeding our insurance coverage, we cannot assure you that such instance will not arise in the future. For Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023, we received insurance claims amounting to nil, ₹ 684.28 lakhs, ₹ 76.99 lakhs, ₹ 0.97 lakhs and nil, respectively, for the damages suffered on account of cyclone and fire. The following tables set forth details of coverage of our insurance policies against the total insurable assets for the years/ periods indicated:

Particulars	Coverage of Insurance Policies	
	Amount (₹ lakhs)	Percentage of the Total Insurable Assets
Fiscal 2021	1,43,255.36	100.00%
Fiscal 2022	1,55,600.00	100.00%
Fiscal 2023	1,70,296.27	100.00%
Six months ended September 30, 2022	1,55,600.00	100.00%
Six months ended September 30, 2023	1,70,296.27	100.00%

Any damage or loss to these uninsured assets due to unforeseen events such as natural disasters, accidents, thefts, or other incidents may impact our results of operations, financial condition and cash flows and result in significant monetary losses.

41. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions include, among other things, include remuneration

to whole time Directors, independent Directors and Key Managerial Personnel. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transaction, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future subject to compliance with the SEBI Listing Regulations and other statutory requirements. The table below provides details of arithmetic aggregated absolute sum of all related party transactions and the percentage of such related party transactions to our revenue from operations for the years/ periods indicated:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(₹ lakhs, except percentages)				
Arithmetic Aggregated Absolute Sum of All Related Party Transactions	5,867.33	8,814.93	7,581.11	2024.19	2,875.26
Revenue from Operations	152,063.95	193,079.19	277,959.04	103,897.21	1,84,621.04
Arithmetic Aggregated Absolute Sum of All Related Party Transactions as a Percentage of Revenue from Operations	3.86%	4.57%	2.73%	1.95%	1.56%

For further information on our related party transactions, see "*Related Party Transactions*" on page 103.

42. We have experienced losses in Fiscal 2021 and 2022. Any loss in future periods could adversely affect our operations, financial conditions, and the trading price of our Equity Shares.

In Fiscal 2021 and 2022, our loss for the year after tax was ₹ (1,878.65) lakhs and ₹ (68.55) lakhs, respectively. For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 305 and 161. We may incur losses in the future could adversely affect our business, results of operations, financial condition and cash flows and the trading price of our Equity Shares.

43. Any negative operating cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our business, results of operations, financial condition and cash flows.

The following table sets forth certain information relating to our cash flows from the operating activities for the years/ periods indicated:

Particulars	Fiscal			Six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ lakhs)				
Net cash flow from/ (used in) operating activities	6,775.60	5,458.89	4,091.68	469.86	(14,743.99)

Negative operating cash flows over extended periods, or significant negative operating cash flows in the short term, could impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, financial condition, future financial performance and results of operations could be adversely affected. For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on pages 305 and 195, respectively.

44. Our Company has issued Equity Shares during the preceding one year at a price that may be lower the Issue Price.

Our Company has issued Equity Shares in the last 12 months immediately preceding the date of this Placement Document at a price which may be lower than the Issue Price. For more information, see "*Capital Structure - History of Share Capital of our Company*" on page 99.

45. ***Any disruption, delay or failure in the operation of our information technology ("IT") systems could adversely affect our business, results of operations, financial condition and cash flows.***

We have implemented various IT solutions to cover key areas of our operations. Our ability to operate our business depends on the proper and efficient functioning of such IT systems, which are susceptible to malfunctions and interruptions. Any delay in the implementation or failure in the operation of these information systems could result in adverse consequences, including disruption of operations, loss of information and unanticipated increases in costs.

Further, these systems are potentially vulnerable to interruptions from a variety of sources and events that are wholly or partially beyond our control or the control of our third-party vendors (e.g., damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, cyber-attacks or loss of support services from other third parties, such as internet backbone providers), which could lead to serious consequences for our business. In addition, a malfunction in our data system security measures could enable unauthorised persons to access sensitive business data, including information relating to our and our customers' intellectual property or business strategies. Such malfunction or disruptions could cause economic losses for which we could be held liable and could also damage our reputation and brand. Further, any failure or disruption in the operation of our IT systems could result in loss of data, which may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage product lifecycle, manage our creditors and debtors, manage payables and inventory and otherwise conduct our normal business operations. Any of these developments, alone or in combination, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency or disruption of IT systems thereby adversely affecting our ability to operate efficiently. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, results of operations, financial condition and cash flows.

46. Our Directors or Promoters may enter into ventures that may lead to conflicts of interest with our business.

Our Directors and Promoters may become involved in ventures that may potentially compete with our Company. As of the date of this Preliminary Placement Document, while our Directors and Promoters do not engage in any other business activities similar to our business lines, and have not undertaken any business in conflict with the interests of our Company, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. In addition, we cannot assure you that our Directors or Promoters will not provide comparable services, solicit our employees or acquire interests in competing ventures in the locations, sectors in which we operate, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

47. Information relating to the installed capacity and capacity utilisation included in this Preliminary Placement Document is based on various assumptions and estimates and capacity utilisation may vary.

Information relating to the installed capacity and capacity utilisation of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account by the independent chartered engineer in the calculation of our installed capacity and capacity utilisation. In addition, capacity utilisation is calculated differently in different countries, industries and for the different kinds of products we manufacture. Undue reliance should therefore not be placed on our historical installed capacity and capacity utilisation for our existing manufacturing facilities. For tables showing our installed capacity and capacity utilisation for our manufacturing divisions, see "*Our Business – Capacity and Capacity Utilisation*" on page 155.

48. Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Issue and their interests may differ from those of the other shareholders.

As of the date of this Preliminary Placement Document, our Promoter and Promoter Group beneficially held 44.97% of our total paid-up share capital prior to the Issue. After the completion of the Issue, our Promoters along with the members of Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure or any other matter requiring special resolution. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

49. Certain sections of this Preliminary Placement Document disclose information from the CARE Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

We have availed the services of an independent third-party research agency, CARE Analytics and Advisory Private Limited, appointed by our Company to prepare an industry report titled "*Industry Research Report on Railway Wagons, Passenger Coach and Propulsion System*" dated November 2023, for purposes of inclusion of such information in this Preliminary Placement Document to understand the industry in which we operate. Our Company, our Promoters, Directors, Subsidiaries or Associates are not related to CARE Analytics and Advisory Private Limited. The CARE Report has been commissioned by our Company exclusively in connection with the Issue for a fee. The CARE Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Preliminary Placement Document, when making their investment decisions.

50. *The COVID-19 pandemic impacted our business and operations. Future similar events may have an adverse effect on our business prospects and financial performance.*

The outbreak of the COVID-19 pandemic impacted our business and operations in the following manner:

- Temporary shutdown of our manufacturing facilities due to the first wave of the COVID-19 pandemic.
- Temporary closure of our office and decline in the availability of workforce due to employees contracting the virus and restrictions on travel and movement due to lockdowns imposed by various state governments which affected commute of employees to our manufacturing facilities; and
- Compliance with evolving government regulations, including with respect to social distancing measures and sanitization practices.

We cannot assure that we will be able to successfully achieve our expansion strategies in the event similar pandemic happens in India that lead to restrictive measures or hamper overall economic condition.

51. Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, PBT Margin, Return on Capital Employed, Return on Equity and Net Debt to EBITDA have been included in this Preliminary Placement Document. These non-GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, PBT Margin, Return on Capital Employed, Return on Equity and Net Debt to EBITDA have been included in this Preliminary Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance and because such measures are frequently used by security analysts,

investors and others to evaluate the operational performance of companies in our industry, many of which provide such non-GAAP.

These non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS or any other generally accepted accounting principles and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or any other generally accepted accounting principles. In addition, these are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

52. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency.***

We propose to utilise the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 91. The funding requirements are based on internal management estimates and current conditions which are subject to changes due to external circumstances, costs, other financial condition or business strategies. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may place a burden on our finance plans. Our proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or any other independent agency and is based on management estimates. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, financial condition, results of operations and cash flows. We have appointed a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 173A of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

53. ***Certain of our properties are located on land not owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business, financial condition, results of operations and cash flows may be adversely affected.***

Our Corporate Office at Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India is located on a leasehold premise for a period of 99 years effective from 2002. Further, a portion of land admeasuring 20.15 acres of our manufacturing facility at Titagarh in West Bengal, engaged in the manufacturing of wagons and shipbuilding, has been leased by one of our Promoter Group members Titagarh Enterprises Limited for a period of 10 years. Further, our manufacturing facility located at Bharatpur in Rajasthan is located on a leasehold premise for a period of 99 years effective from August 12, 1996 with an option to renew for further 99 years. For further details, see "*Our Business – Property*" on page 160.

We cannot assure you that we will be able to renew our lease arrangements on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows. If we are unable to renew the lease or relocate on commercially suitable terms, it may have a material adverse

effect on our business, results of operation, financial condition and cash flows.

54. Our Company may incur penalties or liabilities for non-compliance with certain provisions of the SEBI Listing Regulations.

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company failed to comply with the requirements of the SEBI Listing Regulations in a timely manner. The below table sets forth the non-compliances of certain provisions of the SEBI Listing Regulations and other regulations issued by SEBI in the last three Fiscals and the six months ended September 30, 2023:

S. No.	Description of the non-compliances	Fines imposed
1.	Delay in submission of financial results for the six months ended September 30, 2021	A fine of ₹ 1,45,000 plus GST was paid by our Company to BSE and a fine of ₹ 1,90,000 plus GST was paid by our Company to NSE
2.	Delay in appointment of a woman independent director. Our Company did not have a woman independent director from April 1, 2020 to June 21, 2020	A fine of ₹ 4,10,000 plus GST was paid by our Company to NSE
3.	Delay in Submission of financial results for the year ended March 31, 2020	A fine of ₹ 40,000 plus GST was paid by our Company to BSE. A fine of ₹ 80,000 plus GST was levied by NSE and our request to condone the fine is currently pending.
4.	Delay in submission of financial results for the three months ended June 30, 2020	A fine of ₹ 70,000 plus GST was paid by the Company to BSE. A fine of ₹ 1,45,000 was levied by NSE. While the fine has been paid 'under protest', we have requested NSE to waive off the fine and the response from NSE is awaited.

For further information, see "*Legal Proceedings – Actions and proceedings initiated by statutory or regulatory authorities involving our Company*" on page 290. While our Company endeavors to comply with obligations and reporting requirements under the SEBI Listing Regulations, there may be non-disclosures or delayed or erroneous disclosures or any other non-compliance in the future and the same may result in Stock Exchanges or SEBI imposing penalties, issuing warnings and show cause notices against us or taking actions as provided under the SEBI Act and rules and regulations made there under. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in an adverse effect on our business, results of operations, financial condition and cash flows.

External Risk Factors

55. Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.

Our business, results of operations, financial condition and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Our business, results of operations, financial condition, cash flows and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are hazardous into the air, soil or water and beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable and could also

adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facilities, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

For instance, the Government of India has recently introduced the Code on Social Security, 2020 ("**Social Security Code**"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which will consolidate, subsume and replace numerous existing central labour legislations (collectively, the "**Labour Codes**"). The Government of India has deferred the effective date of implementation of the respective Labour Codes, except for certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, which are already in force, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of certain specified heads of amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations, financial condition and cash flows.

56. Political instability or changes in policies effected by the Government of India could adversely affect economic conditions in India. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, results of operations, financial condition and cash flows and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, changes in interest rates, changes in government policies, changes in taxation laws and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, financial condition and cash flows.

57. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our* customers *thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates but it is unclear whether these measures will remain in effect. We cannot assure that Indian inflation levels will not worsen in the future.

58. The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of our Equity Shares.

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of certain tax benefits claimed by us. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the Income-tax Act, 1961 ("**IT Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at their applicable income tax rate.

Further, the Government of India has announced the union budget for Fiscal 2024, pursuant to which the Finance Act, 2023, came into force on April 1, 2023 which has introduced various amendments to the IT Act. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

59. Any downgrade of India's debt rating by international rating agencies could adversely affect our business.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

60. Rights of shareholders of companies under Indian laws may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholders of our Company than as a shareholder of an entity in another jurisdiction.

61. We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have

been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Offer due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

62. We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

Further, the Competitive Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be 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, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, results of operations, financial condition and cash flows.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

63. Our ability to borrow in foreign currencies is restricted by Indian law.

Indian companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act, 1999. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

64. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLMs or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. All of our fixed assets and our Directors, Key Managerial Personnel and Senior Management are also 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 judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). Section 13 of CPC provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

India is not a party to any international multilateral treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges of a like nature, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action 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 the public policy in India. Further, we cannot assure you that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 23.

65. Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring our Company.

The Takeover Regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. These provisions may discourage a third party from attempting to take control over our Company, even if change in control would result in the purchase of the Equity Shares at a premium to the market price or would otherwise be beneficial to Shareholders. For further information, see "*The Securities Market of India – SEBI Takeover Regulations*" on page 270.

66. Financial and political instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing Russia-Ukraine conflict and Israeli-Palestinian conflict could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Further, the ongoing diplomatic tension between India and Canada may impact the bilateral trade and economic relations between the two countries. If the tensions continue to escalate, it may adversely impact trade talks between the two countries, which in turn could hamper economic cooperation and limit business opportunities. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

67. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our results of operations, financial condition and cash flows.

Our Company prepares its annual financial statements in accordance with Ind AS, which differs in certain important aspects from U.S. GAAP, IFRS and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, financial condition and cash flows could be substantially different. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Prospective investors should review the accounting policies applied in the preparation of the financial statements included in this Preliminary Placement Document and consult their own professional advisers for an understanding of the differences between these accounting policies and those with which they may be more familiar. Any reliance by persons not familiar with Ind AS on the financial information presented in this Preliminary Placement Document should accordingly be limited.

Risks in Relation to the Equity Shares and the Issue

68. We cannot guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, after our Board or a duly constituted committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the QIBs, we are required to apply to the Stock Exchanges for listing and trading approvals. After receiving the listing and trading approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs and apply for the final listing and trading approvals from the Stock Exchanges. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining these approvals would restrict an investor's ability to dispose of their Equity Shares.

Bidders can start trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same.

Further, we cannot assure you that the Equity Shares allocated to an investor will be credited to the investor's demat account, that listing and trading approvals will be issued by the Stock Exchanges in a timely manner, or at all, or that trading in the Equity Shares will commence in a timely manner, or at all. In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. If there is a failure or a delay in obtaining such approvals, we may not be able to credit the Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over the Equity Shares allotted to you and your ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "*Issue Procedure*" on page 240.

69. *Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on Stock Exchanges for a period of one year from the date of the allotment of the Equity Shares.*

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 257. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Purchase Representations and Transfer Restrictions*" on page 265. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

70. Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.

Our Company may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

71. We cannot assure payment of dividends on the Equity Shares in the future.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future

determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of Shareholders and will depend on factors that our Board of Directors and Shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. Additionally, under some of our loan agreements, we are not permitted to declare any dividends without prior consent from the lenders if there is a default under such loan agreements or unless we have paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

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 paid or that the amount thereof will not be decreased in the future. Accordingly, realisation of a gain on investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

Additionally, under the Finance Act, 2023, dividend distribution tax is not payable in respect of dividends declared, distributed or paid by an Indian company after March 31, 2020, and accordingly, any dividend payments to our resident and non-resident shareholders would not be tax exempt in their hands.

For further information, see "*Dividends*" on page 104.

72. After this Issue, the price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in this Issue.

The Issue Price will be determined by our Company, in consultation with the BRLMs, based on Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The price at which the Equity Shares will trade at after the Issue will be determined by the marketplace and may be influenced by many factors, including:

- our results of operations, financial condition and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our results of operations, financial condition or cash flows.

73. Foreign investors are subject to certain investment restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the requirements specified by RBI from time to time. If the transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of RBI is required. Additionally, 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 require a no-objection or a tax clearance certificate from the Indian income-tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. 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 stabilizing 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. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions, or at all.

74. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 268.

75. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividends to investors. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Equity Shares, which will be paid only in Rupees.

In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rates between the Rupee and other currencies (including the U.S. dollar, the Euro, the Pound sterling, the Hong Kong dollar and the Singapore dollar) have changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results. You may be

unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's results of operations, financial condition and cash flows.

76. Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. 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 jurisdiction on a gain realised upon the sale of the Equity Shares. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

77. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Application Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottee's demat account with the depository participant could take approximately seven to ten Working Days from the Issue Closing Date. However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operation, financial condition and cash flows, or other events affecting the Bidder's decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue. The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

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

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such a resolution. If our Company offers to the Shareholders rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making the rights available to our Shareholders or in disposing of the rights for

the benefit of our Company's Shareholders and making the net proceeds available to the Shareholders. Our Company may choose not to offer the rights to Shareholders having an address outside India. Consequently, our Company cannot assure Shareholders that they will be able to maintain their proportional interests in the Equity Shares. Shareholders will be unable to exercise their pre-emptive rights if the law of the jurisdiction in which they are located prohibits the sale of the Equity Shares without first filing an offering document or registration statement, unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available to Shareholders by Indian law. To the extent that Shareholders are unable to exercise the pre-emptive rights granted to them in respect to the Equity Shares, they may suffer future dilution of their ownership position and their proportional interests in our Company would be reduced.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's subscribed and paid-up capital comprises of 127,171,089 Equity Shares of face value of ₹ 2 each. The equity shares have been listed on BSE and NSE since April 21, 2008. The Equity Shares are listed and traded on NSE under the symbol TITAGARH and BSE under the scrip code 532966.

On December 6, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 966.10 and ₹ 966.80 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2023, 2022, and 2021:

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹crores)**	**Average price for the year (₹)**
2023	262.25	March 31, 2023	1,23,154	3.19	93.90	June 20, 2022	65,502	0.63	161.37
2022	117.75	January 11, 2022	8,71,931	9.90	45.95	May 5, 2021	24,918	0.12	83.75
2021	60.65	January 6, 2021	1,26,433	0.77	27.05	April 1, 2020	27,970	0.07	43.77

(Source: www.bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ lakhs)**	**Average price for the year (₹)**
2023	262.40	March 31, 2023	14,43,889	37.43	93.90	June 20, 2022	4,09,254	3.95	161.03
2022	117.65	January 11, 2022	1,15,71,673	132.05	46.00	May 5, 2021	1,71,211	0.79	83.76
2021	60.60	January 6, 2021	16,00,206	9.73	26.90	April 1, 2020	3,82,475	1.01	43.77

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

BSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crores)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
November 2023	999.10	November 21, 2023	21,554	53.71	752.85	November 2, 2023	1,011	1.46	871.07	30,65,706	285.27
October 2023	843.40	October 20, 2023	1,65,758	13.93	741.65	October 30, 2023	61,962	4.56	771.46	86,029	171.15
September 2023	833.25	September 4, 2023	1,01,404	8.46	750.6	September 14, 2023	97,898	7.41	785.10	17,37,612	136.58
August 2023	817.70	August 25, 2023	3,14,739	25.50	636.15	August 18, 2023	48,037	3.08	695.70	22,05,804	159.50
July 2023	681.05	July 26, 2023	1,58,657	10.81	498.65	July 10, 2023	44,993	2.21	574.66	30,11,343	170.98
June 2023	509.10	June 28, 2023	1,92,935	9.92	354.9	June 1, 2023	18,425	0.66	436.50	21,78,134	97.55

(Source: www.bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crores)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
November 2023	999.85	November 21, 2023	84,31,784	851.83	757.70	November 2, 2023	5,79,340	44.21	871.27	5,09,75,072	4,722.91
October 2023	844.20	October 20, 2023	56,03,211	471.25	741.20	October 30, 2023	9,02,288	66.47	771.50	3,46,17,406	2,747.56
September 2023	833.80	September 4, 2023	19,80,533	165.12	750.65	September 14, 2023	9,38,099	71.05	785.61	3,00,98,578	2,365.49
August 2023	818.35	August 25, 2023	42,54,510	165.12	750.65	August 18, 2023	9,30,121	71.05	696.19	3,00,98,578	2,365.49
July 2023	681.05	July 26, 2023	11,79,087	80.46	498.20	July 10, 2023	10,03,202	49.41	574.77	2,50,56,089	1,483.21
June 2023	509.05	June 28, 2023	14,24,331	73.30	355.35	June 1, 2023	2,52,442	9.00	436.49	2,51,05,970	1,109.59

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

(iii) The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ crores)	
	BSE	NSE	BSE	NSE
2023	2,09,50,732	19,55,54,215	338.96	3,115.34
2022	3,36,00,737	30,11,53,318	282.41	2,586.84
2021	1,83,55,178	12,98,87,848	88.14	642.49

(Source: www.bseindia.com and www.nseindia.com)

(iv) The following tables set forth the market price on the Stock Exchanges on November 9, 2023 being the first working day following the approval of the Board for the Issue:

BSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ crores)
795.05	802.45	785.40	787.50	21,549	1.71

(Source: www.bseindia.com)

NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ crores)
800	802	785.75	789	6,31,326	49.98

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ [●] lakhs. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and the estimated expenses of the Issue of approximately ₹ [●] lakhs, shall be approximately ₹ [●] lakhs (the "**Net Proceeds**").

Objects of the Issue

Subject to applicable laws and regulations, our Company intends to use the Net Proceeds to finance (in whole or part) one or more, or any combination of the following ("**Objects**"):

(₹ in lakhs)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds
1.	Repayment and/ or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	20,000.00
2.	Funding working capital requirements of our Company	31,750.00
3.	General corporate purposes*	[●]
	Total Net Proceeds	**[●]**

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

(₹ in lakhs)

Sr. No.	Particulars	Total estimated costs	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds
				Fiscal 2024
1.	Repayment and/ or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	-	20,000.00	20,000.00
2.	Funding working capital requirements of our Company	-	31,750.00	31,750.00
3.	General corporate purposes*		[●]	
	Total Net Proceeds		**[●]**	

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial factors and other agreements entered into by our Company, which are subject to change in the future. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, economic, business and commercial considerations, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the planned expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above. Subject to applicable law, if the actual utilisation towards 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 purposes will not exceed 25% of the Net Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund

requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or any other independent agency*" on page 76.

Details of the Objects

(a) Repayment and/ or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company

We avail fund-based and non-fund-based facilities in the ordinary course of business from various entities, banks and financial institutions. The borrowing arrangements entered into by us include *inter alia* term loans and working capital facilities. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 20,000.00 lakhs for repayment and / or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.

To the extent required, our Company has obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract pre-payment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, will also be funded out of the Net Proceeds and/or internal accruals.

The repayment and/or pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio.

Details of utilization

The details of certain outstanding borrowings availed by our Company, proposed for repayment and/or pre-payment, in full or in part, from the Net Proceeds are set forth below. Given the nature of these borrowings and the terms of repayment and/or pre-payment, the aggregate outstanding borrowing amounts may vary from time to time, however the aggregate amount to be utilised from the Net Proceeds towards repayment and/ or pre-payment of the borrowings in full or part shall not exceed ₹ 20,000.00 lakhs:

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Fund Based Limit	Balance amount Outstanding as on December 2, 2023	Amount proposed to be repaid out of the Net Proceeds	Interest rate as of December 2, 2023	Tenor / Repayment Schedule	Prepayment Penalty	Security	Whether the loan has been utilized for the purpose for which it has been availed	Purpose for which disbursed loan amount was sanctioned and utilized
			(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(% p.a.)					
1	Axis Bank Limited	June 26, 2023	2,000.00	2,000.00	2,000.00	8.30%	Repayable on Demand	The Company may prepay any of the outstanding tranches in part or full, subject to payment of prepayment premium of 2%	Refer note 1 to 5	Yes	Working Capital
2	Indusind Bank Limited	May 24, 2022	2,500.00	2,500.00	2,500.00	7.90%	Repayable on demand	NA		Yes	Working Capital
3	Yes Bank Limited	June 28, 2023	10,000.00	3,000.00	3,000.00	7.90%	Maximum 6 months	NA		Yes	Working Capital
4	State Bank of India	April 6, 2023	5,000.00	5,000.00	5,000.00	8.16%	60 days	Pre-payment charges of 2% of the pre-paid amount		Yes	Working Capital
5	HDFC Bank Limited	January 18, 2023	7,500.00	7,500.00	7,500.00	7.40%	Up to 180 days	As mutually agreed from time to time between the Company		Yes	Working Capital

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Fund Based Limit	Balance amount Outstanding as on December 2, 2023	Amount proposed to be repaid out of the Net Proceeds	Interest rate as of December 2, 2023	Tenor / Repayment Schedule	Prepayment Penalty	Security	Whether the loan has been utilized for the purpose for which it has been availed	Purpose for which disbursed loan amount was sanctioned and utilized
			(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(% p.a.)					
								and HDFC bank limited			
Total			**20,000.00**	**20,000.00**	**20,000.00**						

Notes:

1. *A first pari passu hypothecation charge on the entire current assets of the Company, namely stock of raw materials, semi finished goods, finished goods including documents of title to the goods and other assets, such as book-debts outstanding moneys, receivables including receivables by way of cash assistance and/or cash incentives under the cash incentive scheme or any other scheme, claims, including claims by way of refund of customs/excise duties under the duty drawback credit scheme or any other scheme, bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights uncalled capital, both present and future as may be permitted by the banks from time to time.*
2. *A first pari-passu hypothecation charge on the fixed assets of the Company including plant and machinery, equipments, vehicles, spares, tools, accessories, furniture and fixtures and other fixed assets (excluding land & buildings) of the Company, both present and future;*
3. *A first pari-passu mortgage and charge on:*
   - *(a) All that pieces and parcels of land measuring about 2.36 acres be the same a little more or less, at Mouza; Titagarh, R.S. Dag No. 1018, 1019,. R. S. Khatian No. 2861, L. R. Dag no 1757, 1760, L.R. Khatian no.3716, J.L.No.5, TouziNo.1091 under Titagarh Municipality, being holding no. 12/9/1 R. K. Deo Path, Dist: 24 Parganas (N), West Bengal, alongwith buildings, sheds and structures constructed thereon;*
   - *(b) All that pieces and parcels of land measuring about 13.706 acres at Mouza; Titagarh, R.S. Dag No. 1016, 1017, 1018, 1019, 1288. R. S. Khatian No. 2861, 2862, L. R. Dag no 1755, 1756, 1757, 1758, 1760, L. R. Khatian no. 3716, J. L. No. 5, Touzi No. 1091 under Titagarh Municipality, being holding no. 12/9/1 R. K. Deo Path, Dist: 24 Parganas (N), West Bengal, alongwith buildings, sheds and structures constructed thereon;*
   - *(c) All that pieces and parcels of land measuring about 19.38 cottahs in Plot no. I/25B/7b, Sector - I, East Kolkata area development project, including G+VIII storied building constructed thereon known as Titagarh Tower, being premises no. 756, Anandapur, Kolkata 700107;*
   - *(d) All that pieces and parcels of land measuring about 9.72 acres, at Mouza; Titagarh, Dag/Plot nos. 1020, 1021, 1022, 1023, 1024, 1025, 1028, 1029, 1030, 1031, 1032, 1030/1197, 1289, 1290, 1020/1340, alongwith buildings, sheds, structures erected thereon, situated at Titagrah, District: 24 Parganas, North, in the name of the Company;*
   - *(e) All that pieces and parcels of land admeasuring about 9.56 Acres, at Mouza Titagarh, Dag/Plot nos. 2371,2370, 2369, 2373, 2357, 2358, 2368, 2367, 2366, 2365, 2356, 2352, 2353, 2354, 2355, 2351, 2350, 3105, 2360, 2361, 2362, 2363, 2364, 2336, 2411, 2411P, 2412P, 2427P, (alongwith buildings, sheds, structures erected thereon, situated at Titagarh, Dist: 24 Parganas, North, in the name of the Company;*
   - *(f) All that pieces and parcels of land admeasuring about 34.84 Acres at J.L. No. 9, R.S. Dag No. 312, 313, 324, 325, 326, 327, 328, 329, 330, 431, 432, 433, 434, 435, 436, 437, 438, 448, 450, 454, 455, 456, 458, 482, 483, 484, 485, 486, 487, 489, 490, 493, 548, 549, 550, 553, 616, 675, 676, 677, 306, 311, 313, 315, 332, 430, 431, 447, 457, 459, 460, 479, 480, 491, 492, 494, 496, 532, 544, 545, 546, 547, 552, 700, Khatian No. 2, L.R. Dag no. 507, L. R. Khatian no. 7847, R. S. Khatian No. 2, P.S. Uttarpara, Mouza: Bhadrakali, S.R. Serarnpore Dist: Hooghly, West Bengal, alongwith buildings, structures and sheds erected thereon.*
4. *A first pari-passu pledge of 49,32,940 number of equity shares of Titagarh Enterprises Limited, held by the Company.*
5. *A first pari-passu pledge of 56,850 number of equity shares of Titagarh Industries Limited, held by the Company.*
6. *As certified by M/s. Salarpuria & Partners, Chartered Accountants, by way of their certificate dated December 7, 2023.*

(b) Funding working capital requirements of our Company

We propose to utilize ₹ 31,750.00 lakhs from the Net Proceeds to fund the working capital requirements of our Company. We have significant working capital requirements in the ordinary course of business, which we typically fund through internal accruals and availing financing facilities from banks and financial institutions. Our business is working capital intensive and our Company avails working capital facilities in the ordinary course of business from banks and financial institutions. As at September 30, 2023, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities of our Company are ₹ 14,792.03 lakhs and ₹ 182,631.00 lakhs, respectively.

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 September 30, 2023, the unexecuted order book of our Company was at ₹ 28,21,222.00 lakhs. For further details of our order book, see "*Our Business*" on page 145.

Basis for estimation of working capital requirement

Existing working capital

Set forth below is the working capital of our Company, on a standalone basis, based on the audited financial statements, as of, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as certified by M/s. Salarpuria & Partners, Chartered Accountants, through their certificate dated December 7, 2023:

(₹ in lakhs)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
A. Current assets			
(a) Inventories	19,887.32	31,098.22	46,137.13
(b) Financial assets			
(i) Trade receivables	13,035.07	28,798.94	27,914.49
(ii) Loans and Deposits	1,588.94	2,400.00	-
(iii) Other financial assets	3,713.62	4,065.59	634.22
I Contract Assets	-	-	27,080.65
(d) Other current assets	12,307.41	13,300.91	22,380.16
Total current assets (A)	**50,532.36**	**79,663.66**	**124,146.65**
B. Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	-	260.81	447.69
(ii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	769.43	686.99	574.92
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	12,614.89	22,176.70	31,725.85
(iii) Other financial liabilities	542.61	426.79	751.13
(b) Contract Liabilities	-	-	53,863.86
(b) Other current liabilities	10,582.37	33,896.36	306.62
I Provisions	889.54	804.67	772.12
(d) Current tax liabilities (net)	22.90	1,496.30	527.61
Total current liabilities (B)	**25,421.74**	**59,748.62**	**88,969.80**
C. Total working capital requirements (C=A-B)	**25,110.62**	**19,915.04**	**35,176.85**
Funding Pattern			
Borrowing from banks and financial institutions	-	5,884.89	16,683.78
Internal Accruals	25,110.62	14,030.15	18,493.07
Total	25,110.62	19,915.04	35,176.85

Note:

1. As certified by M/s. Salarpuria & Partners, Chartered Accountants, by way of their certificate dated December 7, 2023.

Assumptions for working capital requirements

The following table sets forth the details of the holding levels (days) for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, which has been computed based on the audited standalone financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively.

Holding levels and justifications for holding period levels

The table below contains the details of the holding levels (days) considered:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
Inventory (days on sales)	70.76	76.97	60.56
Trade receivables (days on sales)	46.38	71.28	36.64
Others financial assets (days on sales)	18.87	16.00	0.83
Contract Asset (days on sales)	-	-	35.55
Other current assets (days on sales)	43.79	32.92	29.38
Trade payable (days on sales)	47.62	56.59	42.40
Other financial liability (days on sales)	1.93	1.06	0.99
Contract Liability (days on sales)	-	-	70.71
Other current liability (days on sales)	37.65	83.89	0.40

Note:
As certified by M/s. Salarpuria & Partners, Chartered Accountants, by way of their certificate dated December 7, 2023.
1. *Inventory: Inventory for the current period divided by revenue from operations multiplied by number of days.*
2. *Trade receivable: Trade receivables for the current period divided by revenue from operations multiplied by number of days.*
3. *Other current assets: Other current assets for the current period divided by revenue from operations multiplied by number of days.*
4. *Trade payable: Trade payables for the current period divided by revenue from operations multiplied by number of days.*
5. *Other current liabilities: Other current liabilities for the current period divided by revenue from operations multiplied by number of days.*
6. *The holding period has been computed over 365 days for each fiscal year (wherever applicable).*

On the basis of existing working capital requirement and holding levels for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, the Audit Committee of our Company, pursuant to its resolution dated December 7, 2023 has approved the projected total working capital requirements for Fiscal 2024 as ₹ 1,17,416.00 lakhs. Accordingly, our Company proposes to utilize ₹ 31,750.00 lakhs from the Net proceeds in Fiscal 2024, towards our estimated working capital requirements. The balance portion of our working capital requirement shall be met from internal accruals and working capital facilities.

(c) General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above and in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Net Proceeds, aggregating to ₹ [●] lakhs, in compliance with applicable laws. Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, capital expenditure, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our associates, joint ventures and subsidiary, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization 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 Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated December 7, 2023, as the size of our Issue exceeds ₹ 10,000 lakhs. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt.

Furthermore, in accordance with Regulation 32(1) 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 actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy liquid instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and final listing and trading approvals are received from each of the Stock Exchanges and the corresponding return of Allotment is filed with the RoC.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither of our Promoters, members of the Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Since the Issue is only made to Eligible QIBs, our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel or Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation of our Company, on a consolidated basis, as at September 30, 2023 which has been derived from the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 161 and 305, respectively.

(₹ in lakhs; except ratios)

Particulars	Pre-Issue (as at September 30, 2023)	Post Issue as adjusted of Issue*#
Borrowings		
Non-current borrowings	4,355.53	[●]
Current borrowings	21,683.67	[●]
Total borrowings (A)	**26,039.20**	**[●]**
Equity		
Equity share capital	2,543.42	[●]
Other equity	1,35,917.39	[●]
Total equity attributable to the shareholders of the Company (B)	**1,38,460.81**	**[●]**
Total capitalization (A+B)	**1,64,500.01**	**[●]**
Total borrowings/ Total equity (A/B)	**0.19**	**[●]**

** The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the determination of terms of the Issue and hence, the same have not been provided in the above statement.*
 # Will be finalized upon determination of the Issue Price.
Note:
1. *The above table does not include Lease Liabilities as per Ind As 116- "Lease"*
2. *Total Borrowings include Current and Non-current borrowing.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on date of this Preliminary Placement Document is as follows:

(in ₹, *except Equity Share data*)

	Particulars	Aggregate value at face value (except for securities premium account)
A.	**AUTHORISED SHARE CAPITAL**	
	1,290,500,000 Equity Shares of face value of ₹ 2 each	2,581,000,000
	127,000,000 Preference Shares of face value of ₹ 10 each	1,270,000,000
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL PRIOR TO THE ISSUE**	
	127,171,089 Equity Shares of face value of ₹ 2 each	254,342,178
C.	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT(1)**	
	Up to [●] Equity Shares aggregating up to ₹ [•] lakhs(1) (2)	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value of ₹ 2 each(2)	[●]
E.	**SECURITIES PREMIUM ACCOUNT**	
	Prior to the Issue	69,792,377,000
	After the Issue(2)(3)	[●]

(1) The Issue was approved by the Board of Directors vide a resolution passed in its meeting held on November 8, 2023. Subsequently, our Shareholders, through a special resolution passed at the Extraordinary General Meeting, approved the Issue on December 2, 2023.

(2) To be determined upon finalization of the Issue Price.

(3) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue.

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of Issue/ Allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative paid-up equity share capital (₹)
July 7, 1997	70	10	10	Cash	Initial subscription to the MoA	700
March 10, 1998	506,200	10	10	Cash	Issue to our existing shareholders	5,062,700
May 15, 1998	503,730	10	10	Cash	Issue to our existing shareholders	10,100,000
June 11, 1998	350,000	10	10	Cash	Issue to our existing shareholders	13,600,000
July 19, 2005	102,366	10	976.88	Cash	Preferential allotment	14,623,660
March 7, 2006	144,629	10	1,711.27	Cash	Preferential allotment	16,069,950
July 18, 2006	23,783	10	3,027.40	Cash	Preferential allotment	16,307,780
January 6, 2007	13,046,224	10	Not applicable	Not applicable	Bonus issue	146,770,020
January 7, 2007	17,612	10	511	Cash	Preferential allotment	146,946,140
February 1, 2008	1,679,390	10	524	Cash	Conversion of Preference Shares to equity shares	163,740,040

Date of Issue/ Allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative paid-up equity share capital (₹)
April 9, 2008	2,068,111	10	540	Cash	Initial Public Offer	184,421,150
January 16, 2010	366,954	10	-	Other than cash	Allotment pursuant to Scheme of Amalgamation I	188,090,690
March 7, 2012	1,250,000	10	387	Cash	Conversion of warrants to equity shares	200,590,690
Pursuant to the board resolution dated March 4, 2015, and Shareholders resolution dated April 14, 2015, each of the equity shares of our Company bearing face value of ₹10 each was sub-divided into 5 equity shares of face value of ₹2 each, and accordingly 20,059,069 equity shares of our Company of face value of ₹10 each were sub-divided into 100,295,345 equity shares of face value of ₹2 each.						
July 15, 2015	15,089,025	2	99.41	Cash	Qualified Institutions Placement	230,768,740
August 22, 2016	27,500	2	44.20	Cash	Allotment pursuant to the ESOS 2014	230,823,740
May 19, 2017	33,750	2	44.20	Cash	Allotment pursuant to the ESOS 2014	230,891,240
August 28, 2017	6,000	2	44.20	Cash	Allotment pursuant to the ESOS 2014	230,903,240
March 16, 2018	48,750	2	44.20	Cash	Allotment pursuant to the ESOS 2014	231,000,740
June 20, 2018	15,950	2	44.20	Cash	Allotment pursuant to the ESOS 2014	231,032,640
September 12, 2018	11,000	2	44.20	Cash	Allotment pursuant to the ESOS 2014	231,054,640
December 28, 2018	600	2	44.20	Cash	Allotment pursuant to the ESOS 2014	231,055,840
April 3, 2019	35,000	2	44.20	Cash	Allotment pursuant to the ESOS 2014	231,125,840
June 18, 2019	43,250	2	44.20	Cash	Allotment pursuant to the ESOS 2014	231,212,340
November 7, 2020	3,720,469	2	-	Other than cash	Allotment pursuant to Scheme of Amalgamation II	238,653,278
January 9, 2021	60,950	2	44.20	Cash	Allotment pursuant to the ESOS 2014	238,775,178
August 10, 2021	129,500	2	44.20	Cash	Allotment pursuant to the ESOS 2014	239,034,178
November 13, 2021	54,000	2	44.20	Cash	Allotment pursuant to the ESOS 2014	239,142,178
July 7, 2023	7,600,000	2	380	Cash	Preferential allotment	254,342,178

Preference shares

As on the date of this Preliminary Placement Document, our Company does not have any outstanding preference shares.

Warrants

As on the date of this Preliminary Placement Document, our Company does not have any outstanding warrants.

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on December 1, 2023, is set forth below:

Sr. No.	Category	Pre-Issue		Post-Issue*	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoter's holding#**				
1.	Indian				
	Individual	13,004,137	10.23	[●]	[●]
	Body Corporates	25,980,075	20.43	[●]	[●]
	Trusts	18,201,875	14.31	[●]	[●]
	Sub-Total	**57,186,087**	**44.97**	**[●]**	**[●]**
2.	Foreign promoters	-	-	-	-
	Sub-Total (A)	**57,186,087**	**44.97**	**[●]**	**[●]**
B.	**Non-Promoter's holding**				
1.	Institutional investors				
	Mutual Funds/ AIFs/ Banks/ Insurance Companies/ NBFCs/ Other financial institutions	12,195,314	9.58	[●]	[●]
	Foreign Portfolio Investors	23,154,246	18.21	[●]	[●]
	Sub - Total (B1)	**35,349,560**	**27.79**	[●]	[●]
2.	Non- Institutional investors				
	Bodies corporate	2,882,183	2.27	[●]	[●]
	Individuals	30,339,067	23.86	[●]	[●]
	Non-resident Indians (NRIs)	1,238,744	0.97	[●]	[●]
	Foreign Company/ Foreign Nationals	89,256	0.07	[●]	[●]
	IEPF	72,740	0.06	**[●]**	**[●]**
	Central Government	13,452	0.01	**[●]**	**[●]**
	Sub - Total (b)	**69,985,002**	**55.03**	**[●]**	**[●]**
	Grand Total (A+B)	**127,171,089**	**100.00**	**[●]**	**[●]**

**The post-Issue shareholding pattern has intentionally been left blank and will be filled-in before filing of the Placement Document with the Stock Exchanges.*

 # Includes the shareholding of the members forming part of Promoter Group.

Employee Stock Option Plan

TWL's Employee Stock Option Scheme 2014 ("ESOS 2014")

Our Company instituted the *'TWL's Employee Stock Options Scheme 2014'* pursuant to a special resolution dated September 11, 2014, passed by the Shareholders ("**ESOS 2014**"). Under the ESOS 2014, the compensation committee approved grant of one tranche of 500,000 stock options on March 4, 2015, and approved the grant of the second tranche of 500,000 stock options on May 19, 2017, to its eligible employees. The eligibility and number of options to be granted to an eligible employee is determined and administered by the compensation committee. The options granted shall vest on the eligible employees not earlier than one year and not later than seven years from the date of grant of options. The ESOS 2014 was in force until the year 2019.

As on September 30, 2023, all options have been granted.

The following table sets forth details in respect of the ESOS 2014 as on September 30, 2023:

Total number of options	500,000
Total number of options granted	500,000
Total number of options vested	466,250
Total number of options unvested	-
Total number of options exercised	466,250

Total number of options lapsed or forfeited	33,750
Total number of options outstanding	-

Titagarh Rail Systems Limited - Employee Stock Option Scheme 2023 ("ESOS 2023")

Our Company instituted the *'Titagarh Rail Systems Limited – Employee Stock Option Scheme'* ("**ESOS 2023**"), by way of a Board resolution dated March 21, 2023, and a special resolution dated April 27, 2023 passed by our Shareholders. Under the ESOS 2023, our Company is allowed to grant up to 500,000 stock options in tranches to its eligible and potential employees in and outside India, including employees of the holding company, subsidiary, associate and group companies. The eligibility and number of options to be granted to an eligible employee is determined and administered by the Nomination & Remuneration Committee that also functions as the compensation committee. The options granted shall vest on the eligible employees not earlier than one year and not later than seven years from the date of grant of options. The ESOS 2023 shall continue to be in force until termination by our Board or the date on which all the stock options are issued and exercised, whichever is earlier. The ESOS 2023 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.

As on September 30, 2023, no options have been granted.

The following table sets forth details in respect of the ESOS 2023 as on September 30, 2023:

Total number of options	500,000
Total number of options granted	-
Total number of options vested	-
Total number of options unvested	-
Total number of options exercised	-
Total number of options lapsed or forfeited	-
Total number of options outstanding	500,000

Other Confirmations

(i) Except for the preferential allotment of 7,600,000 Equity Shares to Small Cap World Fund Inc., on July 7, 2023, as stated in "– *Equity Share capital history of our Company"* above, our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue.

(ii) Our Equity Shares have been listed for a period of at least one year prior to November 8, 2023, being the date of the issuance of the notice for the meeting conducted *vide* extra ordinary general meeting on December 2, 2023, to the Shareholders for the approval of this Issue.

(iii) There will be no change of control of our Company pursuant to the Issue.

(iv) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of allotment, except on the Stock Exchanges.

(v) The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

(vi) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Preliminary Placement Document.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them will be set forth in "*Proposed Allottees in the Issue*" on page 304.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Six months period ended September 30, 2023; (ii) Fiscal 2023; (iii) Fiscal 2022; and (iv) Fiscal 2021, as per the requirements under Ind AS 24, read with Section 133 of the Companies Act, 2013, see the section entitled "*Financial Statements*" on page 305.

DIVIDENDS

The declaration and payment of dividends on our Equity Shares by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. For further information, see *"Description of the Equity Shares*" on page 273.

Our Board may also, from time to time, declare interim dividends. Our Board has adopted a dividend distribution policy on June 8, 2021, in terms of Regulation 43A of the SEBI Listing Regulations to regulate the process of dividend declaration and its pay-out. The dividend distribution policy of our Company specifies that: (i) financial parameters *inter alia* consolidated net operating profit after tax, capital expenditure requirements, operating cash flow and future cash flow needs and cost of borrowings shall be considered before declaration of dividend; and (ii) external factors such as macroeconomic conditions and any changes therein, government policies and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The dividends (including interim dividend, if any) declared and paid by our Company on the Equity Shares during the six months ended September 30, 2023 and September 30, 2022, and in Fiscals 2023, 2022 and 2021 are as follows:

Particulars	October 1, 2023 till the date of this Preliminary Placement Document	Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
No. of Equity Shares	12,71,71,089	12,71,71,089	11,95,71,089	11,95,71,089	11,95,71,089	11,93,87,589
Face value per share (in ₹)	2	2	2	2	2	2
Aggregate Dividend (in ₹)	0	6,35,85,545*	0	0	0	0
Dividend per share (in ₹)	0	0.50	0	0	0	0
Rate of dividend (%)	0	25%	0	0	0	0
Dividend Distribution Tax (%)	0	0	0	0	0	0
Dividend Distribution Tax (in ₹)	0	0	0	0	0	0

** Relates to Fiscal 2022-2023 and approved by the Shareholders on September 29, 2023. The amount includes unclaimed dividend.*

The amounts declared as dividend in the past are not indicative of dividend which may be declared by our Company, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, Company's financial requirements including present and future organic and inorganic growth opportunities and other relevant factors as mentioned above. For further information, see "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future."* on page 83.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared, and record date thereof occurs after the Allotment. For further information, see the section entitled "*Description of the Equity Shares*" on page 273.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry report titled "Industry Research Report on Railway Wagons, Passenger Coach and Propulsion System" dated November 2023 (the "**CARE Report**") prepared and issued by CARE Analytics and Advisory Private Limited ("**CARE**"), and exclusively commissioned and paid for by us to understand the industry in which we operate in connection with the Issue.*

Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the CARE Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing the report, CARE has also sourced information from publicly available sources, including our Company's financial statements available publicly.

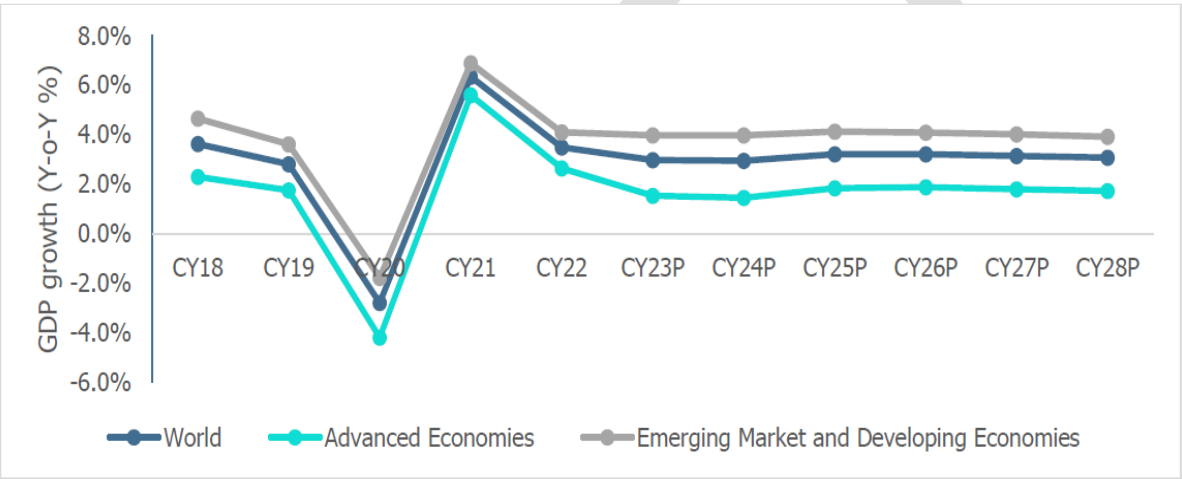
For more information, see "Risk Factors - Certain sections of this Preliminary Placement Document disclose information from the CARE Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 75. Also see, "Industry and Market Data" on page 20.

ECONOMY OUTLOOK

Global Economy

As per the International Monetary Fund's ("**IMF**") World Economic Outlook growth projections released in October 2023, the global economic growth for 2022 stood at 3.5% on a year-on-year ("**y-o-y**") basis, down from 6.3% in 2021 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for 2023 is projected to slow down further to 3.0% and 2.9% in 2024, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain tightened. For the next four years, the IMF projects world economic growth in the range of 3.0% to 3.2% on a y-o-y basis.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection;
Source: IMF – World Economic Outlook, October 2023

GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY19	CY20	CY21	CY22	CY23P	CY24P	CY25P	CY26P	CY27P	CY28P
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Saudi Arabia	0.8	-4.3	3.9	8.7	0.8	4.0	4.2	3.3	3.3	3.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Euro Area	1.6	-6.1	5.6	3.3	0.7	1.2	1.8	1.7	1.5	1.3
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2023)

Indian Economic Outlook

GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's GDP grew by 9.1% in Fiscal 2022 and stood at ₹ 149.3 trillion despite the pandemic and geopolitical Russia-Ukraine spill overs. In the first quarter of Fiscal 2023, India recorded 13.2% y-o-y growth in GDP, largely attributed to improved performance by the agriculture and services sectors. Following this double-digit growth, the second quarter of Fiscal 2023 witnessed 6.3% y-o-y growth, while the third quarter of Fiscal 2023 registered 4.5% y-o-y growth. The slowdown during the second quarter of Fiscal 2023 and the third quarter of Fiscal 2023 compared to the first quarter of Fiscal 2023 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, the fourth quarter of Fiscal 2023 registered broad-based improvement across sectors compared to the third quarter of Fiscal 2023 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-2023 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in Fiscal 2023. Supported by fixed investment and higher net exports, GDP for full-year Fiscal 2023 was valued ₹ 160.1 trillion registering an increase of 7.2% y-o-y.

Furthermore, in the first quarter of Fiscal 2024, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities.

GDP Growth Outlook

- During Fiscal 2024, strong agricultural and allied activity prospects are likely to boost rural demands. However, a rebound in contact-intensive sectors and discretionary spending is expected to support urban consumption.
- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments.
- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Taking all these factors into consideration, in October 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 6.5% y-o-y for Fiscal 2024.

RBI's GDP Growth Outlook (Y-o-Y %)

FY24 (complete year)	Q2FY24	Q3FY24	Q4FY24	Q1FY25
6.5	6.5	6.0	5.7	6.6%

Source: Reserve Bank of India

Gross Value Added

Gross Value Added ("**GVA**") is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in Fiscal 2022 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last five years.

- The agriculture sector was holding growth momentum till Fiscal 2018. In Fiscal 2019, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas Fiscal 2020 witnessed growth on account of improved production. During the pandemic-impacted period of Fiscal 2021, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in Fiscal 2022.

  Further, in the first and second quarter of Fiscal 2023, the agriculture sector recorded a growth of 2.4% and 2.5%, respectively, on a y-o-y basis. Due to uneven rains in the financial year, the production of some major Kharif crops, such as rice and pulses, was adversely impacted thereby impacting the agriculture sector's output. In the third and fourth quarter of Fiscal 2023, the sector recorded a growth of 4.7% and 5.5%, respectively, on a y-o-y basis.

  Overall, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y in Fiscal 23, garnering ₹ 22.3 trillion. In the first quarter of Fiscal 2024, this sector expanded at a slower pace of 3.1% compared to a quarter ago. Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may impact the reservoir level weighing on prospects of rabi sowing. A downside risk exists in case the intensity of El Nino is significantly strong.

- The industrial sector witnessed a CAGR of 4.7% for the period Fiscal 16 to Fiscal 2019. From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted industrial activities. In Fiscal 2020 and Fiscal 2021, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in Fiscal 2022, albeit on a lower base.

  The industrial output in first quarter of Fiscal 2023 jumped 9.4% on a y-o-y basis. However, in the subsequent quarter, the sector witnessed a sharp contraction of 0.5% due to lower output across the mining, manufacturing, and construction sectors. This was mainly because of the poor performance of the manufacturing sector, which was marred by high input costs. In the third quarter of Fiscal 2023, the sector grew modestly by 2.3% y-o-y. The growth picked up in the fourth quarter of Fiscal 2023 to 6.3% y-o-y owing to a rebound in manufacturing activities and healthy growth in the construction sector. Overall, the industrial sector is estimated to be valued at ₹ 45.2 trillion registering 4.4% growth in Fiscal 2023.

  The industrial sector grew by 5.5% in the first quarter of Fiscal 2024. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing (as captured by IIP numbers), industries such as pharma, non-metallic mineral products, rubber, plastic, metals, etc., witnessed higher production growth during the quarter.

- The services sector recorded a CAGR of 7.1% for the period Fiscal 2016 to Fiscal 2020, which was led by trade, hotels, transport, communication, and services related to broadcasting, finance, real estate, and professional services. This sector was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in Fiscal 2021. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in Fiscal 2022.

  In the first and second quarter of Fiscal 2023, this sector registered a y-o-y growth of 16.3% and 9.4%, respectively, on a lower base and supported by a revival in contact-intensive industries. Further, the services sector continued to witness buoyant demand and recorded a growth of 6.1% y-o-y in the third quarter of Fiscal 2023. Supported by robust discretionary demands, the fourth quarter of Fiscal 2023 registered 6.9% growth largely driven by the trade, hotel, and transportation industries. Overall, benefitting from the pent-

up demand, the service sector was valued at ₹ 20.6 trillion and registered growth of 9.5% y-o-y in Fiscal 2023.

Whereas in the first quarter of Fiscal 2024, the services sector growth jumped to 10.3%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. Accordingly, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector.

Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

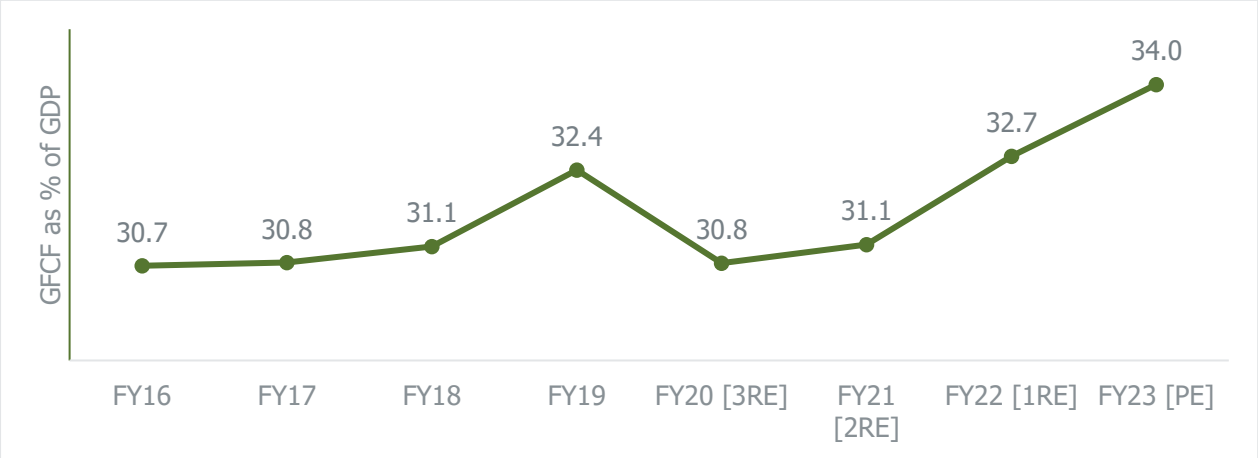
At constant Prices	FY18	FY19	FY20 (3RE)	FY21 (2RE)	FY22 (1RE)	FY23 (PE)	Q1FY23	Q1FY24
Agriculture, Forestry & Fishing	**6.6**	**2.1**	**6.2**	**4.1**	**3.5**	**4**	**2.4**	**3.5**
Industry	**5.9**	**5.3**	**-1.4**	**-0.9**	**11.6**	**4.4**	**9.4**	**5.5**
Mining & Quarrying	-5.6	-0.8	-3	-8.6	7.1	4.6	9.5	5.8
Manufacturing	7.5	5.4	-3	2.9	11.1	1.3	6.1	4.7
Electricity, Gas, Water Supply & Other Utility Services	10.6	7.9	2.3	-4.3	9.9	9	14.9	2.9
Construction	5.2	6.5	1.6	-5.7	14.8	10	16	7.9
Services	**6.3**	**7.2**	**6.4**	**-8.2**	**8.8**	**9.5**	**9.4**	**10.3**
Trade, Hotels, Transport, Communication & Broadcasting	10.3	7.2	6	-19.7	13.8	14	25.7	9.2
Financial, Real Estate & Professional Services	1.8	7	6.8	2.1	4.7	7.1	8.5	12.2
Public Administration, Defence and Other Services	8.3	7.5	6.6	-7.6	9.7	7.2	21.3	7.9
GVA at Basic Price	**6.2**	**5.8**	**3.9**	**-4.2**	**8.8**	**7**	**11.9**	**7.8**

Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Investment Trend in Infrastructure

Gross Fixed Capital Formation ("**GFCF**"), which is a measure of the net increase in physical assets, witnessed an improvement in Fiscal 2022. As a proportion of GDP, it is estimated to be at 32.7%, which is the second-highest level in seven years (since Fiscal 2015). In FY23, the ratio of investment ("**GFCE**") to GDP climbed up to its highest in the last decade at 34%, as per the advanced estimate released by the Ministry of Statistics and Programme Implementation ("**MOSPI**").

Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive ("**PLI**") scheme announced across various sectors.

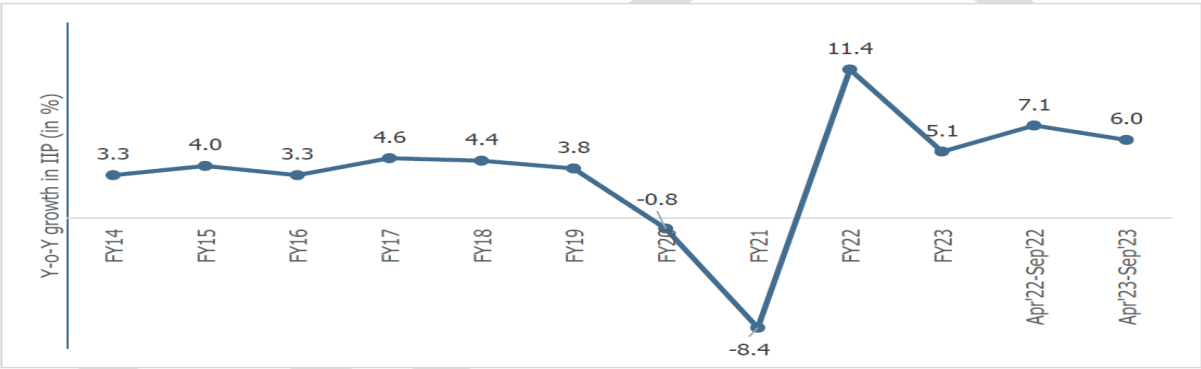
Industrial Growth

<u>Improved Core and Capital Goods Sectors helped IIP Growth Momentum</u>

The Index of Industrial Production ("**IIP**") is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in Fiscal 2022 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in Fiscal 2020 and Fiscal 2021. This high growth was mainly backed by a low base of Fiscal 2021. Fiscal 2022 IIP was higher by 2.0% when compared with the pre-pandemic level of Fiscal 2020, indicating that while economic recovery was underway, it was still at very nascent stages.

During Fiscal 23, the industrial output recorded a growth of 5.1% y-o-y supported by a favorable base and a rebound in economic activities. The period of April 2023 – September 2023, industrial output grew by 6.1% compared to the 7% growth in the corresponding period last year. So far in the current fiscal, while the infrastructure-related sectors have been doing well, slowing global growth and downside risks to rural demand have posed a challenge for industrial activity. Though the continued moderation in inflationary pressure offers some comfort, pain points in the form of elevated prices of select food items continue to persist.

Y-o-Y growth in IIP (in %)



Source: MOSPI

Consumer Price Index

India's consumer price index ("**CPI**"), which tracks retail price inflation, stood at an average of 5.5% in Fiscal 2022 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in Fiscal 2023, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In the current Fiscal 2024, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2033, the CPI had reached the RBI's target range for the first time since February 2023 at 7.4% largely due to increased food inflation. This marked the highest reading observed since the peak in April 2022 at 7.8%. The notable surge in vegetable prices and elevated inflation in other food categories such as cereals, pulses, spices, and milk have driven this increase. Further, the contribution of food and beverage to the overall inflation had risen significantly to 65%, surpassing their weight in the CPI basket. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 by 5% helped by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%.

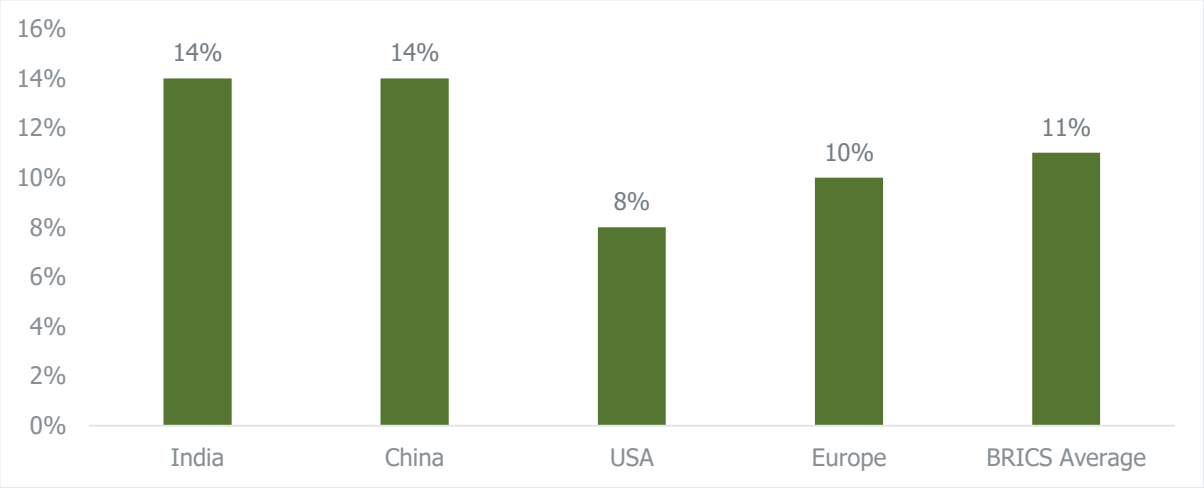
Overall, the declining trend in the headline as well as core inflation is comforting in the current fiscal. However, it remains to be seen if it sustains, given the weak prospects for the Kharif harvest and the expected hit to Rabi sowing amid lower reservoir levels in major agricultural states.

OVERVIEW OF INDIAN TRADE SCENARIO

Comparison of Logistic Cost

Logistic cost is an important parameter in the globally competitive market. India's current logistics cost as a share of GDP is about 14% which is in line with China. However, it is significantly higher when compared to developed economies where it ranges between 8% to 10%. The chart below shows the comparison of the share of logistics cost in GPD of India versus other economies.

Logistic Cost as a Share of GDP



Source: Ministry of Railways, World Bank, Industry Sources

The logistics cost in India is higher compared to most developed nations on account of the following factors:

a) High Share of Road in Inter-Modal Mix

The capacity of Indian railways has been constrained. It faces challenges like rake availability and delays in rake placements. Road transport is preferred compared to railways despite it being a cheaper alternative. Road transport currently has a share of about 64-65% in the freight movement in the country.

b) Inefficient Transport Vehicles

India has a fleet of small and inefficient trucks. The highest capacity of trucks in India is 16 tonne and 25 tonnes. In developed countries, the trucks have 26 tonnes ("**T**") to 40T capacity.

c) Road Infrastructure Constraints

Underdeveloped road infrastructure leads to inefficient movement of freight. Additionally, there is a lack of four / six lane roads, which further results in congestion across the key routes leading to an increase in costs.

The logistics industry connects other industries to domestic and international markets. High logistics costs affect the efficiency of the manufacturing global value chains and the competitiveness of a country's economy within these value chains. Therefore, it adversely affects the global competitiveness of the industry and consequently hampers the overall economic prosperity of the nation.

The Indian government is focusing on means to reduce the logistics cost to developed economies average of 8%-10%. India being a large subcontinent, efficient and low-cost transportation of minerals, food grains, industrial goods, export consignments, etc., to and from interiors is vital for its healthy, evenly spread and balanced economic growth. Indian Railways has multiple benefits including cost-effectiveness, reliability, faster transit time, and environmental factors, such as carbon emission, and can play a key role in reducing the logistics cost in the country.

Railways will also play a key role in India's commitment towards mitigating the threat of climate change. CO_2 emissions from freight transport are projected to increase by 451% – from 220 million tonnes in Fiscal 2020 to 1,214 million tonnes in Fiscal 2050. Currently, road freight is the biggest contributor to these emissions, responsible for 95% of CO_2 emissions from freight transport. India has updated its Nationally Determined Contribution ("**NDC**") to the United Nations Framework Convention on Climate Change ("**UNFCCC**") under

which India now stands committed to reducing Emissions Intensity of its GDP by 45% by Fiscal 2030, from Fiscsl2005 level. Further, India has pledged to cut its net CO_2 emission to zero by Fiscal 2070 at the UN Climate Change Conference held in Glasgow, UK in November 2021. As railways are an environment-friendly mode of transport, increasing the share of Indian Railways in freight is essential for India to achieve its commitment towards a net-zero target.

Overview on Indian Trade Through Rail Mode

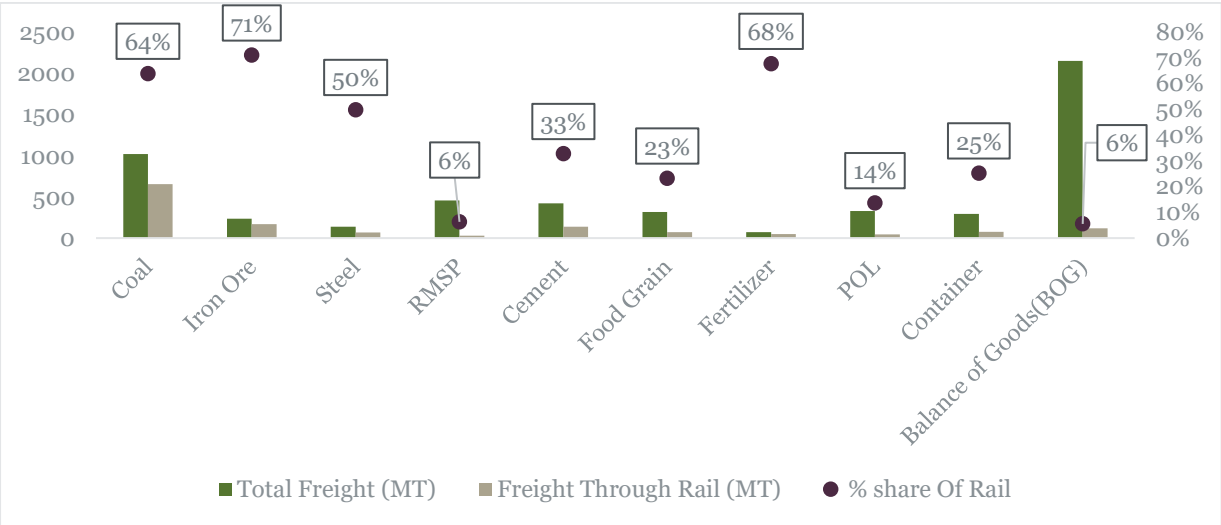
India's overall logistic industry generates about 4,500-5,000 MT of Cargo annually by handling over 10,000 types of diverse products. The Indian logistic industry has been witnessing rapid growth supported by high economic growth coupled with the rising population and improved standards of living. With rising income levels, higher exports, and rapidly growing e-commerce and retail markets, the demand for goods movement is expected to increase five-fold by Fiscal 2050. This will spur growth across all the freight modes.

Share of Rail Mode in Domestic Freight

India being a large subcontinent, efficient and low-cost transportation of minerals, food grains, and industrial goods is vital for economic growth. Rail mode is one of such effective freight modes. It offers cost-effectiveness, reliability, and faster transit time and supports environmental factors such as carbon emissions.

Over the last seven decades, (from Fiscal 2015 to Fiscal 2022), India's logistics market has grown manifold by almost 55 times, whereas in comparison, Rail Cargo has grown only by about 20 times. The current level of rail market share is about 26-28%, which showcases substantially slower growth in rail freight. The Indian Railways has made sustained efforts to improve the ease of doing business and enhance service delivery at competitive prices, resulting in new traffic coming to railways from both conventional and non-conventional commodity streams.

Railway's Current Share in Freight Movement – Commodity-Wise (as on Fiscal 2022)



Source: Source: Ministry of Railways, Report of the Committee on Mission 3,000 million tonnes

Further, in rail freight volumes, there is a significant dependency on coal, iron ore/steel, cement, food grain, and POL and fertilizer, contributing almost 74% of railway freight volume. These commodities have witnessed slower growth in the past few years and are likely to grow at the same pace in the future vis-à-vis overall growth of the logistics sector, owing to factors like the emergence of renewable energy, rise in pithead-based power plants, pipeline-based POL movement, modal shift to the road, etc. Railway's share in the transport of other goods such as stone, bauxite, finished metals, zinc, manganese, agricultural produce, fodder, edible oil, ashes, gypsum, sugar, salt, sand, de-oiled cake, chemicals, dolomite, limestone, slag, timber, concrete product, etc., was 6% in Fiscal 2022. This is severely limiting the railways' growth potential in the freight segment.

As of Fiscal 2022, the Indian Railways has a total route length of about 68,043 km. To improve the share of freight traffic by rail, it is essential to strengthen the rail network and build efficient warehouses. In Fiscal 2020, the Indian Railways established a 'National Rail Plan ("**NRP**") for India – 2030'. This plan is aimed at formulating strategies based on both operational capacities and commercial policy initiatives to increase the modal share of the railways in freight to 45% by Fiscal 2030.

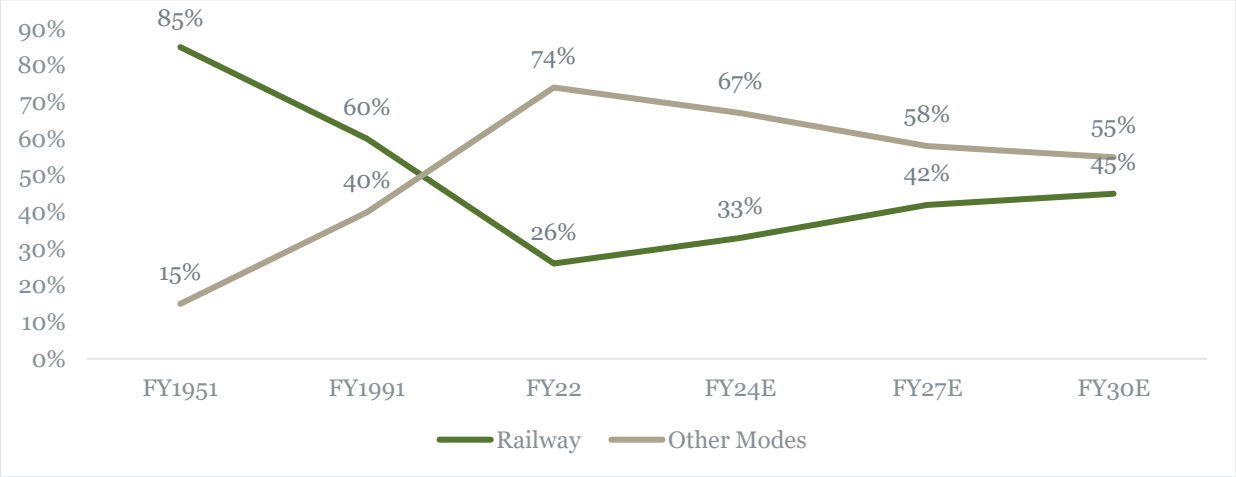
Accordingly, a pipeline of capacity enhancement works was envisaged for easing the bottlenecks/constraints and augmenting the network to make it capable of moving 3600 MT cargo by Fiscal 2030. For which, '*Mission 3000MT*' has been formulated as an intermediate milestone towards achieving the aforesaid ambitious target of NRP.

Through NRP, Indian Railway is striving to achieve a modal share of 45% through a combination of capacity enhancement works and lowering of cost to customers by Fiscal 2030.

Outlook for Modal Share and Volume Growth of Railways in Freight Transport

Indian Railways has prepared a NRP which envisages creation of a 'future ready' railway system by 2030. NRP aims to increase modal share of the Indian Railways in freight to 45% by Fiscal 2030 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in Fiscal 2022 to 3,600 million tonnes by Fiscal 2031, implying a CAGR of 11%. The objective of the NRP is to create capacity ahead of demand, which in turn would also cater to future growth in demand up to Fiscal 2050.

Modal Share of Railways vs. Other Modes in Freight Transport

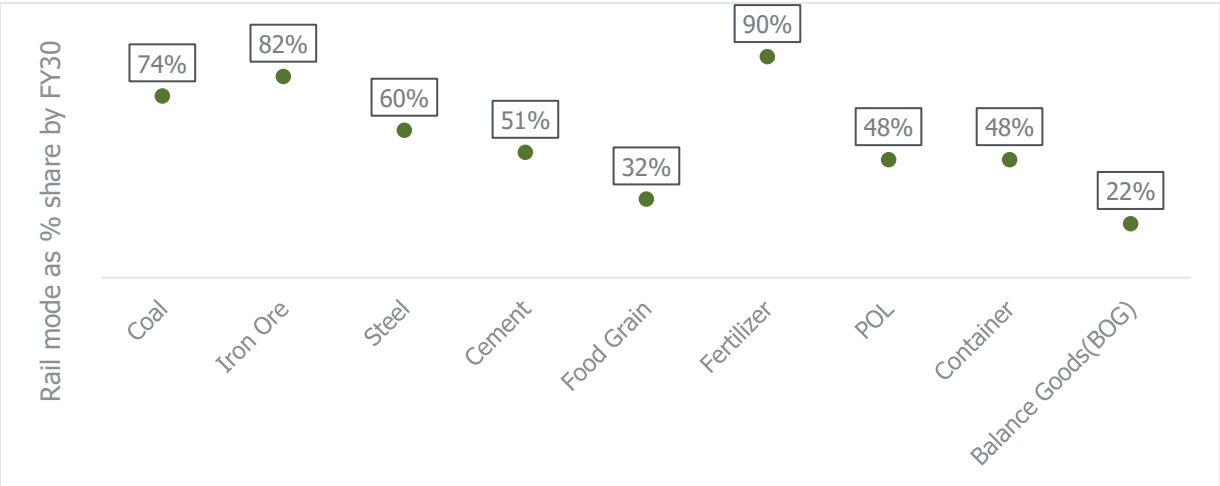


Source: Ministry of Railways, National Rail Plan

Driven by the measures mentioned in the above, India Railways share across commodity basket is expected to improve significantly which will lead to robust growth in freight volumes. The railway freight volumes are expected to reach 3,000 MT by FY27 and 3,600 MT by Fiscal 2030.

India Railways' share across commodity basket is expected to improve significantly, which will lead to robust growth in freight volumes.

India Railways Share Across Commodity Basket in Fiscal 2030E



Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes

Future Potential for Rail as Mode of Transport

Under the Foreign Trade Policy 2023 announced in March 2023, the Indian government has set a target to achieve exports worth US$ 2 trillion by 2030 compared to US$ 770 billion in Fiscal 2023, with merchandise and services exports having equal share. In the previous fiscal, the top 10 export destinations for India included the US, UAE, the Netherlands, China, Singapore, Bangladesh, the UK, Saudi Arabia, Hong Kong, and Germany. Currently, the majority of the exports are through either air or sea. However, the share of rail in export logistics is expected to increase driven by the following measures.

- **India-Middle East Europe-Economic Corridor:** In the recent G20 Summit held in September 2023, the G20 leaders announced the plan to construct a rail and shipping corridor that would link India with the Middle East and Europe and advance trade between several economies. This project will consist of two corridors, one connecting India to the Arabian Gulf and one connecting the Gulf to Europe. This project is expected to reduce trade costs, generate jobs, lower greenhouse gas emissions, and increase trade efficiency. The MOU on this corridor was signed by India, the USA, Saudi Arabia, UAE, the European Union, Italy, France, and Germany.

- **Euro-Asia Rail Route:** India has been exploring opportunities to connect its rail network to the Euro-Asia Rail routes. This involves improving rail infrastructure within India and establishing international rail links to countries like Iran, which can serve as gateways to the broader Euro-Asia Rail network. This can enhance India's trade connectivity with Europe and Central Asia.

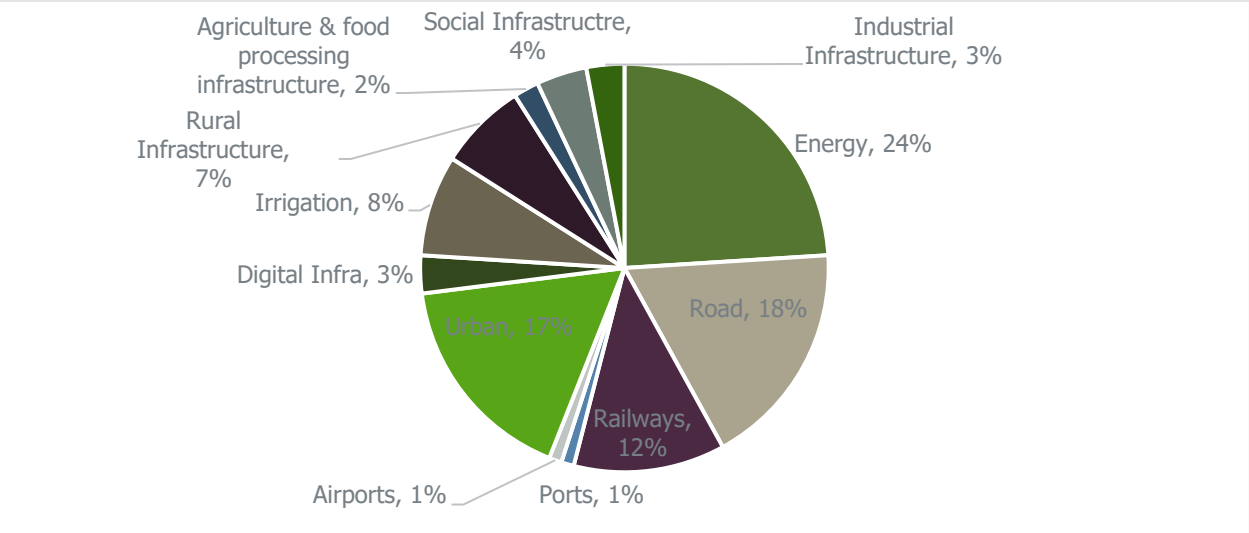
- Along with this, India has been working on the Chabahar Port project in Iran, which aims to provide an alternative trade route to Afghanistan and Central Asia. Rail connectivity will be a crucial component of this project, allowing goods to flow seamlessly between Chabahar Port and India's hinterland. In May 2016, a MoU was signed between IRCON International Limited of India and the Construction, Development of Transport and Infrastructure Company ("**CDTIC**") of Iran for the construction of the Chabahar-Zahedan Railway Project.

India has significant potential to enhance its trade with other economies by focusing on rail as a mode of transport. Leveraging its extensive rail network, combined with strategic investments and policy reforms, can position India as a major player in the global trade arena, boosting economic growth and prosperity.

India's Investment in Transport Infrastructure

India has been making significant investments in transport infrastructure to support its growing economy and improve connectivity across the country. Before the onset of the pandemic the Government of India had unveiled the National Infrastructure Policy ("**NIP**") covering various sectors and regions indicating that it is relying on an 'infrastructure creation' led revival of the country's economy. The NIP which covered rural and urban infrastructure entailed investments to the tune of ₹ 111 trillion to be undertaken by the central government, state governments, and the private sector during Fiscal 2020 to Fiscal 2025. The below chart depicts sector-wise break up of capex of ₹ 111 trillion:

Sector-Wise Break-Up of Capital Expenditure of ₹ 111 Trillion during Fiscal 2020 to Fiscal 2025



Source: National Infrastructure Pipeline

Under NIP, the transport infrastructure promoting trade growth involves the Road, Railways, Port, and Airport segments. The capital expenditure plan between Fiscal 2020 to Fiscal 2025 for these sectors are depicted in the table below:

Capital expenditure plan between Fiscal 2020 to Fiscal 2025

Particulars (₹ crore)	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Total
Road	3,32,559	3,83,283	3,56,966	2,52,780	2,40,761	3,32,659	20,33,823
Railways	1,33,387	2,62,465	3,08,800	2,73,831	2,21,209	1,67,870	13,67,563
Port	13,357	18,104	20,649	15,863	7,724	10,002	1,21,194
Airport	18,667	21,655	24,820	21,334	25,386	5,141	1,43,448

Source: National Infrastructure Pipeline

The road sector has attracted significant investment over the past 10 years. Approximately 18% of the ₹ 111 trillion investment targeted over Fiscal 2020 to Fiscal 2025 is expected to be made in the roads sector. The sector has pioneered several innovative public-private partnership ("**PPP**") models besides having a strong contractual framework compared with other sectors. These factors have led to significant investments from private players in the sector.

Investments in the railways have remained subdued in comparison with the power and road sectors, which later picked up pace in 2016. The key focus areas in railway infrastructure are decongestion of over utilised rail network, construction of new lines, doubling, tripling, quadrupling of rail lines, and purchase of rolling stock such as wagons, locomotives, coaches, etc. Historically, capital investment in railways has been mainly from the government and a minor proportion was from private players. The involvement of private players is limited to allied activities such as track laying and maintenance, maintenance of coaches and wagons, construction of bridges, stations, signalling, and telecommunication works.

The port sector involves investments, both from the public and private sector to enhance port capacity, modernise existing ports, and boost port connectivity. Here, the investments are largely focused on capacity addition and modernisation of existing ports, the creation of additional berths, mechanisation, and development of port connectivity projects.

India has witnessed massive growth in the airport sector with investments from both the government and private sectors, with immense potential to grow further. This calls for higher investment to build new airports and augment the existing airport infrastructure to support future growth.

Key Industries of India Depending on Rail Freight

Agriculture, construction, mining, and quarrying are some of the key sectors dependent on rail transportation in both output and input terms. Under the agriculture sector, food grains and fertilizers are the key commodities using rail for transportation. As inputs for the construction sector, iron ore, steel, and cement are the key commodities that are largely transported through rail. Under mining & quarrying, coal is the primary commodity, which holds the biggest share in the commodity basket of rail mode.

In Fiscal 2023, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting the yields of some major crops and clocking a y-o-y growth of 4%. Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. Furthermore, the growth of this sector is partly attributable to good monsoon years and partly to the various reforms undertaken by the government to enhance agricultural productivity.

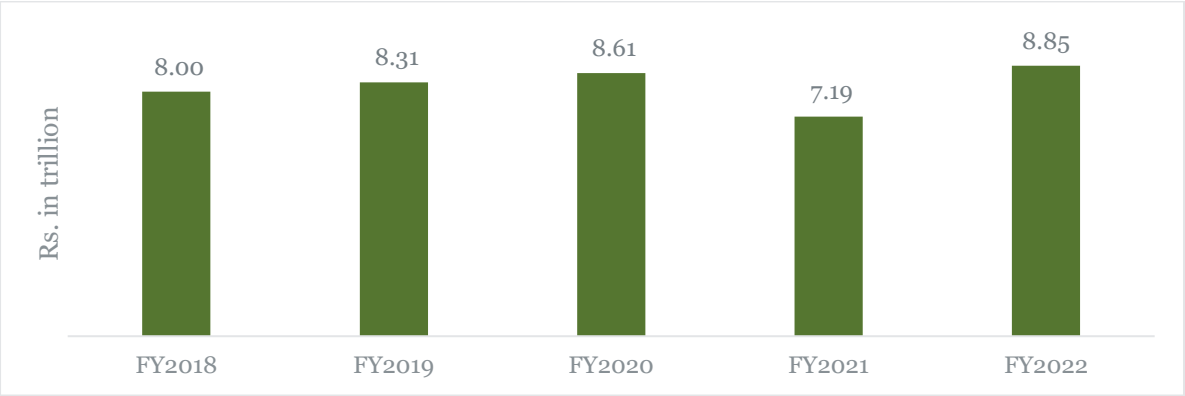
The growth of the industrial sector was mainly supported by sustained momentum in the manufacturing, mining, quarrying, and construction sectors. The healthy momentum recorded in the infrastructure and construction sectors is likely to continue aided by the government's focus on this segment. In addition, the demand for metals and mining is expected to increase in the near future since a greater necessity is coming from the residential and commercial sectors. The Government of India is also helping in the development of the metals and mining sector by launching key policy initiatives and regulatory interventions. This augurs well for the mining and metal industry in the coming years.

RAILWAY INFRASTRUCTURE IN INDIA

Contribution of Transportation Sector to Indian Economy

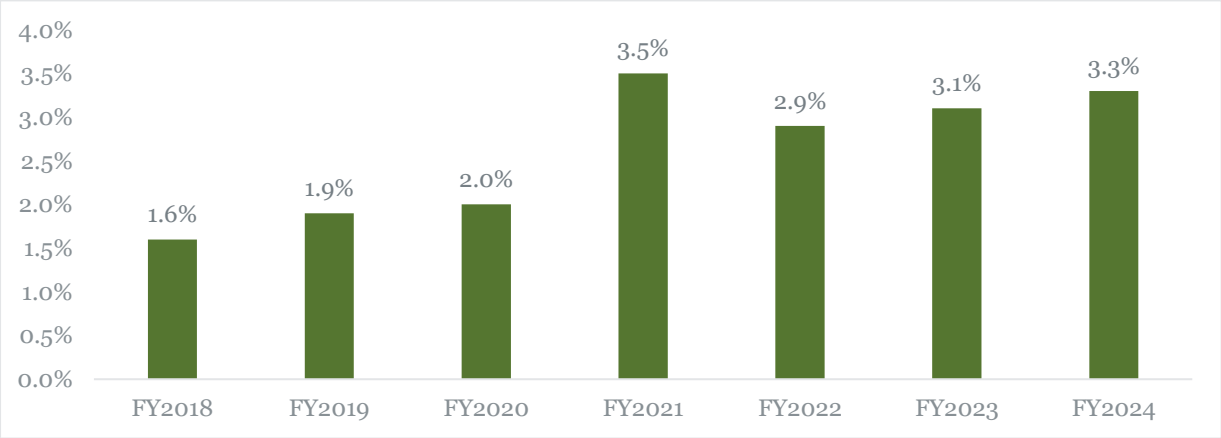
Transportation - rail, road, air and maritime – pays a very important role in the economic growth of a company. Expansion of transportation infrastructure enables efficient movement of raw materials, finished goods, labour, equipment etc. and opens up new markets. Owing to these factors, transportation infrastructure development has been one of the foremost focus areas of the Indian Government, as evident from the increasing budgetary outlay towards the transportation sector.

Contribution of Transport sector to GDP



Source: Indian Railway budget and MOSPI

Railway Budget to GDP



Source: Indian Railway budget and MOSPI

Railway Infrastructure

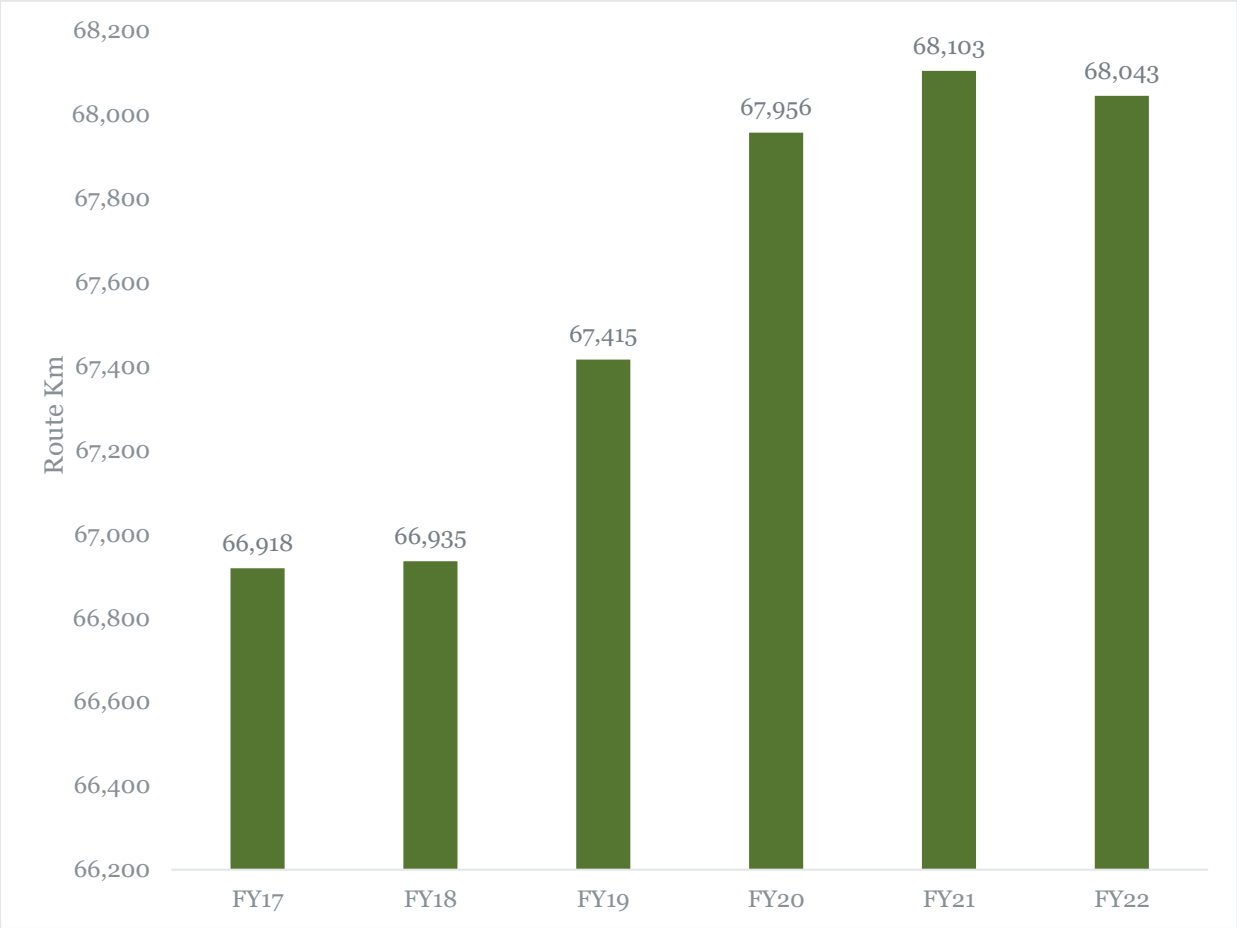
Railways are one of the most efficient and cost-effective modes of transport globally as they can carry higher numbers of passengers and cargo at higher speeds over long distances. It is also the most environment-friendly mode of land transport with much lower energy consumption and carbon dioxide emission compared to roadways or waterways.

Overview on Indian Rail Track Length

Indian Railways is the fourth-largest railway system in the world behind the US, Russia, and China. India has over 68,043 km of the route km along with 7,308 stations as of Fiscal 2-22. The number of passengers carried and freight transported has been on the rise over the past few years.

Further, the Indian railway sector has witnessed multiple developments in the last decade such as the introduction of high-speed trains and the modernization of railway stations. In addition, India Railways has set out massive network expansion and decongestion targets. It plans to undertake 17,000 track km of new lines, doubling and gauge conversion work by Fiscal 2024, out of which, 5,243 km was achieved during Fiscal 2023 as compared to 2,909 km during Fiscal 2022. It also plans to become a net zero carbon emitter by Fiscal 2030 as part of the country's strategy to combat climate change. It plans to source 1,000 MW of solar power and 200 MW of wind power across zonal railway and production units.

Indian Railway Route Length



Source: Indian Rail Yearbook

Further, as on April 2022, across Indian Railways, 452 Railway projects (183 New Line, 42 Gauge Conversion and 227 Doubling) of total length 49,323 Km, costing approx. ₹ 7.33 lakh crore are in different stages of planning/sanction/execution, out of which 11,518 Km length have been commissioned and an expenditure of approximately ₹ 2.35 lakh crore has been incurred up to March, 2022.

Freight and Passengers Carried by Indian Railways

Passenger and freight traffic were adversely affected in Fiscal 2021 due to the COVID-19 pandemic, associated lockdowns, and restricted movement of passengers and cargo. The passenger numbers decreased by 85% in Fiscal 2021 but the tonnage carried remained afloat due to the cargo carriages. Whereas in Fiscal 2023, the passenger traffic rebound with 82% growth and freight traffic grew by 7%.

No of Passenger over the Years

Source: Indian Rail Yearbook; Indian Railway Monthly Evaluation Report August 2023.
Note: YTD Fiscal 2024 and YTD Fiscal 2023 refer to period from April to August 2023 and April to August 2022, respectively.

Tonnage Carried over the Years

Source: Indian Rail Yearbook; Indian Railway Monthly Evaluation Report August 2023.
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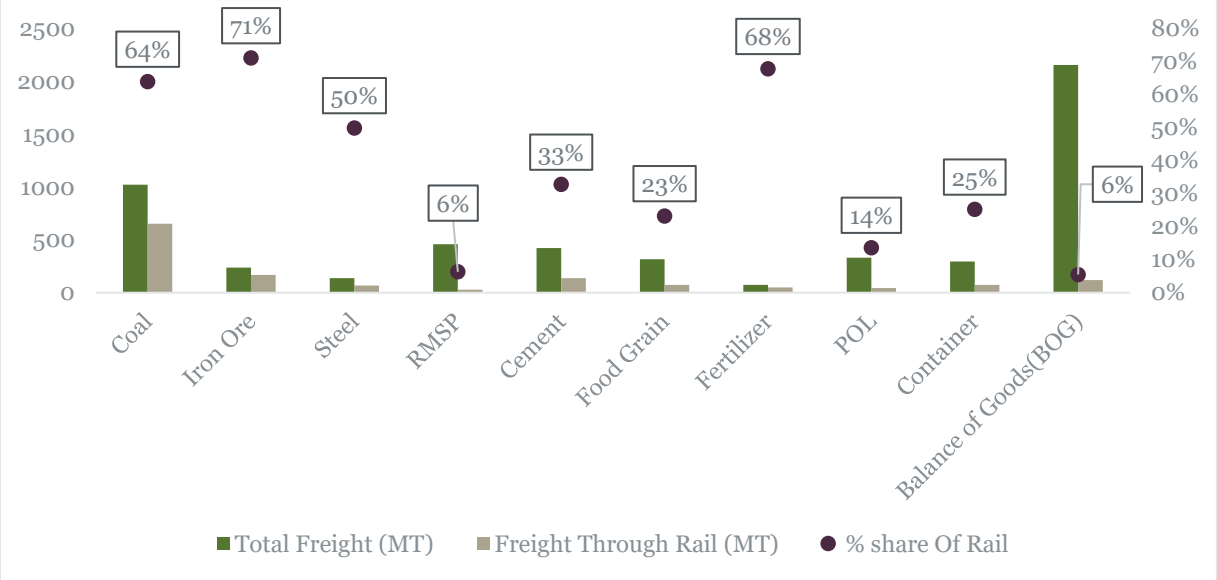
The Indian Railways has made sustained efforts to improve the ease of doing business as well as improve the service delivery at competitive prices which has resulted in new traffic coming to railways from both conventional and non-conventional commodity streams.

Railway's Current Share in Freight Movement – Commodity-wise (as on Fiscal 2022)



Source: Source: Ministry of Railways, Report of the Committee on Mission 3,000 million tonnes

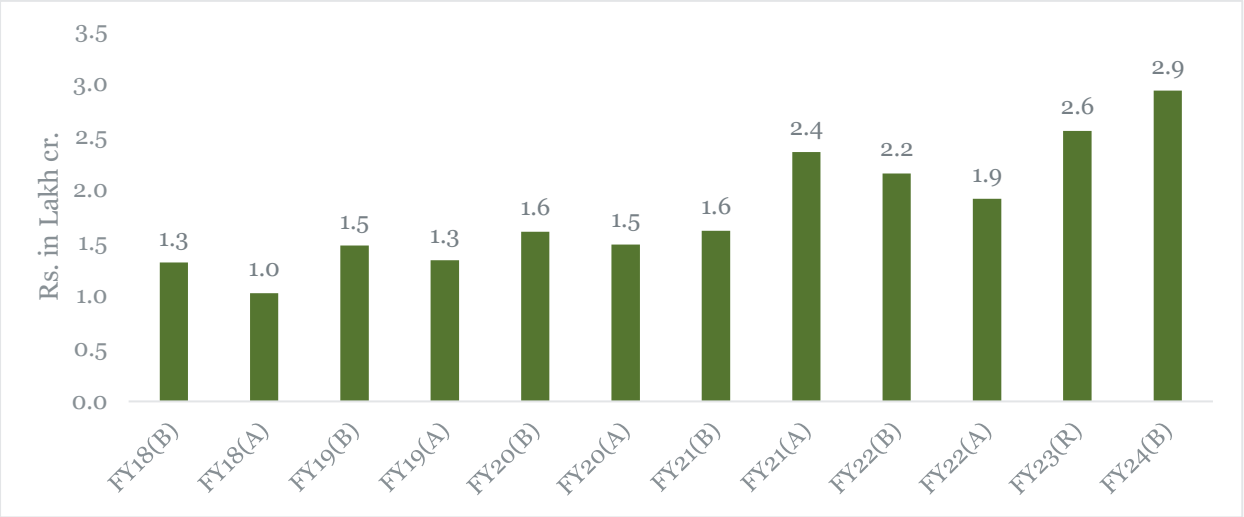
In rail freight volumes, there is a significant dependency on coal, iron ore/steel, cement, food grain, and POL & fertilizer, contributing almost 74% of railway freight volume. These commodities have witnessed slower growth in the past few years and are likely to grow at the same pace in the future vis-à-vis overall growth of the logistics sector, owing to factors like the emergence of renewable energy, rise in pithead-based power plants, pipeline-based POL movement, modal shift to road, etc. Railway's share in the transport of other goods such as stone, bauxite, finished metals, zinc, manganese, agricultural produce, fodder, edible oil, ashes, gypsum, sugar, salt, sand, de-oiled cake, chemicals, dolomite, limestone, slag, timber, concrete product, etc., was 6% in Fiscal 2022. This situation is severely limiting the railways' growth potential in the freight segment.

Government Policies for Railway freight industry

Budgetary Support

Railways is one of the key enablers for economic growth and an investment of US$ 750 billion was suggested by the government in the Union Budget 2019-2020 to improve the railway infrastructure over Fiscal 2018 to Fiscal 2030. The budgetary allocation to Indian Railways has been on a rise.

Budgetary Outlay towards Indian Railway



*Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources ("**IEBR**")*

In the Union Budget Fiscal 2023 - 2024, the government has allocated ₹ 2.9 lakh crore towards railways which is the highest ever allocation and an increase of 15% over previous year's allocation. The allocation towards rolling stock has more than doubled y-o-y to ₹ 37,581 crore in the union budget 2023-2024 from ₹ 15,158 crore (revised budget) in Fiscal 2022-2023.

Budgetary Outlay toward Railway Projects

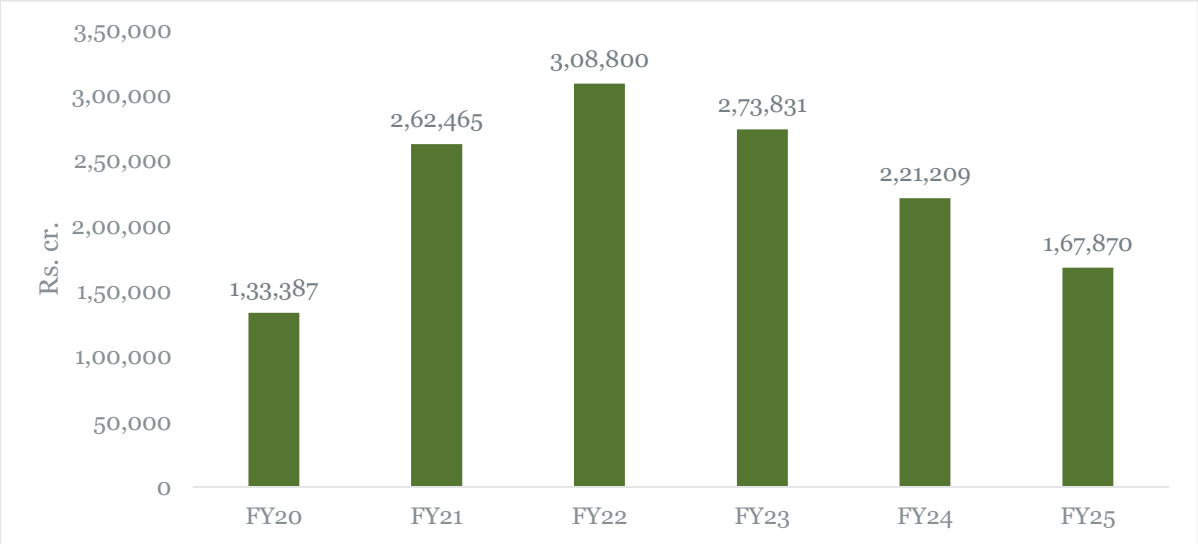
Railway Projects (in ₹ crores)	Fiscal 2018 (A)	Fiscal 2019 (A)	Fiscal 2020 (A)	Fiscal 2021 (A)	Fiscal 2022 (A)	Fiscal 2023 (R)	Fiscal 2024 (B)
Doubling	1,290	610	678	379	8,681	24,093	30,749
New Lines (Construction)	8,952	5,648	9,871	1,058	20,783	24,914	31,850
Track Renewals	8,884	9,690	9,387	0	16,557	15,388	17,297
Gauge Conversion	2,555	2,590	3,313	117	2,343	3,220	4,600
Rolling Stock	1,514	4,572	3,963	839	13,492	15,158	37,581
Passenger Amenities	1,287	1,586	1,903	1,788	1,997	3,824	13,355
Road Safety Works	3,713	4,201	4,092	2	4,675	6,750	8,100
Bridge Works, Tunnel Works and Approaches	454	532	782	15	1,302	1,215	1,255
Signalling and Telecom	1,257	1,538	1,623	6	2,145	2,428	4,198
Leased assets - Payment of Capital Component	7,980	9,112	10,462	11,948	14,581	18,898	22,229
Investments & Others	28,867	42,328	46,580	30,523	55,486	61,768	92,117
Manufacturing Misc.	29,403	34,281	39,857	31,104	37,554	46,745	55,856
Less: Net transfer to funds	-52,738	-63,850	-64,668	31,544	-62,326	-65,301	-79,187
Total	**43,418**	**52,838**	**67,842**	**1,09,323**	**1,17,270**	**1,59,100**	**2,40,000**

Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes IEBR

National Infrastructure Pipeline

As the infrastructure expenditure to GDP multiplier is estimated to be 2.5-3.5x, the Government has identified infrastructure development as a key focus area to become a US$ 5 trillion economy by 2026-2027. To achieve this objective, the Government launched the National Infrastructure Pipeline ("**NIP**") in 2020 which identified a group of social and economic infrastructure projects to be implemented during Fiscal 2020-2025. The expected capex under NIP is US$ 1.4 trillion in railways having an allocation of 12% of the total ₹ 11 trillion capex allocated to infrastructure segment during Fiscal 2020 to Fiscal 2025.

Annual Capex in Indian Railway under NIP



Source: NIP Document

Other Initiatives

Dedicated Freight Corridor ("DFC")

Dedicated Freight Corridor is broad-gauge high-capacity railway corridor under construction by the Indian Railways that is exclusively meant for the transportation of goods and commodities. It was conceptualized in around 2005 with an aim to increase share of railways in total domestic freight transportation and Dedicated Freight Corridor Corporation of India ("**DFCCIL**") was set up to undertake planning and development, mobilization of financial resources, construction, operation & maintenance, and business development of the dedicated freight corridors.

The main objectives of DFCCIL are as below:

- Decongest the existing Indian Railway network.
- Increase the average speed of goods trains from 25 in Fiscal 2019 to 70 kmph by Fiscal 2025.
- Run Heavy Haul trains (higher axle load of 25T/32.5 T) & overall load of 13,000 T.
- Facilitate the running of longer (1.5 km) and double stack container trains.
- Connect the existing ports and industrial areas for faster movement of goods.
- Energy efficient and environment friendly rail transport system as per global standards.
- Increase the rail share from 26% in Fiscal 2022 to 45% by Fiscal 2030.
- Reduce the logistic cost of transportation

Key features of the DFCs include double speeds, higher load carrying capacity, and double stacking capability.

Railway Infrastructure – Key Segments

Design Feature	Indian Railway	DFC
Height	4.265m	5.1m/7.1 m
Width	3,200 mm	3,600 mm
Train Length	700 m	700m/1500m
Train Load	5,400 tonnes	12,000 tonnes
Axel Load	22.9 tonnes	25 tonnes track structure; Bridges and formation designed for 32.5 tonnes
Average Speed	25 kmph	>65 kmph
Traction	Electrical (25 Kv)	Electrical (2*25kv)
Signalling	Absolute/automatic with 1 Km spacing	Automatic with 2 Km spacing in automatic territory

Source: Dedicated Freight Corridor Corporation of India

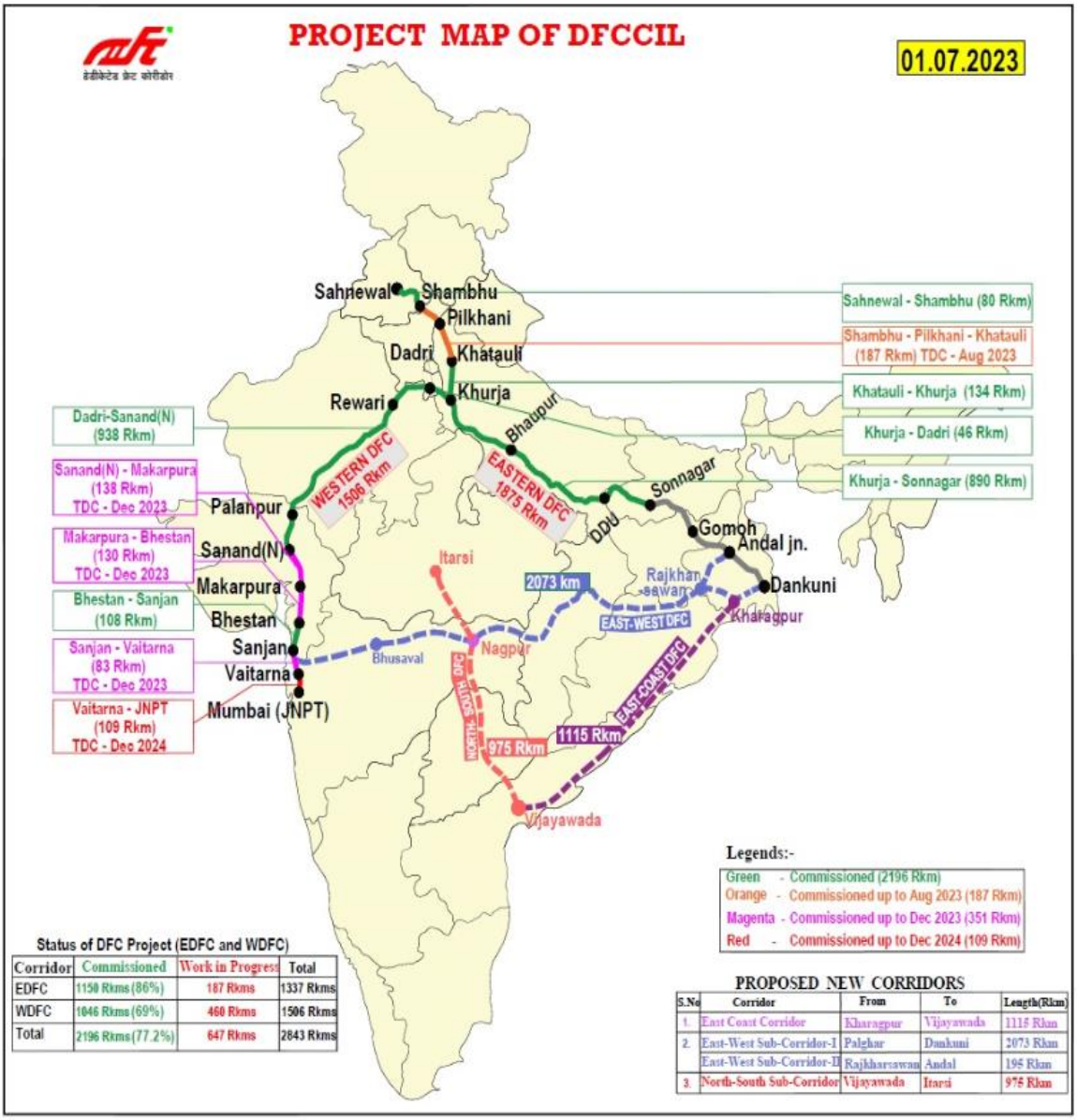
DFCs are proposed to used state-of-the art technology including the below:

- Heavy and long-Haul train operation of 25 Axle ton with having provision of 32.5 Ton axle load for the First time in India.
- Double stack containers in Western DFC
- Double line electric (2 X 25 KV) track to undertake higher haulage at higher speeds
- Automated New Track Construction (NTC) machine which can lay track at the speed of 1.5 km per day.
- Automated Wiring train for Overhead Equipment Work (OHE) capable of wiring up to 3 km per shift.
- Train Protection and Warning System (TPWS) for safe and efficient operation
- Elimination of road level crossing
- Developing Multi Modal Logistic Hubs and integration with Delhi-Mumbai Industrial Corridor & Amritsar-Kolkata Industrial corridor.
- The first phase of the project is estimated to reduce emissions by about 457 million ton CO_2 over a 30 year period.

There are currently 2 DFCs in India - the Western and Eastern freight corridors spanning 3,360 km. The Western DFC connects Dadri in Uttar Pradesh to Jawaharlal Nehru Port ("**JNPT**") in Mumbai, and Eastern DFC connects Ludhiana in Punjab to Dankuni in West Bengal. As on March, 2023 2,734 km of lines have already been

commissioned under the DFC and the Western and Eastern DFC is expected to be fully commissioned by June 2024. Further three corridors – the East Coast Corridor, East-West Corridor, and North-South Corridor are under planning.

Dedicated Freight Corridor in India



Source: DFCCIL website, Indian Railways

Diamond Quadrilateral Network

This project is being undertaken by the Indian Railways to establish a high-speed rail network in the country. This network will connect the megacities in India i.e. Delhi, Mumbai, Kolkata and Chennai. The Golden Quadrilateral is India's longest highway network with a total length of 5,846 Km. It passes through 12 states and a Union Territory. Diamond Quadrilateral Network of High-Speed Trains comprises of four cities:

(i) Delhi-Mumbai;

(ii) Mumbai-Chennai;

(iii) Chennai-Kolkata;

(iv) Kolkata-Delhi;

(v) Delhi-Chennai; and

(vi) Mumbai-Kolkata.

India-Middle East Trade Corridor ("IMEC")

The India-Middle East trade corridor was announced in G20 summit held in New Delhi in September 2023 amongst India, the US, Saudi Arabia, UAE, the European Union, Italy, France, and Germany. The project is a part of the partnership for Global Infrastructure and Investment ("**PGII**"). PGII was launched as a high impact, transparent infrastructure partnership to meet the infrastructure needs of the low to middle income countries.

The IMEC will be consisting of railroads, ship-to rail network and road network routes across two corridors i.e. the East Corridor- connecting India to the Arabian Gulf and the Northern Corridor- connecting the Gulf to Europe. These corridors will consist of electricity cables, hydrogen pipeline, and high-speed data cables.

Objectives:

- To create a transportation network, comprising rail, road, and sea routes, connecting India, the Middle East, and Europe.
- To enhance transportation efficiency, reduce costs, increase economic unity, generate employment, and lower Greenhouse Gas (GHG) emissions.
- To transform the integration of Asia, Europe, and the Middle East by facilitating trade and connectivity

High Speed Rail Corridor

The High Speed Rail Corporation Limited was incorporated on February, 2016 under Company Act, 2013 to construct, maintain and manage the High Speed Rail Corridor in India. The High Speed Rail project is an initiative to achieve travel time saving, vehicle operation coat, reduction in pollution, job creation, enhance safety, reduction in pollutant etc.

To reduce the transit time, 12 high speed rail corridors with train speeds exceeding 250 km/hour have been proposed by the government, spanning approximately 7,200 Km. The 508 Km Mumbai-Ahmedabad corridor has been taken up for construction at an expected capital expenditure of ₹ 1.1 lakh crore and is expected to be fully operational by 2027. The maximum operation speed of train will be 320 km/hr and distance between Mumbai-Ahmedabad (508 km) will be covered in 2 hours and 7 minutes.

Vande Bharat Express

Vande Bharat Express are indigenously manufactured semi-high speed, electrical multiple unit trains operated by the Indian Railway. The Vande Bharat Express is equipped with multiple cutting-edge amenities, such as bio-vacuum toilets, Wi-Fi, completely automated doors, amongst others and are 180 kmph capable air-conditioned chair car services. The railway currently operates seven Vande Bharat Express trains on Delhi-Varanasi, Delhi-Katra, Mumbai Central-Gandhinagar, Delhi-Amb Andaura, Chennai-Mysuru, Nagpur-Bilaspur and Howrah-New Jalpaiguri routes. In Union budget 2022-2023, it was announced that 400 Vande Bharat Express will be introduced over the next three years.

As on August 2023, ₹ 1,343.7 crore fund has been utilised for manufacturing Vande Bharat trains. As on July 2023, 50 Vande-Bharat train services are running on the Indian Railways, connecting states having Board Gauge electrified network.

National Rail Plan 2030

Indian Railways has prepared a NRP for India – 2030 which envisages creation of a 'future ready' railway system by Fiscal 2030. NRP aims to increase modal share of the Indian Railways in freight to 45% by Fiscal 2030 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in Fiscal 2022 to 3,600 million tonnes by FY31, implying a CAGR of 11%. The objective of the NRP is to create and invest towards capacity ahead of demand, which in turn would also cater to future growth in demand up to Fiscal 2050.

Objectives, and plans to improve modal share of railways in freight transport

Following are the key objectives of NRP:

- Formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% by Fiscal 2030;
- Reduce transit time of freight substantially by increasing average speed of freight trains to 50 kmph;
- As part of the NRP, Vision 2024 has been launched for accelerated implementation of certain critical projects by 2024 such as 100% electrification, multi-tracking of congested routes, upgradation of speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgradation of speed to 130 kmph on all other Golden Quadrilateral-Golden Diagonal ("**GQ/GD**") routes and elimination of all Level Crossings on all GQ/GD routes;
- Identify new Dedicated Freight Corridors;
- Identify new High-Speed Rail Corridors;
- Assess rolling stock requirement for passenger traffic as well as wagon requirement for freight;
- Assess locomotive requirement to meet twin objectives of 100% electrification (Green Energy) and increasing freight modal share;
- Assess the total investment in capital that would be required along with a periodical break up; and
- Sustained involvement of the Private Sector in areas like operations and ownership of rolling stock, development of freight and passenger terminals, development/operations of track infrastructure etc.

Proposed Expenditure under NRP (₹ lakh crore)

Head	Fiscal 2021-2026	Fiscal 2026-Fiscal 2031	Fiscal 2031-Fiscal 2041	Fiscal 2041-Fiscal 2051	Total
Dedicated Freight Corridors	-	1.5	0.5	0.3	2.3
High Speed Rail Corridors	-	5.1	2.9	7	15
Network improvements	1.3	0.7	2.2	1.8	6
Flyovers and Bypasses	0.8	-	-	-	0.8
Terminals	0.6	0.2	0.1	0.04	0.9
Rolling Stock	3.1	1.7	3.6	4.8	13.2
Total	**5.8**	**9.2**	**9.3**	**13.9**	**38.2**

Source: Draft NRP Document, Ministry of Railways

Strategy to Increase Modal Share of Railways to 45% by Fiscal 2030

Under the NRP, Indian Railways has devised strategy to address the supply and demand side constraints to grow its share in freight transport.

a. Strategy to Address Supply Side Constraints

To address the supply side issues, the Indian Railways is expanding its track network as well as other railway infrastructure such as rolling stock to be well equipped to handle the increase in freight volumes. Total capital expenditure of ₹ 8.45 lakh crore has been earmarked over Fiscal 2023- Fiscal 2027 under Mission 3,000 MT to address the capacity constraints.

Indian Railways proposes to increase procurement of locomotives and wagons to gear up for handling higher freight volumes. It also proposes to augment the maintenance infrastructure, increase reliability of the existing wagons by changing certain parts, create material handling infrastructure, improve wagon turnaround time, reduce pre-departure detention of crew ("**PDD**"), increase deployment of end-of-train telemetry ("**EoTT**") and strengthen IT infrastructure for maintenance. Further, DFC network is being implemented exclusively for freight trains to address the issue of delays and reliability which are current faced by customers using railways for freight transportation. This will also enable increase in speed of cargo trains from existing 25 kmph to upwards of 50 kmph to 65 kmph.

b. Strategy to Address Demand Side Constraints

To increase the demand for transportation through railways across commodities, Indian Railways is working on marketing strategy covering the following:

- **Pricing Strategy –** Reduced cost of up to 30% to customers. Thrust to reduce the overall cost of rail

transportation to the customer and improve resources to be achieved through improved speed, customer service, tariff reductions/rebates as well as by rationalizing some of the other charges such as demurrage/wharfage, access charge, etc.

Aggregation of piece-meal traffic and door-to-door delivery to compete with road transport.

c. **Improving Containerization and Aggregation –** Railways' share in containerised cargo is currently 25% while the share of roads is over 70% mainly due to uncertainty of transit time, limited infrastructure access, and unfavourable pricing. Railways is proposing the following key measures to make Indian Railways a preferred mode for container transport

- Offer transit guarantee;
- Permit universalisation of bases so that rakes can be maintained at the nearest available maintenance depot;
- Permit private operators to operate in Bangladesh in addition to Nepal;
- Improve operator's access to Container Rail Terminals ("**CRT**") by reducing the cost of access, allowing storage of containers, removing restrictions on hub and spoke operations, encouraging lift-on and lift-off operations; and
- Address the pricing-related concerns

d. **Policy Initiatives for Automobile Sector –** Railways currently have a small share in automobile transport. In order to boost auto volumes, Railways introduced the Automobile Freight Train Operator ("**AFTO**") Scheme in 2010 which permitted private parties like automobile manufacturers to procure specially designed wagons as per their requirement. Multiple amendments have been made to the AFTO Scheme to improve the acceptability of the scheme in the automobile industry and increase the automobile volume transport through railways. The Indian railways are proposing to introduce taller wagons, expand Ro-Ro and Road-Railer services and introduce new container designs that are more suitable for two-wheeler transportation.

e. **Expansion of Ro-Ro Services –** Indian Railways is proposing to expand its Roll-on, Roll-off ("**Ro-Ro**") services offering. A Ro-Ro service provides end-to-end service to the customer and uses an optimal combination of road and rail transport where road transport is used for short distances and rail for long distances. As the lorries/trucks with goods are directly loaded on rail wagons (long metal platforms), it provides significant time savings towards loading/unloading. Ro-Ro services are being offered through Dedicated Freight Corridor Corporation of India Limited, which is in process of identifying additional route over which the services can be offered.

WORLD RAILWAY NETWORK

Challenges

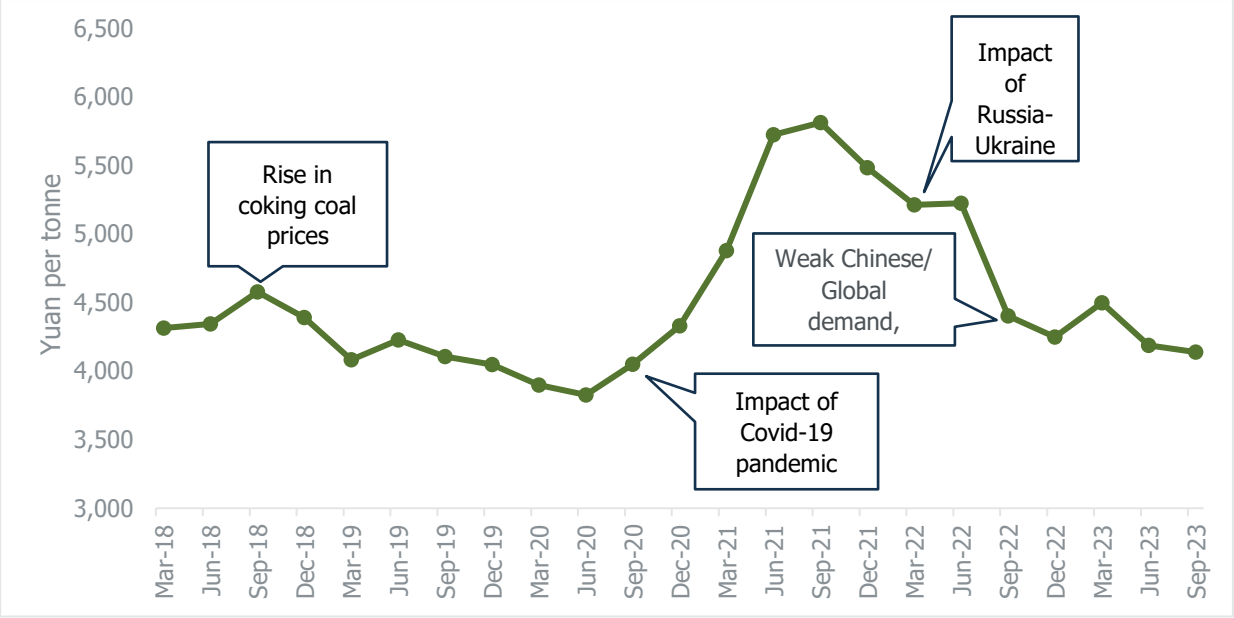
While the global rail industry has many opportunities, it also faces several challenges that can impact its growth and efficiency.

Some of the key challenges include:

Volatility in Material Costs

The rail industry is mainly dependent on energy and materials like steel and fuel. Any change in these raw material prices has a direct impact on rail transport. As per the past five years' trend, international steel prices have been volatile. This may impact the profitability of the players associated with the industry. The steel prices are also linked to energy and fuel costs.

Trend in International Steel Prices



Source: CMIE

Furthermore, freight carriers require diesel in some of the locations despite major railway routes being electrified. This may lead to increased freight costs for the services used for industrial and last-mile services.

Moreover, energy prices are increasing. The electricity prices have been soaring continuously aided by growing demand. This has a crucial impact on pricing for rail services. The supply chain disruptions due to geopolitical tensions may also lead to shortages of key components. The rail industry is one such industry where electrical components play a crucial role in manufacturing. Thus, any disruption in the supply chain will have an impact on operations and profitability.

- **Increasing Competition**

Changes in the international rail transit industry continue to deepen. The global industry giants are deeply integrated, and the industry competition pattern is constantly changing. Accordingly, the competitive situation continues to intensify. The industry has good prospects for development, especially in emerging countries, such as China and India.

In addition, the rail transit equipment market, trunk railway construction, and railway operation rights in these emerging countries are fully liberalized. This will continue to attract leading companies in the industry to enter the local market and seize market share.

In the global market, the competition between Bombardier, Alstom, Siemens, Mitsubishi Electric, and others may become increasingly fierce. If the local enterprises in the industry cannot maintain a leading position in the market competition, it may lead to a decline in market share and lower profit margins. In the long run, it will pose great challenges to local enterprises in emerging countries.

- **High Initial Investments**

Rolling stock and supporting infrastructure are capital-intensive. Moreover, local governments need to provide substantial financial support for the high cost of trains and the modernization and upgrading of railway infrastructure, including tracks, signalling systems, and distribution networks, may further increase the overall cost of railways. Therefore, the high capital required for railway infrastructure construction is expected to hinder the global rail industry growth.

Furthermore, the railways are a technology-intensive industry. It contains a series of complex components, complex production processes, and technical difficulties. In order to enhance the competitiveness of enterprises and adapt to the development of technology, enterprises are increasingly investing in technology research and development. Therefore, the high barriers in this industry are highly restrictive for new entrants.

- **Risks of Macroeconomic and Sectoral Policy Changes**

Under the current scenario, rail transit construction projects are mainly dominated by the government. The government's investment in rail transit infrastructure construction is influenced by many factors such as China's macroeconomic development, economic operation cycle, fiscal expenditure capacity, relevant regional economic development policies, the use of existing infrastructure, and the future development planning of the industry.

However, any unforeseen factors leading to major adjustments in macroeconomic policies and industry policies or investment planning changes in industry segments, may lead to minimized industry investment scale and adverse changes in market demand, thus adversely affecting the industry and the company's business operations and profits.

RAILWAY WAGONS INDUSTRY

Overview

Rolling stock includes locomotives, freight wagons, and passenger coaches. Freight wagons are used to transport goods from one place to another whereas passenger coaches are used by people to travel from one place to another.

The Indian Railways has been the largest domestic procurer of rolling stock to meet its expansion and upgradation requirements.

Split of Total Rolling Stock

Break-up of rolling stock owned by the Indian Railways is given below:

Indian Railway Rolling Stock

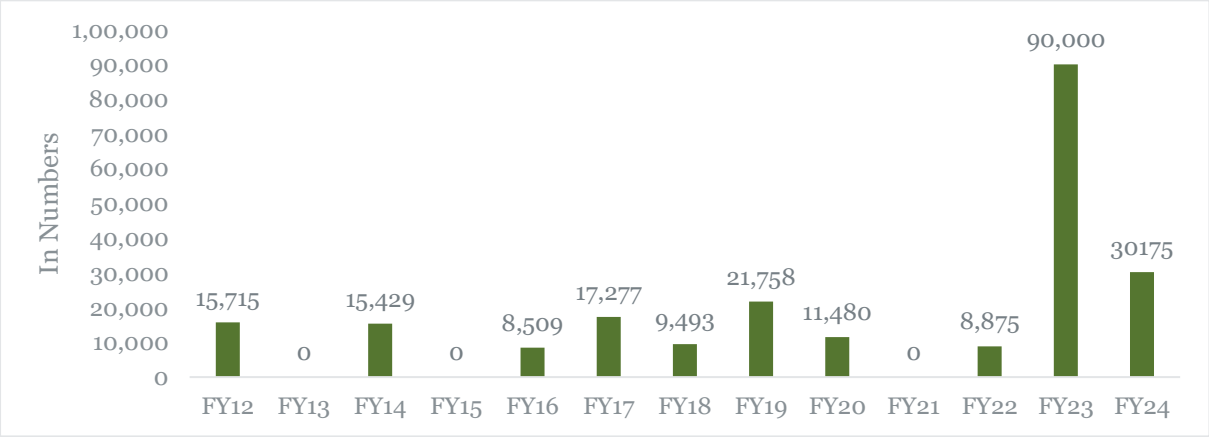
Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Locomotives	**11,764**	**12,147**	**12,729**	**12,734**	**13,215**
Passenger Coaches					
- EMU	9,556	10,439	11,439	10,991	11,773
- Conventional	54,081	55,282	57,121	58,778	61,002
- DMU	1,690	1,883	1,795	1,965	1,969
- Others	6,537	6,406	6,611	7,949	10,103
Total Passenger Coaches	**71,864**	**74,010**	**76,966**	**79,701**	**84,863**
Wagons	**2,79,311**	**2,93,011**	**2,89,175**	**3,02,624**	**3,18,896**

Source: Indian Rail Yearbook

Past Trend in Wagon Orders

Indian Railways: Over Fiscal 2012 to Fiscal 2023, the tendering by the Indian Railways has been in the range of 8,500 to 22,000 wagons per year with delivery over two to three years, to cater to fresh as well as replacement demand for wagons that are over 30 years old to 35 years old.

Trend on Wagon Tendering by Indian Railways



Source: Industry Sources

However, driven by the Indian Railways target to increase the share in domestic freight to 45% by 2030 under the NLP, the tendering has seen multi-fold increase in the recent months. In April 2022, a tender for procurement of

90,000 wagons over the next three years was released by Indian Railways, which is more than cumulative procurement done over the previous 10 years. Order for about 75,000 wagons has been placed till date under this tender. Further, the Indian Railways has released two tenders in Fiscal 2024 for an aggregate quantity of 30,175 wagons. The awarding under these tenders is pending.

Trend in New Wagons Inducted by Indian Railways

Source: Indian Rail Yearbook, Report of the Committee on Mission 3,000 million tonnes

Indian Railways has inducted about 8,000-15,500 new wagons per year over Fiscal 2018 to Fiscal 2022.

Private Sector

The introduction of schemes, such as Liberalised Wagon Investment Scheme ("**LWIS**"), Wagon Leasing Scheme ("**WLS**"), Automobile Freight Train Operator ("**ATFO**"), amongst others, private sector entities to own wagons to address the issue of availability of wagons. Accordingly, the private sector ownership of wagons has increased over the last few years. Companies from logistics, steel, and mining sectors including Steel Authority of India Ltd, NTPC Ltd, Adani Logistics Ltd, TM International Logistics Ltd (JV of Tata Steel Ltd), Rungta Mines Ltd, etc., have acquired private wagons between 2017-2022.

A few leasing companies have also entered in the domestic market. GATX India Private Ltd (a subsidiary of Gatx Corp, USA) is the largest private owner of wagons in India with a fleet of 4,200 wagons. Touax Texmaco Railcar Leasing Ltd (a joint venture of Texmaco Rail & Engineering Ltd) and Adani Ports and Special Economic Zones Ltd. are also registered wagon leasing companies with Indian Railways.

Further, logistics players and automobile manufacturers have acquired private wagons under the AFTO scheme.

Growth Outlook

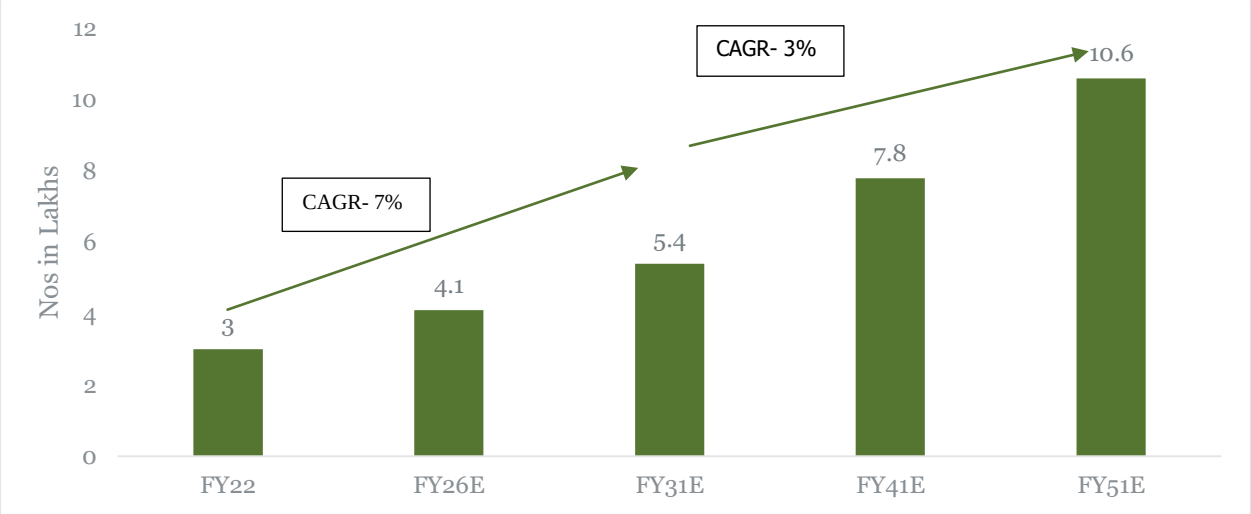
The Government of India has identified railways as a key focus area to boost GDP and make India more export competitive by reducing freight costs. Accordingly, the budgetary outlay towards Indian Railways has been on the rise over the past few years and the government has introduced various schemes such as DFC, NLP, GPWIS, PM Gati Shakti and GCT, LWIS, AFTO, multi-modal logistics parks, etc., to boost railway infrastructure and share of railways in freight traffic. The passenger segment has also seen multiple developments through initiatives like the High-Speed Rail Corridor and Vande Bharat Express.

Indian Railways is expected to source additional rolling stock to cater to rising volumes.

Wagons: Under the NRP, the railway's share in freight transport is expected to increase to 45% by 2030 from the existing 26%. This implies that the total freight transported by Indian Railways will increase to 3,000 million tonnes by Fiscal 2027 and 3,600 million tonnes by Fiscal 2030 from 1,512 million tonnes in Fiscal 2023. Further, railway freight traffic measured in Net Tonne Kilometres ("**NTKM**") is expected to double to 1,695 billion NKTM by Fiscal 2027 from 903 billion NKTM in Fiscal 2023.

The ordering and procurement of wagons by the Indian Railways is expected to increase significantly as evidenced by the recent tenders which have been awarded. This will be a mix of fresh demand and replacement demand for wagons which have reached economic life of 30-35 years. The wagon requirement is expected to increase to 5.4 lakh wagons by Fiscal 2031 from 3 lakh wagons in Fiscal 2022 including the replacement demand.

Forecast of Indian Railway Wagon Requirement



Source: Indian Railways, NRP; E-Estimates

Private Players Participation

The private sector procurement of freight wagons is on the rise driven by government schemes like the LWIS, ATFO, and WLS amongst others.

Brief information on these schemes is provided below:

- **Liberalized Wagon Investment Scheme (LWIS):** LWIS was introduced to allow private players to have their own wagons as per their cargo requirements. This initiative was taken to mitigate the shortage of rail wagons with the Indian Railways and to permit private players to maintain specialized wagons for specific products. Based on industry feedback, the LWIS amendment was brought in Fiscal 2019, which permitted the investors to load third-party cargo in their rakes in empty directions.

- **Automobile Freight Train Operator (ATFO):** To increase its share in the vehicle transportation segment, the Indian Railway introduced the ATFO policy where automobile manufacturers and logistics providers are permitted to operate their wagons on the Indian Railway network. A number of incentives have been provided to automobile manufacturers including rebates on base freight rates.

- **Wagon Leasing Scheme (WLS):** WLS was originally introduced in 2008 and has undergone various amendments since then. The objective of this scheme is to develop a strong wagon leasing market by encouraging third-party leasing of wagons, particularly with a view to bringing wagons of better designs. Under this scheme, a Wagon Leasing Company ("**WLC**") is permitted to procure wagons directly through manufacturers or imports and lease them to end users or operators, subject to certain conditions.

These schemes enabled private sector entities to own wagons to address the issue of timely availability of wagons. Accordingly, the private sector ownership of wagons has increased over the last few years. Companies from the logistics, steel, and mining sectors including Steel Authority of India Ltd, NTPC Ltd, Adani Logistics Ltd, TM International Logistics Ltd (JV of Tata Steel Ltd), Rungta Mines Ltd, etc., have acquired private wagons between 2017 to 2022.

A few leasing companies have also entered in the domestic market. GATX India Private Ltd (a subsidiary of Gatx Corp, USA) is the largest private owner of wagons in India with a fleet of 4,200 wagons. Touax Texmaco Railcar Leasing Ltd (a joint venture of Texmaco Rail & Engineering Ltd) and Adani Ports and Special Economic Zones Ltd. are also registered wagon leasing companies with Indian Railways.

Further, logistics players and automobile manufacturers have also acquired private wagons under the AFTO scheme.

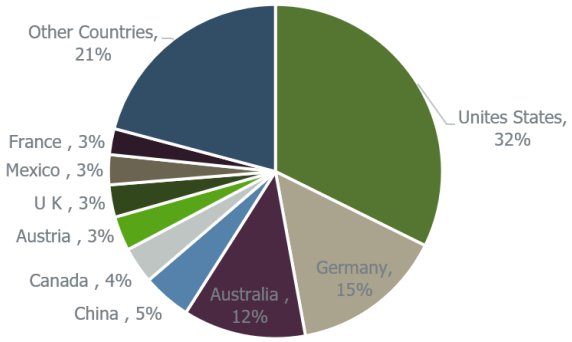
Moreover, the Indian Railways is currently not accepting any new applications for private sector wagons under some of the schemes due to concerns over network congestion, especially in mineral-rich states where the majority of the privately-owned wagons are deployed. This hiatus is expected to be temporary till the various network expansion projects, such as DFC, are completed. As a result, the demand from private sector companies especially

the logistics players and the metal and mining companies is expected to be robust in the medium-long term. However, Indian Railways will continue to be the main procurer of wagons in India.

Key Export Destinations

The exports for rolling stock in Fiscal 2023 registered a substantial 28% y-o-y growth at US$ 87.5 million. The major importer of rolling stock from India was the United States with a 32% share in Fiscal 2023. This was followed by Germany (15%), Australia (12%), China 5%, and Canada (4%).

Key Export Destinations of Rolling Stock in Fiscal 2023



Source: Ministry of Commerce

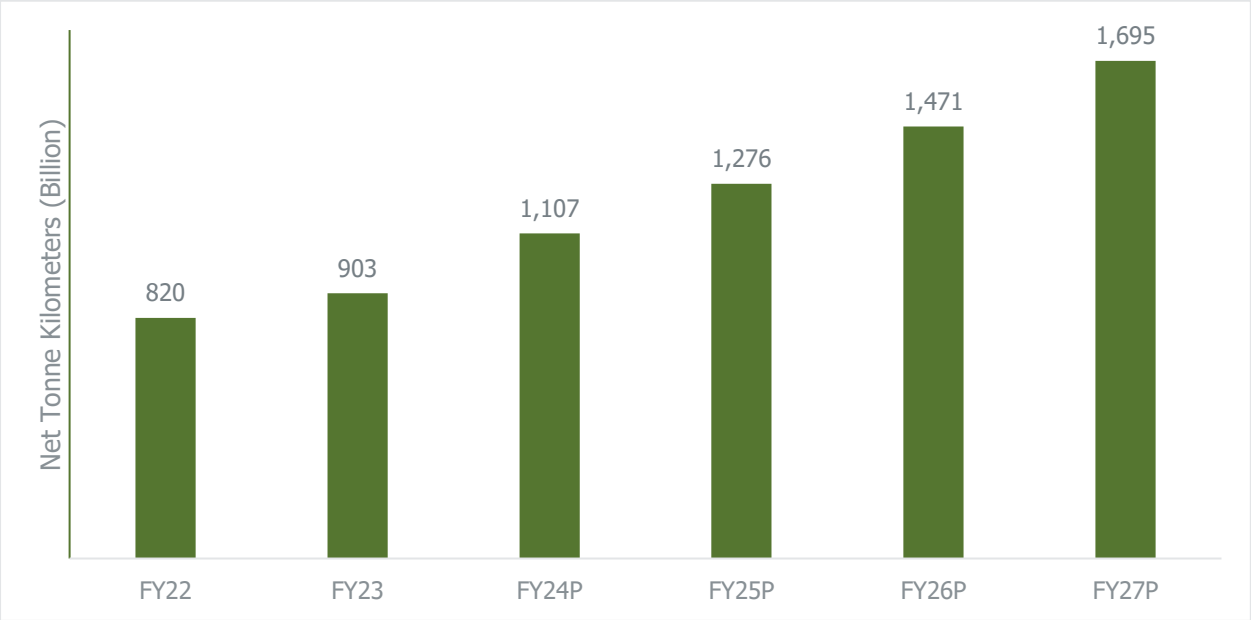
Key Growth Drivers

Some of the key demand drivers for the rolling stock industry in India include:

- **Government Thrust on Rail Infrastructure Improvement**

The Government of India has identified railways as a key focus area and the budgetary outlay towards Indian Railways has been on the rise over the past few years and the government has introduced various schemes to boost railway infrastructure and share of railways in freight traffic.

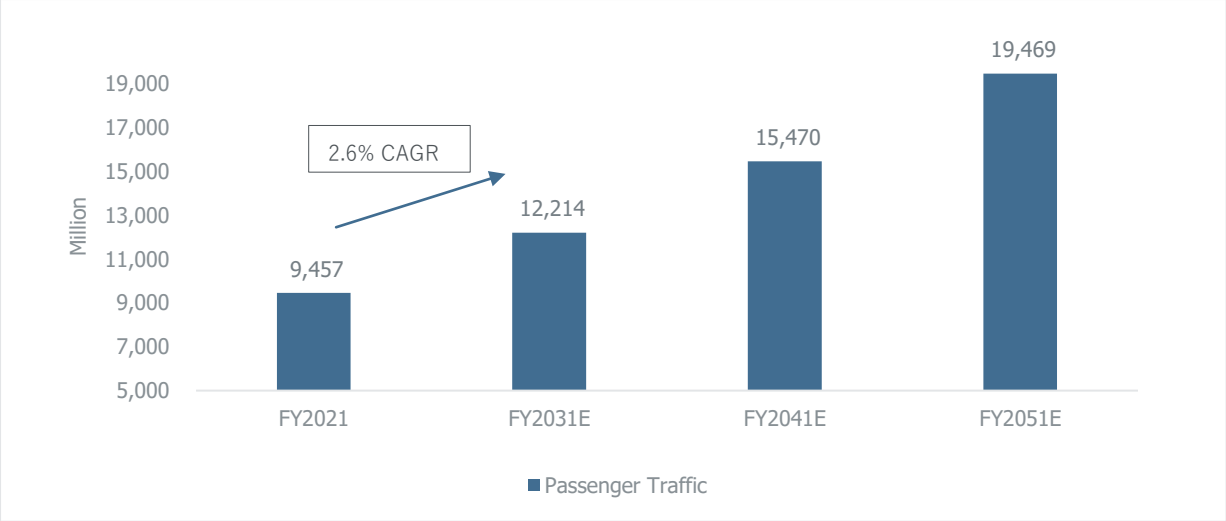
Trend in Indian Railway Freight Traffic



Source: Indian Railways, Report of the Committee on Mission 3,000 million tonnes

The passenger traffic is expected to grow at a CAGR of 7% between Fiscal 2023 and Fiscal 2031 driven by population growth and growing workforce.

Projected Growth in Passenger Traffic



Source: Indian Railways, National Railway Plan

Indian Railways is expected to source additional rolling stock to cater to rising volumes.

- **Increase in Demand from the Private Sector**

The private sector procurement of wagons was on the rise, driven by government schemes like LWIS, ATFO, WLS, GPWIS amongst others, as described above. While the Indian Railways is currently not accepting fresh applications for private-sector wagons, there is significant demand potential in the private sector.

Industries such as cement, coal, steel, automobiles, logistics, etc., with a large freight movement through rail, have been procuring wagons from domestic manufacturers. There is significant scope for increased demand from the cement, coal, and steel industries on the back of growing domestic demand.

At present, the auto industry is using the railways mainly for the transportation of passenger vehicles. There is also potential to transport CV parts and two-wheelers through the railway network, adding to wagon procurement by automobile manufacturers and logistics companies. Further, defence services are also proposing to procure wagons for the transportation of utilities.

- **Impetus from the Atma Nirbhar Bharat Abhiyan**

The 'Atmanirbhar Bharat Abhiyan' seeks to promote domestic manufacturing and reduce dependence on imports, and this initiative has implications for the freight transport sector, particularly the railways. By encouraging the domestic production of railway equipment, the Indian government also aims to reduce the reliance on foreign suppliers and stimulate the domestic rolling stock industry. This is beneficial for both the railway industry and the overall goal of self-reliance. This helps on all the fronts especially the quality of engines, coaches, tracks, and signalling systems. Accordingly, the Atma Nirbhar Bharat Abhiyan augurs well for transformational changes in the quality travelling experience of the citizens of the country. By modernizing and strengthening the railway sector, India aims to bolster its overall economic self-sufficiency and sustainability.

- **PLI Scheme**

With the aim to cut down imports and attract foreign manufacturing firms, the Central Government is planning to introduce a PLI scheme for train parts manufacturers. The PLI scheme being considered for the railways is in line with the government's s plan of having only two types of passenger coaches in Indian Railways-Linke Hofmann Busch ("**LHB**") and Vande Bharat. This PLI programme will incentivise the setting up of new manufacturing units or expanding the existing capacity to supply coach and engine parts that are otherwise imported.

- **Automation, Adoption of Technology and Technological Partnerships**

The Indian Railways has continuously been adopting new technologies and automating its systems.

- **Condition Monitoring Systems:** Condition monitoring systems are used to monitor the health and safety of key components including coaches, freight cars, locomotives, tracks, signalling assets, etc., that would finally result in improved safety, enhanced reliability, higher utilization, increased up-time, and reduced

operation costs of the railway assets by enabling predictive maintenance and reduction in sudden catastrophic failures of these assets.

Some of the advanced conditioning monitoring systems have the provision to capture and log operational data on the various elements of a train for subsequent analysis in a remote, cloud-based control centre using advanced monitoring and analysis tools.

- **GPS Tracking:** GPS has been used in railway systems to track the movement of locomotives, rail cars, maintenance vehicles, and wayside equipment in real time. When combined with other sensors, computers and communications systems, GPS improves rail safety, security, and operational effectiveness. Further, the technology helps reduce accidents, delays, and operating costs, while increasing track capacity, customer satisfaction, and cost-effectiveness.

  Indian Railways proposes to install GPS in wagons for real-time tracking for improved efficiency and effective utilisation. It will also help in the improvement of the turnaround time of the wagons. The railways have already deployed a GPS-based Real-Time Train Information System ("**RTIS**"), which has been developed in collaboration with the Indian Space Research Organisation ("**ISRO**"), for tracking passenger trains. RTIS device enables the automatic acquisition of the time of train movements at stations, including the time of arrival and departure or run-through. This has facilitated the automatic charting of trains and real-time updates to passengers regarding train running information.

Moreover, the Indian Railways also proposes to use tools such as artificial intelligence and data analytics to reduce delays and downtimes and improve the overall efficiency of its assets and services. Furthermore, multiple domestic manufacturers have forged technological partnerships, resulting in the availability of new rolling stock and accessories technologies in the country.

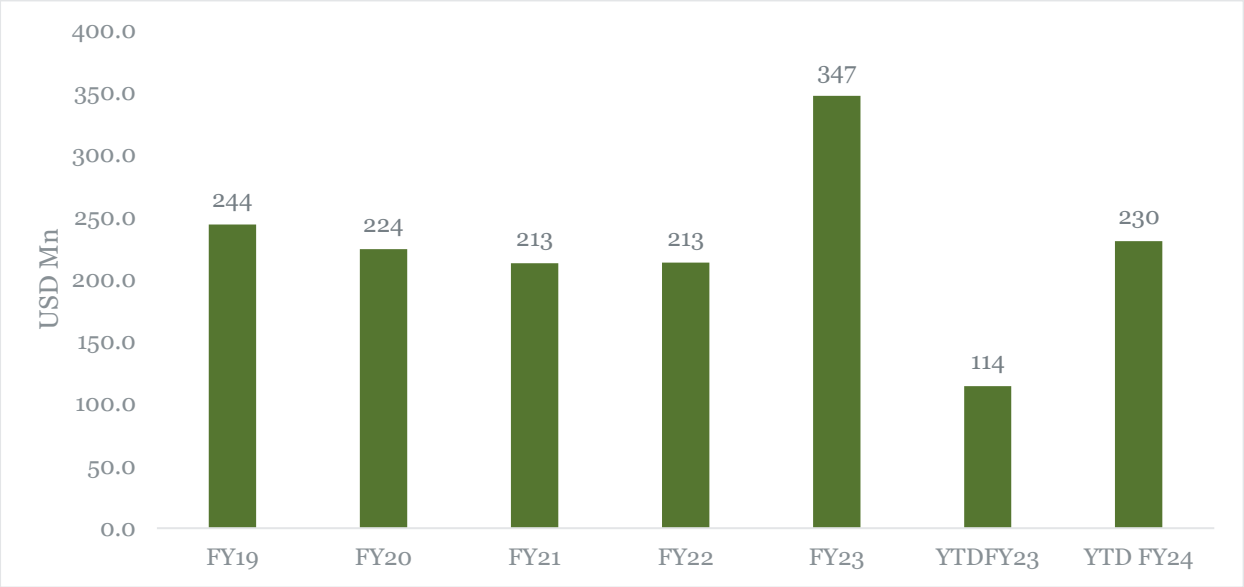
Key Challenges

- **Import Dependence for Major Accessories and Components**

Indian manufacturers are dependent on imports for various accessories such as wheels, axel, and brake systems. Domestic imports of rolling stock accessories have been in the range of US$ 200 million to US$ 350 million per year. Wheel and axle systems are imported from China while brake systems are imported mainly from Germany, France, and Hungary.

The below chart depicts the import trend of rolling stock:

Trend in Imports of Rolling Stock Accessories



Source: Ministry of Commerce and Industry, Note: YTD Fiscal 2024 and YTD Fiscal 2023 indicates April- August 2023

Some of the key components and accessories for rolling stock are Traction Motors and Control Systems, Bogies and Wheelsets, Braking Systems, HVAC Systems, Crucial Spare Parts, and Wheel Profiles and Bearings. The

import dependence on these components and accessories is attributed to the need for specialized expertise, quality assurance, and adherence to international safety and performance standards. Still, India has a long way to go in terms of such innovations and modernisation.

- **Technological Dependencies**

India does not have indigenous technology for certain components such as certain types of brake systems, axle and gear boxes, broad gauge and certain other high technology products. Various domestic manufacturers have forged alliances with global partners for such technologies and supply products to Indian as well as export customers. Details of such alliances are mentioned above.

PASSENGER COACH INDUSTRY

Rolling stock includes locomotives, freight wagons, and passenger coaches. Freight wagons are used to transport goods from one place to another whereas passenger coaches are used by people to travel from one place to another.

The Indian Railways has been the largest domestic procurer of rolling stock to meet its expansion and upgradation requirements.

Current situation of passenger coaches in India's railways

Split of total rolling stock in the country by Passenger coach

Indian Railway Rolling Stock

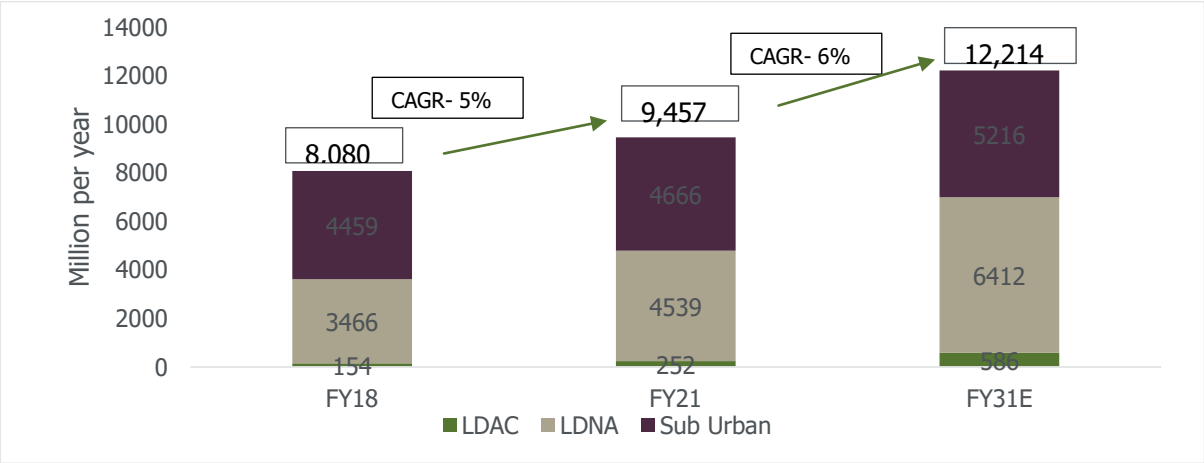
Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Locomotives	**11,764**	**12,147**	**12,729**	**12,734**	**13,215**
Passenger Coaches					
- EMU	9,556	10,439	11,439	10,991	11,773
- Conventional	54,081	55,282	57,121	58,778	61,002
- DMU	1,690	1,883	1,795	1,965	1,969
- Others	6,537	6,406	6,611	7,949	10,103
Total Passenger Coaches	**71,864**	**74,010**	**76,966**	**79,701**	**84,863**
Wagons	**2,79,311**	**2,93,011**	**2,89,175**	**3,02,624**	**3,18,896**

Source: Indian Rail Yearbook

Market size and growth outlook for passenger coach

The passenger traffic is broadly divided into three broad categories: Long Distance AC passengers ("**LDAC**"), Long Distance non-AC passengers ("**LDNA**"), and Suburban passengers. As per NRP, the passenger traffic grew at a CAGR of 5% from Fiscal 2018 to Fiscal 2021 and is expected to grow at a CAGR of 6% from Fiscal 2021 to Fiscal 2031.

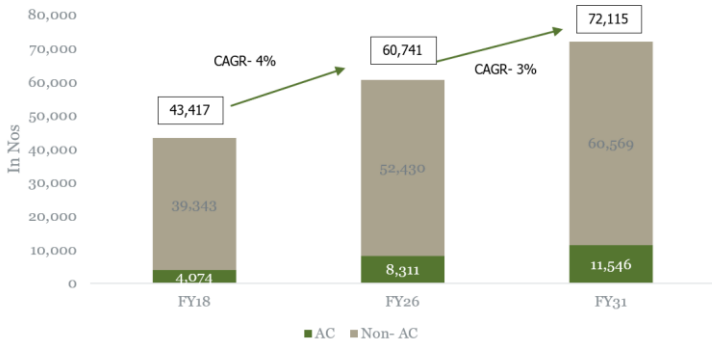
Projected Growth in Passenger Traffic - By Type



Source: Indian Railways, National Railway Plan

To cater to the growing passenger traffic, total AC and Non- AC coaches is expected to grow at CAGR of 4% from Fiscal 2018 to Fiscal 2026 and at a CAGR of 3% from Fiscal 2026 to Fiscal 2031.

Forecast of Indian Railway Coaches Requirement



Source: Indian Railways, NRP

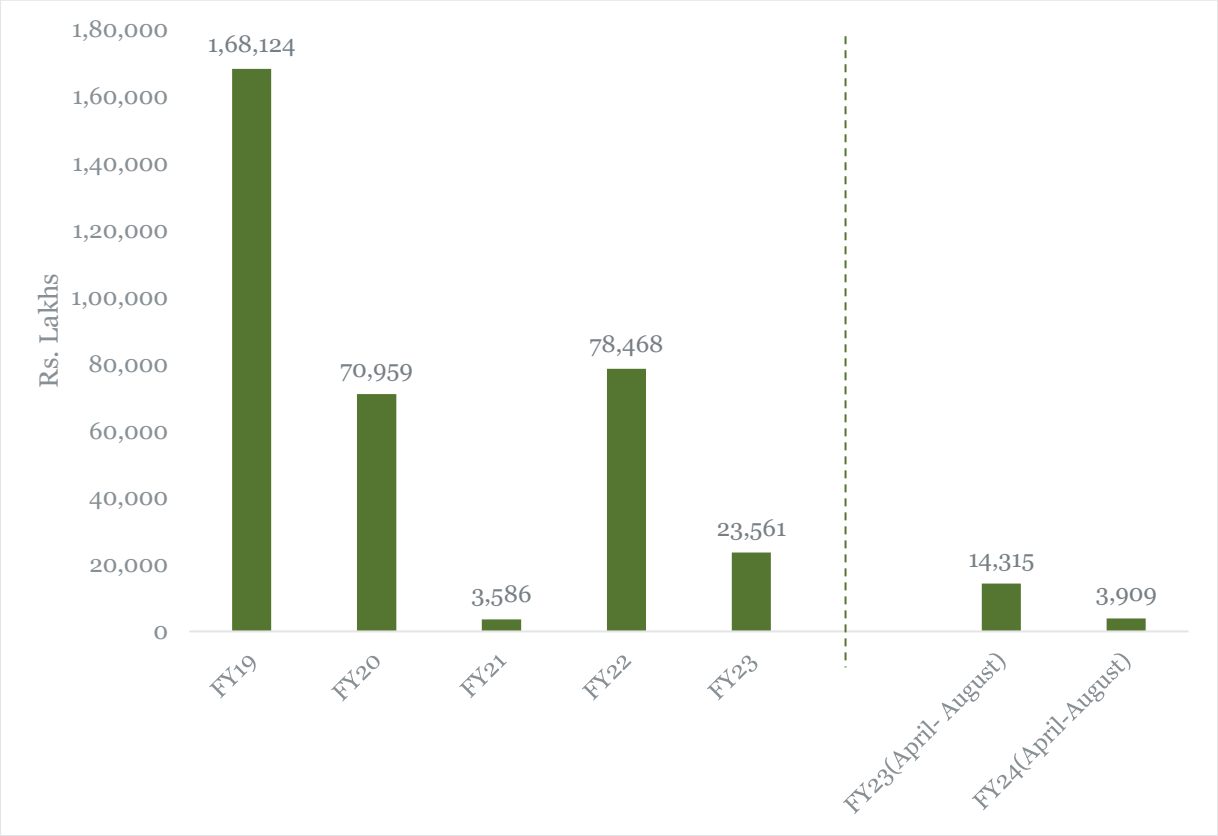
Indian Railways is expected to procure 8,000 to 9,000 incremental passenger coaches (AC and non-AC) between Fiscal 2022 and Fiscal 2026, representing a market opportunity of ₹ 15,000 crore to 18,000 crore.

Indian exports for passenger coaches

India is emerging as one of the major exporters of coaches and rakes. The major countries where India exports are Africa, Zimbabwe, Tanzania, Uganda, Vietnam, Nigeria, Sri Lanka, Senegal, Bangladesh, and the USA.

The exports of railway wagons were highest in the pre-COVID year of Fiscal 2019 after which it gradually reduced and reached the lowest in Fiscal 2021. The exports however are picking up since Fiscal 2022. The exports of overall wagons increased by 658% while that of passenger wagons decreased by 70% in Fiscal 2023 as compared to last year.

Exports of Passenger Coaches from India (In Value)



Source: Ministry of Commerce

Exports of Passenger Coaches from India (In Volume)

Source: Ministry of Commerce

Metro Rail Segment

India currently has 750 km of operational metro lines with over 2,500 metro coaches being deployed. Historically, majority of the metro coaches were being imported. However, to push the Make in India initiative, in August 2017, the government mandated that 75% of the metro cars and 25% of critical equipment required for metro construction be procured domestically. Currently there are four operational metro coach manufacturing facilities in India which have been set up either by PSUs or international companies and the ICF is in the process of setting up the facility.

Metro Coach Manufacturing Facilities in India

Sr No.	Company	Location	Coaches supplied/contract under execution
1	Bharat Earth Movers Limited	Bangalore, Karnataka	Delhi, Bangalore and Mumbai Metro Rail
2	Alstom Transport	Sricity, Andhra Pradesh	Chennai, Kochi, Lucknow, Agra, Kanpur and Mumbai Metro
3	Bombardier Transportation (acquired by Alstom)	Savli, Gujarat	Bangalore, Ahmedabad, Mumbai and Delhi Metro
4	CRRC India, subsidiary of Chinese rolling stock manufacturer CRRC Nanjing Puzhen Co.	Sricity, Andhra Pradesh	Noida, Mumbai, Kolkata, Nagpur and Navi Mumbai Metro
5	Indian Railways	Integral Coach Factory (ICF)	Nagpur
6	Titagarh Wagons	Uttarpara, West Bengal	Pune

Source: Industry Sources

Indian Railway plans to add a metro rail coach manufacturing unit at the Modern Coach Factory at Rae Bareilly, Uttar Pradesh. PSU - Bharat Heavy Electrical Limited ("**BHEL**") in collaboration with Kawasaki Heavy Industries Ltd ("**KHI**") of Japan, is proposing to set up manufacturing facility of steel coaches in Bhopal, Madhya Pradesh. Maharashtra Metro Rail Corporation Limited, headquartered in Nagpur, is also planning to set up coach manufacturing unit at its proposed plant in Butibori, Nagpur. Hyderabad based Medha Servo Drives Private Limited in a joint venture with Swiss rolling stock manufacturer Stadler Rail, is setting up rail and metro coach factory in outskirts of Hyderabad. Private wagon manufacturers such as Jupiter Wagons and Titagarh Wagons have entered the metro coach manufacturing segment through joint ventures and overseas acquisition, respectively.

Expansion of Metro Rail

As of October 2023, about 874 km of metro lines have been operationalised across 20 cities. The metro network, including regional rapid transit systems ("**RRTS**") is proposed, to be expanded to 1,700 km across 27 cities by 2025 and subsequently to 50 cities. The Government is also proposing Metro Lite and Metro Neo lines which are suitable for smaller cities with lower peak traffic. Currently, approximately 2,500 coaches have been deployed in the operational metro lines roughly costing ₹ 32,500 crore. As the operational metro lines are expected to increase

by more than 2x over the next four to five years, domestic demand for metro rail rolling stock is expected to witness significant increase.

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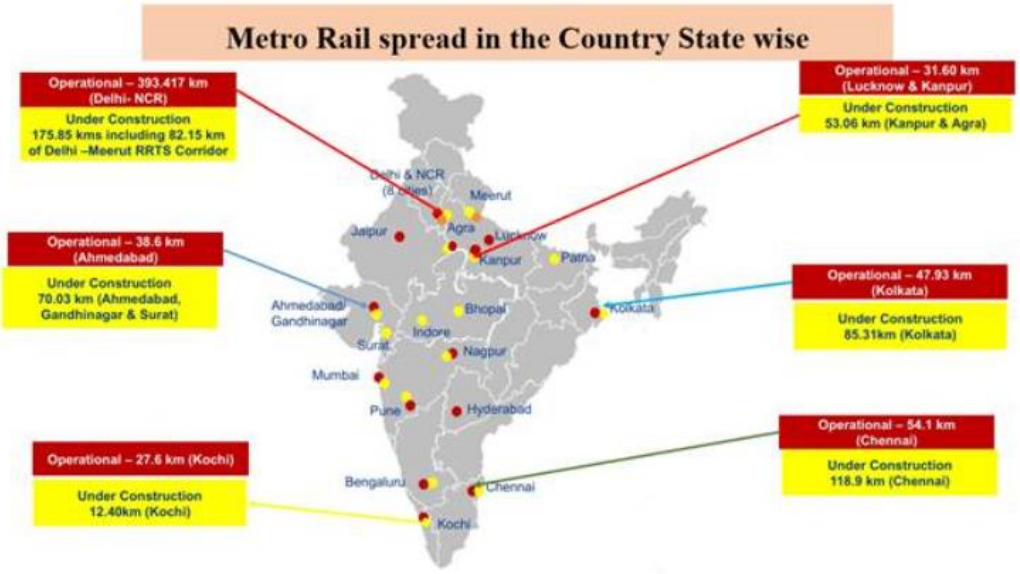
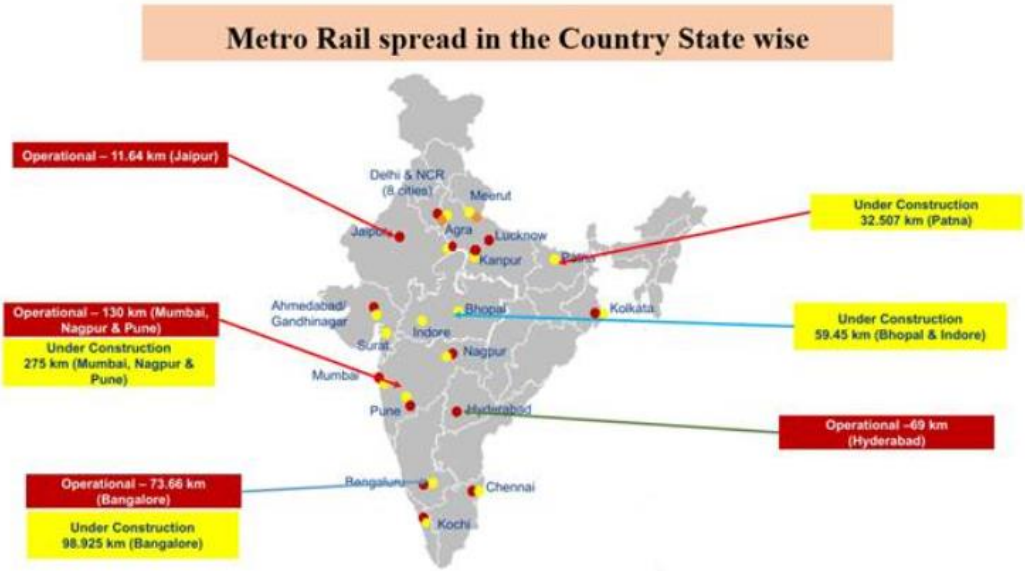
Indian Metro Rail Coverage





Source: Ministry of Housing and Urban Affairs, PIB

Metro Rail Network Under Construction

S No	Name of Metro Rail Project	Under Construction Length (Km)
1.	Delhi Metro Extension from Dwarka Sector 21 to India International Convention and Expo Centre (IICC), Dwarka	2.03
2.	Delhi Metro Phase IV (Three Priority Corridors)	65.20
3.	Patna Metro Rail Project	32.51
4.	Bangalore Metro Rail Project Phase II	58.48
5.	Bangalore Metro Rail Project Phase 2A and 2B	58.19
6.	Ahmedabad Metro Rail Project Phase I	29.46
7.	Ahmedabad Metro Rail Project Phase II	28.25
8.	Surat Metro Rail Project	40.35
9.	Bhopal Metro Rail Project	27.87
10.	Indore Metro Rail Project	31.55
11.	Kanpur Metro Rail Project	23.38
12.	Agra Metro Rail Project	29.40
13.	Mumbai Metro Line 3	33.50

S No	Name of Metro Rail Project	Under Construction Length (Km)
14.	Nagpur Metro Rail Project Phase I	12.12
15.	Pune Metro Rail Project Phase I	21.28
16.	Pune Metro Line III	23.33
17.	Mumbai Metro Line 2A	8.77
18.	Mumbai Metro Line 2B	23.60
19.	Mumbai Metro Line 4	32.30
20.	Mumbai Metro Line 4A	2.70
21.	Mumbai Metro Line 5	24.90
22.	Mumbai Metro Line 6	14.50
23.	Mumbai Metro Line 7	5.60
24.	Mumbai Metro Line 9 (7A)	13.72
25.	Navi Mumbai Metro Line 1	11.10
26.	Kochi Metro Rail Project Phase 1A	2.00
27.	Kochi Metro Rail Project Phase 2	11.20
28.	Chennai Metro Rail Project Phase II	118.90
29.	Kolkata Metro East-West Corridor	85.16
30.	Other Metro Rail Projects in Kolkata	
31.	Delhi-Meerut Regional Rapid Transit System (RRTS)	82.15
TOTAL		**953.49**

Source: PIB

Metro Rail Network Under Appraisal/Approval

SrNo	Name of Project	Stretch (Kms)
1.	Remaining three corridors of Delhi Metro Phase-IV Projects	43.68
2.	Nashik MetroNeo	33.00
3.	Nagpur Metro Phase II	43.80
4.	Pune Metro Phase 1A	4.41
5.	Thane Integral Ring Metro	29.00
6.	Pune Metro Rail Project extension Line from Swargate to Katraj	5.46
7.	Gorakhpur MetroLite Project	15.14
8.	Extension of Noida-Greater Noida Metro Rail	14.96
9.	Kochi Metro Phase 1A	2.00
10.	Kochi Metro Phase II	11.20
11.	Jammu MetroLite	23.00
12.	Srinagar MetroLite	25.00
13.	Delhi - Panipat RRTS Corridor	103.02
14.	Delhi-Gurugram-SNB (Shahjahanpur-Neemrana-Behror) Urban Complex RRTS Corridor	106.50
15.	SNB Urban Complex – Sotanala RIICO Industrial Area RRTS Corridor	33.30
16.	MetroNeo project in Dehradun	22.42
17.	Metro Rail from HUDA City Centre to Cyber City and Spur to Dwarka Expressway	28.50
18.	Chennai Metro Phase II	118.90
TOTAL		**663.29**

Source: PIB

Metro Rail Coach Industry Outlook

The Government targets to increase the total operational metro rail network to 1,700 km over the next three to four years from the existing 750-800 Km based on the under construction and announced metro rail projects. This expansion will entail procurement of 2,000-2,500 metro rail coaches over the next five to siz years, implying a market size of ₹ 30,000 crore to ₹ 35,000 crore over this period.

Vande Bharat Express

Vande Bharat Express are indigenously manufactured semi-high speed, electrical multiple unit trains operated by the Indian Railway. The Vande Bharat Express is equipped with multiple cutting-edge amenities, such as bio-vacuum toilets, Wi-Fi, completely automated doors, etc. and are 180 kmph capable air-conditioned chair car services. The railway currently operates seven Vande Bharat Express trains on Delhi-Varanasi, Delhi-Katra, Mumbai Central-Gandhinagar, Delhi-Amb Andaura, Chennai-Mysuru, Nagpur-Bilaspur and Howrah-New Jalpaiguri routes. In Union budget 2022-2023, it was announced that 400 Vande Bharat Express will be introduced over the next theww years.

As on August 2023, ₹ 1,343.7 crore fund has been utilised for manufacturing Vande Bharat trains. As on July 2023, 50 Vande-Bharat train services are running on the Indian Railways, connecting states having Board Gauge (BG) electrified network.

Objective

This train has been introduced to upgrade maintenance technologies and methodologies to improve productivity and performance of all Railway assets and manpower in which inter-alia is to be covered by reliability, availability, utilization and efficiency.

Vision

The Vande Bharat train is India's first semi high- speed train equipped with world class passenger amenities. It can achieve high speeds due to faster acceleration & deceleration and will reduce journey time by 25% to 45%.

Features and Amenities in Vande Bharat Express

- The Vande Bharat Express train has an intelligent braking system enabling better acceleration and deceleration.
- All coaches in the train are equipped with automatic doors, GPS based audio-visual passenger information system, on-board hotspot Wi-Fi for entertainment purposes, and very comfortable seating. The executive class also has rotating chairs.
- All toilets are bio-vacuum type. The lighting is dual mode i.e. general illumination and personal for every seat.
- Every coach has a pantry with facilities to serve hot meals, hot and cold beverages.
- The Vande Bharat Express has 16 air-conditioned coaches of which two are executive class coaches. The total seating capacity is 1,128 passengers
- It also has provision for Divyang-friendly facilities.
- Adding up the green footprints, the train has a regenerative braking system in the Vande Bharat Express coaches which can save up to 30% of electrical energy.
- The Vande Bharat Express train has fully sealed gangways and censored interconnecting doors for a dust free environment.
- A fire survival cable indoor circuit is also provided on the train. There will also be an improved air conditioning system.
- The train has operational high speed up to 160 Kmph.
- It has a Driver-Guard communication with voice recording facility and crash hardened memory.
- It also has Coach Condition Monitoring System ("**CCMS**") display with remote monitoring.
- There are Disaster lights in the train – 4 numbers in each coach in case of emergency.
- The train has 4 platform side cameras including rear view cameras outside the coach.

Vande Bharat coach Industry outlook

The Government of India aims in launching 400 Vande Bharat train (16 coaches) in the next three to four years and 1,000 mini Vande Bharat train (8 coaches) during the same period. The estimated opportunity size in the next three to four years is ₹ 48,000 crore to ₹ 52,000 crore for Vande Bharat and ₹ 60,000 crore to 65,000 crore for mini Vande Bharat trains.

Exports Opportunity of Passenger Coaches

The Indian passenger coaches manufacturers exports to mainly two countries that are Mozambique and Sri Lanka. Under 'Make in India' initiative the Government is pushing toward indigenous manufacturing of rail technology including coaches. This will allow the domestic manufacturers to provide high tech coaches to the existing consumers and attract new market opportunities.

MARKET FOR KEY RAIL/ROLLING STOCK COMPONENTS

Overview

Rolling stock accessories comprise rolling stock spare parts including wheel & axels, coupler, bearings, brakes, gears, etc. The accessories industry is highly fragmented with multiple manufacturers from the MSME segment. Rolling stock accessories are generally procured along with the rolling stock under the same contract and typically account for 20% to 25% of the value of the contract.

Indian Railways has formulated a list of approved vendors for procurement of rolling stock accessories the Railways has identified over 3,000 vendors for various accessories. The successful bidders for rolling stocks generally award back-to-back contracts to the approved vendors of accessories. Some of the rolling stock manufacturers have entered the rolling stock accessories space as well.

Wheel and Axel: The train moves with the help of wheels. The wheels on each side of a train are connected with a metal rod which is called an axle. The axle helps the two wheels to move together moving at the same speed.

Brake Systems and Discs: A railway brake is a type of brake used on the rolling stock of a train that enables deceleration and acceleration during downhill and aids in parking. The types of braking systems used in Indian Railways are Vacuum Brakes, Air Brakes, and Disc Brakes System.

The Disc Brake System is an axle-mounted system used in LHB-type coaches and FIAT-type bogies. In this type of brake system, two discs per axle are mounted. The basic principle of axle axle-mounted disc brake system is similar to the conventional air brake system but the only difference is that the braking occurs on discs instead of wheel trade in the conventional system.

Couplers: The couplers are used to facilitate the coupling of rolling stock to form a train. There are three major types of couplers in the units: Manual couplers, Semi-automatic couplers, and Automatic Couplers.

Cast Bogies: The bogie comprises two cast steel frames and a floating bolster. The bolster is supported by two nests of springs on the side frame. This provides a friction damping which is proportional to load. 3-piece cast steel bogies are used in Indian Railways for rolling stock. Whereas CASNUB bogies are used in box, covered, tank type of wagons, and low height CONCOR bogies are used in container flat wagons. There is another low type “LWLH” type of 25T axle load bogies used recently in the design of Indian railways.

Draft Gears- Draft gears are essential elements of the railcar. They are subjected to large forces in the phases of operations. The draft gear protects the railcar by absorbing the force caused by pushing, pulling, starting, stopping, or coupling of rolling stocks.

Bearings- Bearings are one of the most important components of the railway system and play a crucial role in the operation of rolling stock. They are used in locomotives, traction engines, transmissions, axles, etc. They ensure the optimal working of trains by reducing friction between wheels and rails and also protect them from wear and tear.

Brake Shoes- A brake shoe is used to reduce speed or stop the uncoupled wagon groups. They are used to lock the standing rolling stone to move without authorization. They stop the car by pushing outward and producing friction.

Brake Beams- It is a part of the brake rigging system connected to the brake shoes and the brake lever. The brake lever sends force through the brake beam to the brake shoes which then produces friction against the wheels and stops it.

Springs- The springs are of two types; the primary springs link the axle box to the bogie frame and the secondary spring connects this frame to the train. The springs are usually in the form of steel leaf or coil designs. They reduce the forces and vibrations and prevent derailment.

Side Bearers- They are fitted between the bogie bolster and wagon body bolster to provide stability for the wagon body. The design is so that there is constant contact with the side bearer to improve the riding behaviour of the wagon.

Key Rolling Stock Accessories Manufacturers in India

Type of Accessory	Key Domestic Manufacturers
Wheel and Axle	Indian Railway, Railway Wheel Factory, Bangalore
Brake Systems and Brake Discs	Jupiter Wagons, Faiveley Transport Rail Technologies India, Greysham International, Knorr-Bremse India, Stone India Limited
Couplers	Titagarh Wagons, Jupiter Wagons, Frontier Alloys, Bhilai Engineering Corporation (BEC), Texmaco Rail & Engineering
Cast Bogies	Titagarh Wagons, Jupiter Wagons, Texmaco Rail & Engineering
Draft Gears	Titagarh Wagons, Jupiter Wagons, Frontier Alloys, Raneka Industries, BEC
Bearings	NBC Bearings, Tata Bearings, SKF Bearings, NRB Bearings, Timken India
Brake Shoes	Texmaco Rail & Engineering, Bhillai Engineering Corporation (BEC), Republic Industrial & Technical Services, Agv International
Brake Beams	Texmaco Rail & Engineering, Bhillai Engineering Corporation (BEC), Firetex Protective Technologies Pvt Ltd., Amita Engineering Works
Springs	Texmaco Rail & Engineering, Jupiter Wagons, Shri Adinath Automotive, Aditya Industries, Masko Tech Engineers
Side Bearers	Texmaco Rail & Engineering, Sujan Industries, Pallavi Rubber Products

Source: Indian Railways, Industry Sources

Import Dependence for Major Accessories

Indian manufacturers are dependent on imports for various accessories such as wheel and axel and brake systems. Domestic imports of rolling stock accessories have been in the range of US$ 200 million to 350 million per year. The imports have been highest in Fiscal 2023 at US$ 346.9 million, an increase of 63% as compared to Fiscal 2022. Accordingly, the imports have grown by 102% in year to date Fiscal 2024 as compared to year to date Fiscal 2023. Wheel and axle systems are imported from China while brake systems are imported mainly from Germany, France, and Hungary.

Trend in Imports of Rolling Stock Accessories

Source: Ministry of Commerce and Industry, Note- YTD Fiscal 2024 and YTD Fiscal 2023 indicates April- August 2023

Growth Drivers and Outlook

The growth of the rolling stock accessories industry is linked to the growth of the rolling stock fleet in India. As mentioned in previous sections, the growth of the rolling stock industry will be driven by the following factors:

- Government thrust on rail infrastructure improvement
- Rising participation of the private sector
- Expansion of metro rail network

The wagon fleet of Indian Railways and private players is expected to nearly double in the next 10 years, given the aforementioned factors. Also, the domestic coach inventory is expected to see significant growth propelled by the rising passenger traffic on Indian Railways and the rapid penetration of metro rail. Such factors will drive the demand for rolling stock accessories in India.

Further, the replacement demand for accessories is also expected to be healthy, given the higher utilisation of existing rail assets as planned by the government, thereby adding to the overall demand for rolling stock accessories.

However, as the domestic industry is currently fragmented with limited support from the government in terms of PLI or other support schemes, the dependence on imports for key rolling stock accessories is expected to continue in the near-medium term.

RAILWAY PROPULSION SYSTEM INDUSTRY

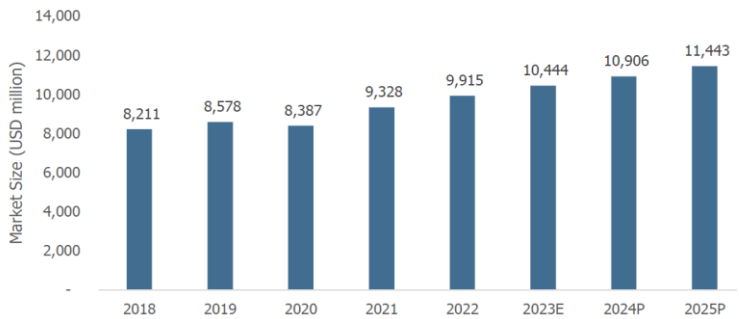
Railway propulsion systems are integrated mechanisms responsible for generating and transmitting power to trains for moving along the tracks. It encompasses a complex arrangement of components that work in tandem to convert various forms of energy, such as electricity, diesel, or even steam, into the necessary motive force. These propulsion systems play a crucial role in modern rail transportation for ensuring efficient, consistent, and environmentally sustainable movement of passengers and goods across networks of railway infrastructure.

Global Industry

The emphasis on the development and expansion of rail networks is increasing globally. This need is largely generated through growing urbanisation and population across the globe. Therefore, there is a growing demand for railway propulsion systems to cater to this development and expansion of metro lines and light rail lines.

Further, in 2022, the global railway propulsion system market was valued at US$ 9,915 million. It is expected to register a 5% growth and reach US$ 10,444 million in 2023. By 2025, the market is forecasted to be at US$ 11,443 million growing at a CAGR of 4.7% in the coming three years. This growth will mainly be supported by railways transitioning from diesel-powered to electric-powered systems. Moreover, the expansion of high-speed rail across the globe is likely to aid the growth of advanced propulsion systems. As of October 2023, about 59,498 km of high-speed lines are operating and new lines of about 19,927 km are under construction globally, wherein major developments are seen in the Asia-Pacific region. Overall, the high-speed rail network is foreseen to expand to approximately 1,29,000 km in the long run which augurs well for the global railway propulsion system market.

Global Railway Propulsion System Market



Source: Maia Research, CareEdge Research

With high carrying capacity and the ability to move large volumes of passengers and freights, the railways have become an attractive mode of transport. Increasing advancements and developments in railways are likely to make railways a more economically viable option. Thus, supporting the growth of the railway propulsion system industry.

Another key factor contributing to the growth of this market is the increasing need for more sustainable and energy-efficient modes of transportation. With escalating concerns about environmental impact and carbon emissions, railway systems have emerged as a solution for reducing the carbon footprint of mass transit. Wherein, the electric railway propulsion system offers a cleaner alternative to traditional diesel engines, contributing to cleaner air and reduced greenhouse gas emission. This growing awareness propels the demand for railway propulsion systems.

Moreover, the railway propulsion systems can be used in Freight Wagons Transit and Passenger Coaches Transits. Both the transits account for nearly equal market share. In 2022, freight wagons accounted for 53% share while passenger coaches 47%.

With regard to end-users, locomotive, metro, monorail, and tram segments involve the application of a propulsion system. The major demand for propulsion systems arises from the locomotive segment globally. In 2022, the share of the locomotive segment was around 79%, followed by the metro (10%), trams (8%), and monorail (3%) segments.

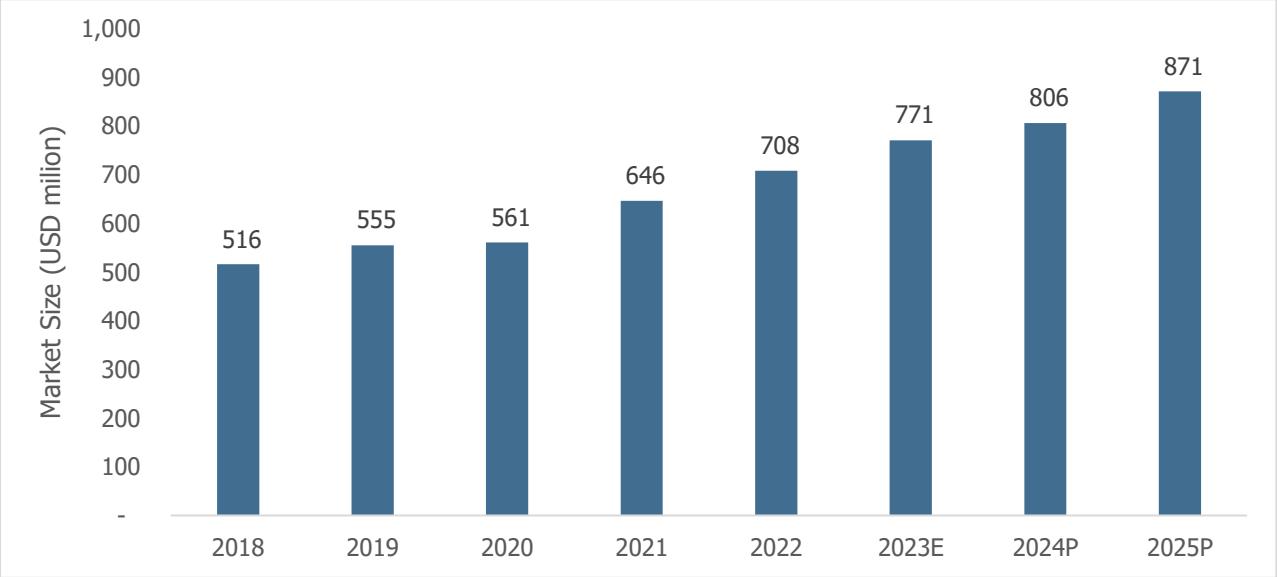
Indian Industry

The India railway propulsion system market has witnessed significant growth and is poised to offer plausible opportunities. The rapid urbanization and increasing population have generated the need for efficient transportation fuelling the demand for advanced railway propulsion technologies. This has led to a burgeoning market where both domestic and international companies are actively pursuing developments and collaborations to capitalize on these opportunities. Moreover, the Indian Railways has been actively pursuing electrification projects to reduce dependence on diesel and enhance sustainability. Such electrification drive creates demand for electric propulsion systems.

In recent times, India has initiated high-speed rail projects, such as the Mumbai-Ahmedabad High-Speed Rail Corridor (*Bullet Train*). These projects necessitate advanced and high-performance propulsion systems. As of October 2023, about 320 km of the high-speed rail line is under construction in India. It is proposed for further expansion to 7,987 km in the long run.

Furthermore, the Indian rail propulsion system market was valued at US$ 708 million. It is expected to reach US$ 771 million by 2023 recording 8.9% y-o-y growth. During the forecast period 2023 to 2025, this market is projected to reach US$ 871 million by 2025, projecting a CAGR of 6.3%.

Indian Railway Propulsion System Market



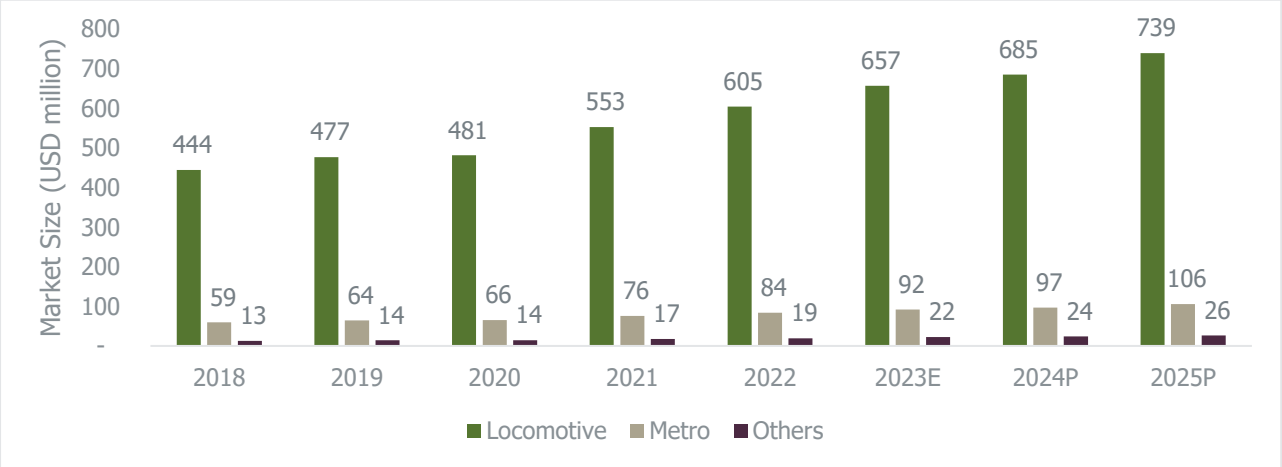
Source: Maia Research, CareEdge Research

The Indian Railways is undergoing a process of modernization and upgradation of its existing infrastructure. This includes the replacement of outdated propulsion systems with more efficient and technologically advanced solutions. Additionally, the "*Make in India* initiative encourages domestic manufacturing and self-reliance. This can further influence the sourcing and development of railway propulsion systems within the country.

Whereas in the Urban Transit System, several cities are expanding their metro rail networks in India. Such urban transit projects contribute to the demand for propulsion systems for metro trains.

The chart below depicts the contribution of Locomotive and Metro rail to the Indian propulsion system market:

Indian Railway Propulsion System Market – By Application



Source: Maia Research, CareEdge Research

During 2022, the contribution from the locomotive segment accounted for the major share of 85%, while the metro accounted for a 12% share. The remaining segments like trams accounted for a 3% market share.

In addition to passenger rail, freight transportation by rail is substantial in India. Ongoing developments in freight rail, including the DFC project, can support the propulsion system market in India. Moreover, increasing government policies, budget allocations, and investments in rail infrastructure contribute significantly to the development and adoption of propulsion technologies, which bodes well for the rail propulsion system market in India.

Growth Drivers for Indian Rail Propulsion System Industry

Some of the key growth drivers for the Indian rail propulsion system industry are:

- **Electrification Initiatives**

Indian Railways is marching toward 100% electrification of broad-gauge tracks with a vision of providing eco-friendly, faster, and energy-efficient modes of transportation, to reduce the nation's dependence on imported petroleum-based energy and enhance the country's energy security. In this process, the electrification of 1,973 Route km (2,647 TKM) has been achieved during Fiscal 2023, which is 41% higher as compared to the corresponding period of Fiscal 2022.

Further, 1,161 km and 296 km of electrification of double lines and sidings, respectively, have been completed to date. Thus, a total of 4,100 TKM have been electrified during Fiscal 2023. This shows that Indian Railways has been actively pursuing the electrification of its rail network. Such electrification projects create demand for electric traction systems, a key component of the propulsion system.

- **High-Speed Rail Corridor**

The railways are undertaking measures to improve the speed of both passenger and freight trains. Besides, improvement in the average speed of trains is a continuous exercise for railways. Further, the government in August 2019 approved two projects for raising the speed to 160 Kmph on existing New Delhi-Mumbai (including Vadodara-Ahmedabad) and New Delhi-Howrah (including Kanpur-Lucknow) routes. In addition, the railways have sanctioned a large number of capacity enhancement works over various zones which, when commissioned, are bound to increase the speed of trains and cut travel time on various routes.

At present, the Mumbai-Ahmedabad High-Speed Rail ("**HSR**") corridor is the only HSR Project which is sanctioned and the same is under execution with technical & financial cooperation from the Government of Japan. Further, the Ministry of Railways has decided to undertake Detailed Project Report ("**DPR**") for the following six HSR corridors:

- Delhi – Noida – Agra – Kanpur – Lucknow- Varanasi (865 km);
- Delhi – Jaipur – Udaipur – Ahmedabad (886 km);
- Mumbai – Nasik – Nagpur (753 km);
- Mumbai – Pune – Hyderabad (711 km);
- Chennai – Bangalore – Mysore (435 km); and
- Delhi – Chandigarh – Ludhiana – Jalandhar – Amritsar (459 km).

The introduction of such high-speed rail projects drives the need for advanced and high-performance propulsion systems capable of supporting higher speeds.

- **Modernization and Upgradation of Existing Rail Infrastructure**

  Ongoing efforts to modernize and upgrade the existing rail infrastructure contribute to the demand for more efficient and technologically advanced propulsion systems. This also includes replacing outdated diesel locomotives with electric ones.

- **Expansion of Urban Transit Mode**

  The expansion of metro rail networks in major cities across India fuels the demand for propulsion systems for metro trains. Rapid urbanization and increasing population densities make urban transit projects crucial for efficient transportation. The development of dedicated freight corridors, such as the Dedicated Freight Corridor (DFC) project, aims to enhance the efficiency of freight transportation by rail. This growth in the freight sector requires modern and robust propulsion systems for freight trains.

- **Supportive Government Policies and Growing Infrastructure Investments**

  With the increase in infrastructure development and investment in the railway industry in India, railway propulsion system suppliers have created an enabling environment, driving market growth. According to the Union Budget for 2023-24, the Indian government is committed to raising the railway budget by about 15% to increase the infrastructure construction of the entire railway system, including increasing the number of trains, introducing hydrogen-powered trains, and allocating funds for the Ahmedabad-Mumbai high-speed rail project.

  Further, the Ministry of Railways has proposed the target of upgrading railways by 2030 including 100% electrification of railways, upgrading existing lines, adding more facilities and higher speeds, expanding new lines, upgrading railway stations, and introducing and eventually developing a large high-speed rail network connecting major cities in different regions of India. Therefore, policy support and investment growth promote downstream demand and industry development and attract leading enterprises in the industry. Such factors drive the India rail propulsion system market growth.

- **Rising Passenger and Freight Demands**

  The growing demand for passenger and freight transportation in India necessitates a more robust and extensive rail network.

- **Growing focus on Technological Innovation and Sustainability**

  The incorporation of innovative technologies, such as regenerative braking systems, digital signalling, and predictive maintenance, enhances the efficiency and safety of rail operations. Technological advancements drive the demand for cutting-edge propulsion systems. Whereas the growing focus on sustainability and reducing carbon footprints encourages the adoption of environmentally friendly propulsion systems, such as electric and hybrid systems. This bodes well for the Indian rail propulsion system market.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 51, 305 and 161, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, Fiscal 2022 and Fiscal 2023 has been derived from our Audited Consolidated Financial Statements beginning on page F-57 and the financial information included in this section for the six months ended September 30, 2022 and 2023 has been derived from our Unaudited Consolidated Financial Results beginning on page F-42. See, "Financial Statements" on page 305. Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial Statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30, 2022 and our Joint Statutory Auditors have issued a review report on the unaudited consolidated financial results for the quarter ended September 30, 2023 and a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. For more information, see "Risk Factors - Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30, 2022, and Joint Statutory Auditor have issued a review report on the unaudited consolidated financial results for the quarter ended September 30, 2023 and a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. Further, our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included emphasis of matter paragraphs in their audit report on the audited consolidated financial statements as of and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and in their review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023." on page 51. Further, the consolidated financial results as of and for the quarter and six months ended September 30, 2023 are not directly comparable with the consolidated financial results of our Company as of and for the quarter and six months ended September 30, 2022. Also, Firema ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company and therefore, the audited consolidated financial statements as of and for the year ended March 31, 2023 are not directly comparable with the audited consolidated financial statements as of and for the year ended March 31, 2021 and 2022. See "Presentation of Financial and Other Information" on page 16 and Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" on page 168. Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiary, our Joint Ventures and Associate on a consolidated basis. Also, see "Definitions and Abbreviations" on page 25 for certain terms used in this section.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Railway Wagons, Passenger Coach and Propulsion System" dated November 2023 (the "**CARE Report**") prepared and issued by Care Analytics and Advisory Private Limited and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the CARE Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal. For further information, see "Industry Overview" on page 105. For further information, see "Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the CARE Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information*

for making an investment decision in the Issue is subject to inherent risks." on page 75. Also see "Industry and Market Data" on page 20.

OVERVIEW

Established in 1997, we are a comprehensive rail mobility systems provider in the railway industry with over 25 years of experience. We are one of the largest wagon manufacturers and had a market share of 18% to 22% in railway ordering in India in terms of total tenders from Fiscal 2012 to Fiscal 2023 and had the largest market share of 25% to 30% in India in terms of total tenders from Fiscal 2020 and Fiscal 2023. (*Source: CARE Report*) We are an approved vendor for the Indian Railways. We presently operate under two business segments:

Freight Rail Systems Segment: We design and manufacture freight rolling stocks such as freight wagons, flat wagons, hopper wagons, tank wagons, box wagons, car carrying wagons, covered wagons and special purpose wagons brake vans for various purposes including container transportation, mining products, fuel, cement and bagged products. In May 2022, we received the largest order placed by the Indian Railways in the last ten years (*Source: CARE Report*) for the manufacture and delivery of 24,177 wagons. Further, this segment encompasses our shipbuilding, bridges and defence ("**SBD**") business, in which we manufacture products including (i) coastal research vessels, naval vessels, passenger ships and cargo ferry vessels, and tugs; (ii) metal canisters, and integrated field shelters for the Indian Air Force; and (iii) bailey bridges, steel modular bridges and unibridges. The following table sets forth certain details of our freight rail systems segment:

Freight Rail Systems[(1)]	**As of/ for the year ended March 31, 2021**	**As of/ for the year ended March 31, 2022**	**As of/ for the year ended March 31, 2023**	**As of/ for the six months ended September 30, 2022**	**As of/ for the six months ended September 30, 2023**
	(in ₹ lakhs)				
Revenue from operations	96,374.16	1,21,436.40	2,25,093.47	79,625.89	154,694.01
Order Book	102,362.00	129,487.00	853,039.00[(2)]	859,500.00	804,149.11[(2)]

[(1)] *During the last quarter of Fiscal 2023, considering the changes in the overall business activities and internal re-organisation, the operating segments were re-assessed, and the "Shipbuilding, Bridges and Defence" segment was merged with freight rolling stock. Accordingly, the operating segments of the Company have been identified as "Freight Rail Systems" (which includes Shipbuilding Bridges and Defence) and "Passenger Rail Systems" and the above table reflects this change for the year ended March 31, 2023 and six months period ended September 30, 2023.*

[(2)]*Excludes order size amounting to ₹ 12,35,459.61 lakhs for supply of forged wheels to Indian Railways which will be executed through a joint venture "Ramkrishna Titagarh Rail Wheels Limited". As of the date of this Preliminary Placement Document, our Company holds 49.00% of the paid-up equity share capital of Ramkrishna Titagarh Rail Wheels Limited.*

Passenger Rail Systems Segment: We offer a diverse portfolio of products to meet the demands of modern rail travel. We manufacture and supply passenger coaches for semi-high-speed trains, electric multiple-unit trainsets and urban rail systems. The following table sets forth certain details of our passenger rail systems segment:

Passenger Rail Systems	**As of/ for the year ended March 31, 2021**	**As of/ for the year ended March 31, 2022**	**As of/ for the year ended March 31, 2023**	**As of/ for the six months ended September 30, 2022**	**As of/ for the six months ended September 30, 2023**
(in ₹ lakhs)					
Revenue from operations	54,107.07	65,771.68	52,865.57	20,767.09	29,927.03
Order Book	3,84,098[(1)]	5,47,000[(1)]	5,69,073[(2)]	1,08,500.00	6,84,455.94[(2)]

[(3)] *Includes order book of Titagarh Firema S.p.A, Italy amounting to ₹ 2,64,300 lakhs as on March 31, 2021 and ₹ 4,29,200 lakhs as on March 31, 2022, which ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company. As of the date of this Preliminary Placement Document, our Company holds 49.70% of the paid-up equity capital of Titagarh Firema S.p.A, Italy.*

[(4)] *Excludes order size amounting to ₹ 13,47,360.00 lakhs for maintenance of Vande Bharat which will be executed through a joint venture which is to be incorporated with Bharat Heavy Electricals Limited.*

We supply our products to the Indian Railways, metro authorities and customers in the private sector. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our revenue from sales to the Indian Railways was ₹ 75,221.86 lakhs, ₹ 86,292.93 lakhs, ₹ 1,72,441.14 lakhs and ₹ 59,688.32 lakhs, respectively, representing 49.47%, 44.69%, 62.04% and 57.45% of our total revenue from operations, respectively. Further, based on our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, our revenue from sales to the

Indian Railways for six months ended September 30, 2023 was ₹ 86,263.27 lakhs, representing 46.72% of our total revenue from operations.

We have vertically integrated manufacturing operations which allow us to manage production processes in-house, from design and development to manufacturing and delivery. We have four manufacturing facilities, of which two are located at Titagarh in West Bengal, one is located at Uttarpara in West Bengal and the other one is located at Bharatpur in Rajasthan. While our manufacturing facility at Uttarpara in West Bengal ("**Uttarpara Facility**") is engaged in the manufacturing of aluminium and stainless-steel passenger coaches, and production of propulsion systems (including traction motors, traction convertors and train control and management systems ("**TCMS**")), our manufacturing facility at Titagarh in West Bengal ("**Titagarh Facility I**") is engaged in the manufacturing of freight wagons, wagon components and shipbuilding and the other manufacturing facility at Titagarh in West Bengal ("**Titagarh Facility II**") is engaged in the manufacturing of foundry items for the freight rolling stock. Furthermore, our manufacturing facility at Bharatpur in Rajasthan ("**Bharatpur Facility**") is engaged in the manufacturing of special purpose wagons, loco shells and defence equipment. As of September 30, 2023, our installed capacity for the freight rolling stock was 8,400 wagons per annum and our installed capacity for the passenger rolling stock was 250 coaches per annum. Further, as of September 30, 2023, our installed capacity for traction motors was 2,400 per annum, for traction converters was 200 per annum and for foundry was 30,000 MT per annum of liquid metal.

We are engaged in various ongoing projects in the passenger rail systems segment. Some of the projects include: (i) design, manufacture, testing, commissioning and supply of passenger rolling stock to Maharashtra Metro Rail Corporation Limited in consortium with our associate, Titagarh Firema S.p.A, Italy ("**Firema**") for the Pune metro; (ii) manufacturing and supply of metro coaches as a subcontractor of CRRC Nanjing Puzhen Co., Limited ("**CRRC**") for the design, manufacture, supply, testing and commissioning to Bangalore Metro Rail Corporation Limited; (iii) manufacture of Vande Bharat coaches and maintenance of such coaches in consortium with Bharat Heavy Electricals Limited ("**BHEL**"); and (iv) design, manufacture, testing, commissioning and supply of metro coaches to Gujarat Metro Rail Corporation Limited for the Surat and Ahmedabad metros.

We benefit from the experience of our management team which comprises of members with extensive knowledge in operations, business development and customer relationships under the overall supervision of the Board of Directors. We believe that the strength of our Board and management team and their experience has enabled us to take advantage of market opportunities and to better serve our customers.

Our total revenue from operations has increased from ₹ 1,52,063.95 lakhs in Fiscal 2021 to ₹ 2,77,959.04 lakhs in Fiscal 2023 at a CAGR of 35.20% and our EBITDA has increased from ₹ 10,548.99 lakhs in Fiscal 2021 to ₹ 29,334.72 lakhs in Fiscal 2023 at a CAGR of 66.76%. The following table sets forth certain financial information for the years/ periods indicated:

Particulars	As of/ For the year ended March 31,			As of/ For the six months ended September 30,	
	2021	2022	2023[9]	2022	2023
Revenue from Operations (₹ lakhs)	1,52,063.95	1,93,079.19	2,77,959.04	1,03,897.21	1,84,621.04
Other Income (₹ lakhs)	2,485.92	3,583.56	4,258.30	2,520.28	1,065.93
Total Expenses	1,55,106.92	1,92,453.79	2,61,935.01	98,984.89	1,67,772.57
EBITDA[1] (₹ lakhs)	10,548.99	16,875.94	29,334.72	11,884.19	23,136.10
EBITDA Margin[2]	6.94%	8.74%	10.55%	11.44%	12.53%
Profit/ (Loss) before exceptional items and tax from continuing operations ("PBT")	(557.70)	4,208.96	19,009.70	7,266.96	17,865.25
PBT Margin [3]	(0.37)%	2.18%	6.84%	6.99%	9.68%
Total Non-Current Assets	1,06,912.32	1,17,723.90	90,590.96	83,816.00	95,541.69
Total Current Assets	1,40,457.50	1,50,166.89	1,34,144.99	1,19,496.35	177,178.52
Earning/ (loss) per Equity Share (₹ lakhs)	(1.28)	(0.03)	10.89	4.14	10.76
Net working capital days[4] (in days)	58	90	97	83	76
Return on Capital Employed[5,8] (%)	4.46%	7.12%	22.09%	9.20%	13.17%

Particulars	As of/ For the year ended March 31,			As of/ For the six months ended September 30,	
	2021	2022	2023[9]	2022	2023
Return on Equity[6,8] (%)	(2.23)%	(0.08)%	13.92%	5.21%	11.27%
Net debt to EBITDA[7] (in times)	7.25	5.05	0.66	1.30	0.71

Notes:

(1) *Earning before interest, depreciation, amortization and taxes ("**EBITDA**") is calculated as profit/(loss) before exceptional items and tax from continuing operations plus finance costs and depreciation and amortisation expense.*

(2) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

(3) *PBT Margin is calculated as Profit/(Loss) before exceptional items and tax from continuing operations divided by revenue from operations.*

(4) *Net working capital days is calculated as average trade receivable days plus average contract asset days plus average inventory days less average trade payable days. For Fiscal 2021, 2022 and 2023, 365 days have been considered whereas for September 30, 2022 and 2023, 183 days have been considered.*

(5) *Return on Capital Employed is calculated as Earning before interest and taxes ("**EBIT**") divided by capital employed. EBIT is calculated as profit/(loss) after exceptional items but before tax for the year/ period from continuing operations plus finance cost. Capital employed is calculated as total equity plus total borrowings and deferred tax liabilities (net).*

(6) *Return on Equity is calculated as profit/(loss) after tax for the year/period divided by average shareholders' equity. Average shareholders equity is calculated as average of equity at start and at close of the year/period.*

(7) *Net Debt to EBITDA is calculated as Net Debt divided by EBITDA. Net debt is calculated as total borrowings (current plus non-current borrowings) less cash and cash equivalents.*

(8) *The figures for Return on Capital Employed and Return on Equity for the six months period ended September 30,2023 and 2022 are not annualised.*

(9) *Titagarh Firema was a subsidiary of our Company till September 8, 2022 whose corresponding numbers are considered under discontinued operations in the Consolidated Statement of Profit and Loss for Fiscal 2023 and in the Statement of Consolidated Unaudited Financial Results for the six months ended September 30, 2022. See, "Financial Statements" on page 305.*

For reconciliation of EBITDA, EBITDA Margin, PBT Margin, Return on Capital Employed, Return on Equity and Net Debt to EBITDA, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Results of Operations –Non GAAP Measures*" on page 165.

OUR STRENGTHS

Comprehensive rail mobility systems provider

We are a comprehensive rail mobility systems provider in the railway industry with over 25 years of experience. We offer a range of products under our two business segments:

Freight Rail Systems Segment: We provide a range of solutions catering to the needs of the freight transportation industry. We design and manufacture various types of freight wagons such as flat wagons, hopper wagons, tank wagons, box wagons, car carrying wagons, covered wagons and special purpose wagons brake vans. Our solutions are suitable for various purposes including container transportation, bulk cargo, fuel, cement, and bagged products. We also manufacture components for the freight rail systems, including cast bogies, couplers and draft gears which are primarily used for captive consumption in the freight wagons and we also manufacture loco shells and CMS crossing for sale to third parties. We are one of the largest wagon manufacturers and had a market share of 18% to 22% in railway ordering in India in terms of total tenders from Fiscal 2012 to Fiscal 2023 and had the largest market share of 25% to 30% in India in terms of total tenders from Fiscal 2020 and Fiscal 2023. (*Source: CARE Report*) We are an approved vendor for the Indian Railways. In May 2022, we received the largest order placed by the Indian Railways in the last ten years. (*Source: CARE Report*) for the manufacture and delivery of 24,177 wagons, with a total basic value of ₹ 7,83,854.65 lakhs (excluding price variation) which is required to be completed by August 2025.

We, in consortium with Ramkrishna Forgings Limited, have secured an order, under Atma Nirbhar Bharat initiative, to manufacture and supply 15,40,000 wheels of different rolling stocks over a period of 20 years, with a total contract value of ₹ 12,35,459.61 lakhs. To pursue this, a joint venture "*Ramkrishna Titagarh Rail Wheels Limited*" has been incorporated. We intend to set up a manufacturing facility in India with a targeted production capacity of up to 228,000 forged wheels per annum which we intend to use in both freight and passenger rolling stocks. Further, we intend to utilise surplus production for captive consumption, third-party sales and export purposes to increase our source of revenue.

Further, this segment encompasses our shipbuilding, bridges and defence ("**SBD**") business, in which we manufacture products including (i) coastal research vessels, naval vessels, passenger ships and cargo ferry vessels,

and tugs; (ii) metal canisters, and integrated field shelters for the Indian Air Force; and (iii) bailey bridges, steel modular bridges and unibridges.

Passenger Rail Systems: We design, manufacture and supply passenger rolling stock such as metro coaches, electrical multiple units ("**EMU**")/ mainline electric multiple unit trainsets ("**MEMU**") and semi high-speed trains. In addition, we have received orders for the supply of propulsion systems (including traction motors, traction converters and TCMS) for EMU/MEMU and Vande Bharat trainsets and as well as locomotives. We are also in the process of developing TCMS through technology transfer from ABB India Limited ("**ABB**") for the metro propulsion. We have entered into an arrangement with ABB, where ABB will provide technology support for manufacturing of traction motors for EMU/MEMU, as well as technology for manufacturing grade of automation level 2 ("**GoA 2**") and level 4 ("**GoA 4**") compliance TCMS system for metro coaches.

Our ongoing projects with respect to passenger rail systems include:

- *Metro Coaches*: We are executing the following orders:

  - *Pune Metro*: To design and supply 34 trainsets of three coaches each to Maharashtra Metro Rail Corporation Limited. As of September 30, 2023, we have supplied 23 trainsets and the delivery of the remaining trainsets is expected by March 2024.

  - *Bangalore Metro*: To manufacture and supply 36 metro coaches as a sub-contractor of CRRC for the supply to Bangalore Metro Corporate Limited. Under the arrangement, CRRC will manufacture and supply the first two metro coaches while we will manufacture and deliver the remaining 34 metro coaches by August 2025. Further, the first 16 metro coaches will be driverless, using communication based train control technology, while the remaining trainsets will be semi-automatic.

  - *Surat and Ahmedabad Metro*: To manufacture and supply 72 standard gauge cars for the Surat metro and 30 gauge cars for the Ahmedabad metro. The Surat trainsets will be equipped with GoA 4 and Ahmedabad trainset will be equipped with G0A 2 and grade of automation level 3 ("**GoA 3**") operations. The first prototype trainset for the Surat and Ahmedabad metro will be delivered by October 2024 and December 2024, respectively and the remaining 23 trainsets for the Surat metro will be delivered within 107 weeks from the letter of acceptance dated June 27, 2023 and nine trainsets for the Ahmedabad metro will be delivered within 94 weeks from the letter of acceptance dated August 29, 2023.

- *Semi High Speed Trains (Vande Bharat)*: To manufacture and maintain 80 long-distance (sleeper version) semi high speed trainsets (i.e., 1,280 coaches) to the Indian Railways. This order encompasses the supply of 16 cars, comprising eight motor cars and eight trailer cars. The first two prototype trainsets are expected to be delivered by June 2025 followed by the delivery of 12 trainsets in the first year post-delivery of the prototype, 18 trainsets in the second year and 25 trainsets from the third year onwards. Subject to price variation, of the total order value of ₹ 23,07,360 lakhs, ₹ 9,60,000 lakhs will be towards the supply of 80 trainsets (i.e., approximately ₹ 12,000 lakhs per trainset) and our share will be 51.49% of ₹ 9,60,000 lakhs.

  Further, the initial eight trainsets will be manufactured and assembled at our manufacturing facility at Uttarpara in West Bengal and the final commissioning process will be carried out at the Integral Coach Factory's facility in Chennai, Tamil Nadu ("**ICF Facility**"). Additionally, the remaining 72 trainsets will also be manufactured at our manufacturing facility at Uttarpara in West Bengal and the testing and commissioning of these trainsets will be carried out at the ICF Facility.

- *Service and Maintenance*: The order for Vande Bharat includes service and maintenance of the trains for a period of 35 years, in consortium with BHEL. This has enabled us to foray into the service and maintenance of the passenger rail systems. Of the total order value for Vande Bharat, ₹ 13,47,360.00 lakhs will be towards maintenance. Further, the order received by us from Maharashtra Metro Rail Corporation Limited for the Pune metro also includes an option for awarding a comprehensive annual maintenance contract for the metros to us for a period of 10 years.

- *Propulsion systems for Passenger Rail Systems*: We have received orders from the Indian Railways for the manufacture and supply of propulsion systems (including traction convertors, traction motors and TCMS).

Further, we have also received our first export order from our Associate Firema for the manufacture and supply of traction convertors.

The following table sets forth certain details of our freight rail systems segment and passenger rail systems segment for the years/ period indicated:

Particulars	As of/ for the year ended March 31, 2021	As of/ for the year ended March 31, 2022	As of/ for the year ended March 31, 2023	As of/ for the six months ended September 30, 2022	As of/ for the six months ended September 30, 2023
	(₹ lakhs except for percentages)				
Freight Rail Systems[1]					
Revenue from operations (A)	96,374.16	121,436.40	225,093.47	79,625.89	154,694.01
Segment Profit/ (Loss) (B)	12,377.74	15,781.12	23,570.94	8,211.04	20,489.63
Segment Profit/ (Loss) as a percentage of Revenue from Operations (B/A)	12.84%	13.00%	10.47%	10.31%	13.25%
Order Book	102,362.00	129,487.00	853,039.00[2]	859,500.00	804,149.11[2]
Passenger Rail Systems					
Revenue from operations (C)	54,107.07	65,771.68	52,865.57	20,767.09	29,927.03
Segment Profit/ (Loss) (D)	(4,282.63)	(4,077.62)	2,198.13	685.47	997.35
Segment Profit/ (Loss) as a percentage of Revenue from Operations (D/C)	(7.92)%	(6.20)%	4.16%	3.30%	3.33%
Order Book	3,84,098 [3]	5,47,000 [3]	5,69,073[4]	1,08,500.00[4]	6,84,455.94[4]

[1]*During the last quarter of Fiscal 2023, considering the changes in the overall business activities and internal re-organisation, the operating segments were re-assessed, and the "Shipbuilding, Bridges and Defence" segment was merged with freight rolling stock. Accordingly, the operating segments of the Company have been identified as "Freight Rail Systems" (which includes Shipbuilding Bridges and Defence) and "Passenger Rail Systems" and the above table reflects this change for the year ended March 31, 2023 and six months period ended September 30, 2023.*

[2]*Excludes order size amounting to ₹ 12,35,459.61 lakhs for supply of forged wheels to Indian Railways which will be executed through a joint venture "Ramkrishna Titagarh Rail Wheels Limited". As of the date of this Preliminary Placement Document, our Company holds 49.00% of the equity share capital of Ramkrishna Titagarh Rail Wheels Limited.*

[3] *Includes order book of Firema amounting to ₹ 2,64,300 lakhs as on March 31, 2021 and ₹ 4,29,200 lakhs as on March 31, 2022, which ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company. As of the date of this Preliminary Placement Document, our Company holds 49.70% of the paid-up equity capital of Firema.*

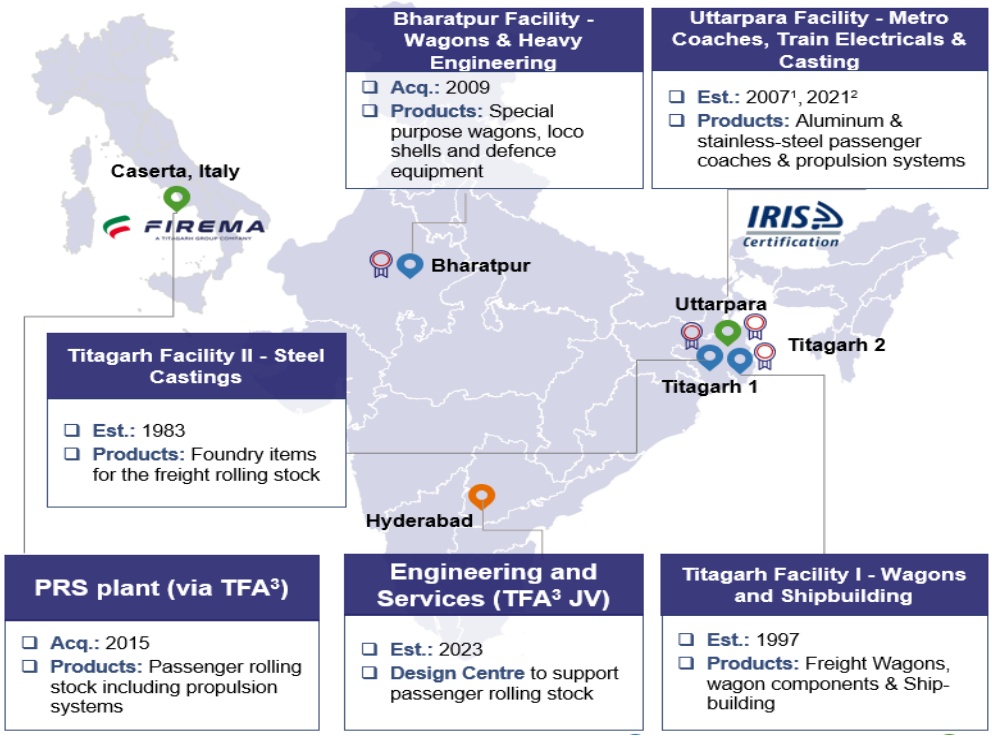
[4] *Excludes order size amounting to ₹ 13,47,360.00 lakhs for maintenance of Vande Bharat which will be executed through a joint venture which is to be incorporated with Bharat Heavy Electricals Limited.*

Vertically integrated manufacturing facilities

We operate four manufacturing facilities, of which two are located at Titagarh in West Bengal, one is located at Uttarpara in West Bengal and the other one is located at Bharatpur in Rajasthan. Our vertically integrated advanced manufacturing operations allow us to manage production processes in-house, from design and development to manufacturing and delivery. Each of our manufacturing facilities is dedicated to specific manufacturing operations. At Titagarh Facility I, we focus on manufacturing freight wagons, wagon components, and shipbuilding whereas at Uttarpara Facility, we manufacture aluminium and stainless-steel passenger coaches including EMU/ MEMU, metros, semi high speed trainsets, electrical items such as cabinets, cubicles and cable harnessing which are primarily used for captive consumption and are in the process of developing propulsion systems (including traction motor, traction converter and TCMS). Further, our Bharatpur Facility is dedicated to manufacturing special purpose wagons, loco shells and defence equipment. In addition, at our Titagarh Facility II, we manufacture foundry items including cast bogies, couplers and draft gears which are primarily used for captive consumption in the freight wagons and manufacture other products such as CMS crossings and other miscellaneous castings products for sale to third parties.

In addition, our Associate, Firema operates a manufacturing facility at Caserta, Italy which manufactures passenger rolling stock including propulsion systems and has a design centre at Savona in Italy for the design and engineering of the passenger rolling stock. Further, we also have a design and engineering centre within our manufacturing facility at Uttarpara in West Bengal and our newly formed joint venture "*Titagarh Firema*

Engineering Services Private Limited" with Firema has a design centre at Hyderabad, Telangana to support passenger rolling stocks.



(1) *Post acquisition in 2005, we started manufacturing EMU/ MEMU coaches from 2007.*

(2) *In 2021, the manufacturing facility was upgraded for metro and other passenger rolling stock and propulsion systems.*

(3) *TFA refers to our Associate, Firema.*

(4) *TFA JV refers to a newly incorporated joint venture with Firema in the name of "Titagarh Firema Engineering Services Private Limited",*

We have received various certifications including ISO 9001:2015, ISO 14001:2015 and OHSAS MS 45001: 2018, which confirm compliance with international standards for quality management systems. We also hold a certificate level CL1 according to EN 15085-2 for the welding of railway vehicles and components. For further information on the certifications, see "- *Quality Control*" on page 159.

We believe that we are in a position to leverage our advanced vertically integrated manufacturing facilities along with our customised design capabilities, expert engineers and strong manufacturing and execution capability to become one of the market leaders in both the freight and passenger rolling stocks in India.

Well positioned to capture industry tailwinds led by higher infrastructure spend and policy support by the government

As per the CARE Report, the Indian Railways is expected to benefit from higher infrastructure spending and policy support by the government. In the union budget for Fiscal 2024, the Government of India has allocated ₹ 2.9 lakh crores towards railways which is the highest-ever allocation and an increase of 15% over the previous year's allocation. (*Source: CARE Report*)

In addition, as per the union budget for Fiscal 2023, the Government of India aims to launch 400 Vande Bharat trains (16 coaches) and 1,000 mini-Vande Bharat trains (eight coaches) over the next three years. (*Source: CARE Report*) Further, India currently has 750 kilometres of operational metro lines with over 2,500 metro coaches deployed. (*Source: CARE Report*) As of October 2023, about 874 kilometres of metro lines have been operationalized across 20 cities. (*Source: CARE Report*) The metro network, along with regional rapid transit systems, is proposed to be expanded to 1,700 kilometres across 27 cities by 2025 and eventually to 50 cities. (*Source: CARE Report*) To push the 'Make in India' initiative, in August 2017, the Government of India mandated that 75% of the metro cars and 25% of critical equipment required for metro construction to be procured domestically. (*Source: CARE Report*)

Further, the Indian Railways has prepared a 'National Rail Plan', through which it aims to increase modal the share of the Indian railways in freight from the current 26% to 45% by Fiscal 2030 by augmenting freight volumes. (*Source: CARE Report*) In addition, the railway freight volumes are expected to increase from 1,512 million MT in Fiscal 2023 to 3,000 million MT by Fiscal 2027 and to 3,600 MT tonnes by Fiscal 2031. (*Source: CARE Report*) The wagon requirement is expected to increase to 5.4 lakh wagons by Fiscal 2031 from 3 lakh wagons in Fiscal 2022 including replacement demand. (*Source: CARE Report*)

With our experience and expertise in manufacturing freight and passenger rolling stocks, we believe we are well-positioned to capitalize on the current industry tailwinds driven by higher infrastructure spending and policy support by the government. With the projected expansion of India's metro network and the Government of India's goal of increasing the share of rail freight, we anticipate benefiting from the rising demand for railway infrastructure.

Experienced promoters and senior management team

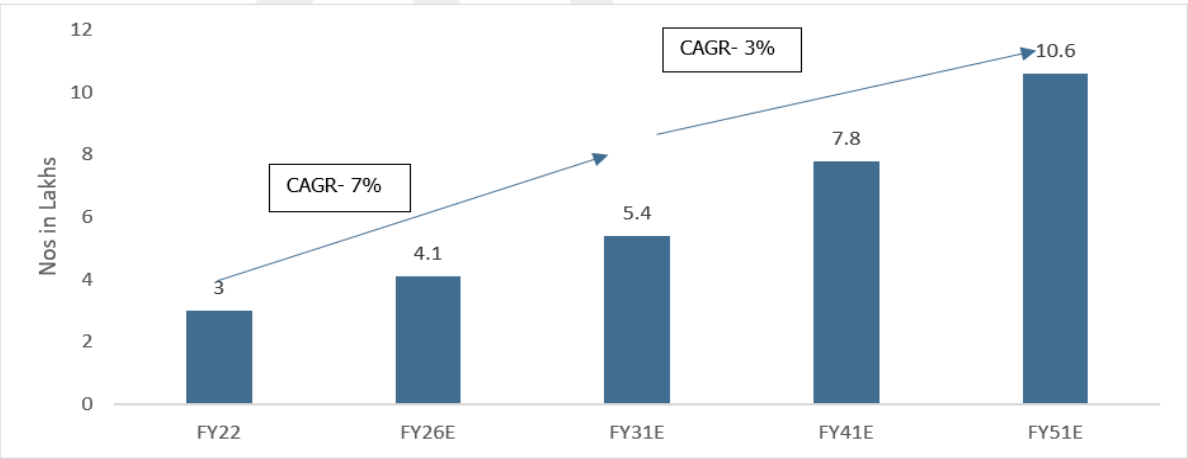
We benefit from the experience of our management team which has extensive knowledge in operations, business development and customer relationships. We believe that the strength of our Board and management team and their experience has enabled us to take advantage of market opportunities and to better serve our customers.

OUR STRATEGIES

Leverage sector growth in the freight and passenger rail systems

According to the CARE Report, the railway freight volumes are expected to increase from 1,512 million MT in Fiscal 2023 to 3,000 million MT by Fiscal 2027 and to 3,600 million MT by Fiscal 2030, implying an increase in the wagon requirement from 3 lakhs wagons in Fiscal 2022 to 5.4 lakhs by Fiscal 2031. (*Source: CARE Report*) Further, the Indian Railways is expected to procure around 1 to 1.2 lakhs incremental wagons between Fiscal 2022 and Fiscal 2026, representing a market opportunity of ₹ 35,00,000 lakhs to 40,00,000 lakhs over the period. (*Source: CARE Report*)

Forecast of Indian Railway Wagon Requirement



(*Source: CARE Report*)

Between Fiscal 2022 and Fiscal 2026, the Indian Railways is expected to procure 8,000 to 9,000 incremental passenger coaches (AC and non-AC), representing a market opportunity of ₹ 15,00,000 lakhs to 18,00,000 lakhs. (*Source: CARE Report*) As of July 2023, a total of 50 Vande Bharat trains have already been incorporated into the railway network. (*Source: CARE Report*) The Government of India aims to launch 400 Vande Bharat trains (16 coaches) and 1,000 mini Vande Bharat trains (eight coaches) over the next three years. (*Source: CARE Report*) The estimated market opportunity size for Vande Bharat trains in the next three to four years is ₹ 48,00,000 lakhs to ₹ 52,00,000 lakhs, while for mini Vande Bharat trains, it is ₹ 60,000,00 lakhs to ₹ 65,00,000 lakhs. (*Source: CARE Report*)

The Government of India aims to increase the total operational metro rail network to 1,700 kilometres across 27 cities by 2025 and subsequently to 50 cities. (*Source: CARE Report*) This expansion will require the procurement

of 2,000 to 2,500 metro rail coaches over the next five to six years, resulting in a market size of ₹ 3,00,00,000 lakhs to 3,50,00,000 lakhs over this period. (*Source: CARE Report*)

The above indicates growth prospects in the Indian railway sector, specifically in the manufacturing of wagons, passenger coaches, and metro rail coaches.

With our expertise in manufacturing freight and passenger rolling stocks, we intend to capitalize on the current sector growth. To further strengthen our position and increase our competitiveness, we intend to collaborate with global players to obtain technical support for developing new-age wagons. We believe such collaborations will enable us to remain at the forefront of advancements in wagon manufacturing, allowing us to secure a significant share of tenders offered by the Indian Railways.

Expand Capacity at our existing manufacturing facilities

Over the years, we have expanded our capacity across our four manufacturing facilities to cater to the demand for the freight rail systems and passenger rail systems. As of September 30, 2023, our installed capacity for the freight rolling stock was 8,400 wagons per annum and our installed capacity for the passenger rolling stock was 250 coaches per annum. Further, as of September 30, 2023, our installed capacity for traction motors was 2,400 per annum, for traction converters was 200 per annum and for foundry was 30,000 MT per annum of liquid metal. For further information, see " –*Capacity and Capacity Utilisation*" on page 155.

With the increase in the demand for freight and passenger rolling stocks owing to the Indian Railway's initiative of increasing its market share in the overall share of logistics coupled with the 'Make in India' and 'Atmanirbar Policy', we intend to expand our production capacity for both the freight and passenger rolling stocks to meet the growing demand.

Establish and strengthen our presence in the railway components market for both freight rail systems and passenger rail systems

We intend to increase our revenue, improve profitability and reduce supply chain dependence by diversifying into the manufacturing and supply of components used in the freight and passenger rail systems. We recognise the recuring revenue potential in the components market, especially as railway systems expand and rolling stock ages. To capitalise on this opportunity, we are committed to offering diverse products as well as establishing strategic partnerships. In line with this strategy, we have entered into arrangements and secured orders for the supply propulsion systems (i.e., traction motors, traction convertors and TCMS) and forged wheel sets.

Establish and strengthen our presence in the service and maintenance business

Our consortium with BHEL for the Vande Bharat order has allowed us to tap into the service and maintenance business. Further, the order received by us from Maharashtra Metro Rail Corporation Limited for the Pune metro also includes an option for awarding a comprehensive annual maintenance contract for the metros to us for a period of 10 years. With the initial success in receiving orders for the service and maintenance, we aim to focus on expanding and growing our service and maintenance business for both the freight and passenger rail systems.

Grow inorganically through joint ventures and strategic partnerships

We intend to pursue inorganic growth opportunities through joint ventures and strategic partnerships to expand and enhance our product portfolio with an aim to cater to the entire value chain in our two business segments. For instance, we have incorporated a joint venture "*Ramkrishna Titagarh Rail Wheels Limited*" with Ramkrishna Forgings Limited. Through this joint venture, we intend to set up a manufacturing plant in India for the production of 228,000 forged wheels per annum which will enable us to cater to the existing orders received from the Indian Railways and utilise surplus production for captive consumption, third-party sales, and export purposes to expand our revenue source in the railway components market. Further, in line with this strategy, we have entered into an arrangement with ABB to provide technology support for the manufacturing of traction motors for EMU/MEMU, as well as technology for manufacturing GoA 2 and GoA 4 compliance TCMS system for metro coaches.

By collaborating with other such organizations, we aim to expand our business and leverage complementary strengths to achieve mutual benefits and growth.

Enhance our presence in the international and export markets, particularly in the passenger rail systems business, in cooperation with our Associate Firema

The acquisition of Firema in 2015 provided our Company with the expertise in modern commuter railway technologies. For instance, we received our first export order from Firema for the manufacture and supply of traction convertors for the Italian market. While, Firema has ceased to be our subsidiary with effect from September 8, 2022, it continues to be an associate of our Company and as of the date of this Preliminary Placement Document, our Company holds 49.70% of the equity share capital of Firema. We believe that our association and investment in Firema will enable us to leverage multiple synergies such as joint development of design and engineering capabilities, access to the international markets and outsourcing of manufacturing from Firema into our Company. For example, we have incorporated a joint venture with Firema with effect from September 17, 2023, in the name of "*Titagarh Firema Engineering Services Private Limited*", for the purpose of engineering and design related services to support the transit and propulsion business. We anticipate the opportunity to manufacture and provide components for the coaches manufactured by Firema for the European and international market.

Firema has approached its existing shareholders (including our Company) for infusion of additional equity based on the revised business plan approved by its board of directors which *inter-alia* includes requirement of additional working capital for execution of the existing order book and recapitalisation of Firema due to past losses which has resulted into significant decline in its networth. While we are reviewing the request for additional investment, the Board of Directors of our Company may consider the option for further investment in Firema based on its merits.

Our Business

Major Events in Our Company's History

Year	Particulars
1997	Establishment of our Company as a manufacturing unit of freight wagons
2007	First production of EMU/MEMU by our Company for the Indian Railways
2009	Certified by RDSO-G105 with a production capacity of 8,400 wagons per annum
2015	Acquired 100.00% equity share capital of Firema[(1)]
2019	Received an order for the Pune metro coaches in India
2021	Secured an order for the Surat metros
2022	• Received the single largest order in the last 10 years from the Indian Railways (*Source: CARE Report*) for the supply of 24,177 wagons • Secured an order for the Ahmedabad metro
2023	• Secured an order for the supply and maintenance of 80 Vande Bharat trainsets to the Indian Railways in consortium with BHEL • Secured an order for the supply of forged wheel sets to the Indian Railways in consortium with Ramkrishna Forgings Limited • Strategic collaboration with ABB for the manufacturing of propulsion systems in India

[(1)] *Firema ceased to be our subsidiary with effect from September 8, 2022, and became an associate of our Company.*

Our Products

Below are the key products under our two business segments:

Freight Rail Systems: We design and manufacture freight rolling stocks such as freight wagons, flat wagons, hopper wagons, tank wagons, box wagons, car carrying wagons, covered wagons and special purpose wagons brake vans for various purposes including container transportation, mining products, fuel, cement and bagged products. We also manufacture components for the freight rail systems, including cast bogies, couplers and draft gears which are primarily used for captive consumption and we also manufacture loco shells and CMS crossing for sale to third parties. We have recently incorporated a joint venture "*Ramkrishna Titagarh Rail Wheels Limited*" with Ramkrishna Forgings Limited and through this joint venture, we intend to set up a manufacturing facility in India with a targeted production capacity of up to 228,000 forged wheels per annum.

In addition, during the last quarter of Fiscal 2023, considering the changes in the overall business activities and internal re-organisation, the operating segments were re-assessed, and the "*Shipbuilding, Bridges and Defence*" ("**SBD**") segment was merged with our freight rolling stock segment.

- *Shipbuilding*: We diversified into the shipbuilding business through a merger with Corporate Shipyard Private Limited. We are licensed by the Government of India to manufacture warships. We manufacture products including coastal research vessels, naval vessels, passenger and cargo ships and tugs. In the past, we developed and handed over Sagar Anveshika, a coastal research vessel, to the National Institute of Ocean Technology. In 2022, we acquired a land parcel measuring 8.8 acres of Precision Engineers and Fabricators Private Limited in Falta, West Bengal to expand our shipbuilding business.

- *Bridges and Defence*: We manufacture products including metal canisters, and integrated field shelters for the Indian Air Force. We also manufacture different mobile shelters, used for protection and communication purposes. Further, we are associated with the Indian Air Force for the supply and installation of integrated field shelters. Further, we manufacture bailey bridges in India and we also offer steel modular bridges, and unibridges.

  We intend to have a focused management team and strategic business partner for our SBD business. Our Board in its meeting dated November 8, 2023, has formed a committee of directors to identify a suitable strategic or joint venture partner for our SBD business.

Passenger Rail Systems: We design, manufacture and supply passenger rolling stock such as metro coaches, EMU/MEMU and semi high-speed trains. In addition, we have received orders for the supply of propulsion systems (including traction motors, traction converters and TCMS) and Vande Bharat trainsets and as well as locomotives. We are also in the process of developing TCMS through technology transfer from ABB for the metro propulsion. We have entered into an arrangement with ABB, where ABB will provide technology support for manufacturing of traction motors for EMU/MEMU, as well as technology for manufacturing GoA 2 and GoA 4 compliance TCMS system for metro coaches.

Manufacturing Facilities

We have four manufacturing facilities, of which two are located at Titagarh in West Bengal, one is located at Uttarpara in West Bengal and the other one is located at Bharatpur in Rajasthan. Details of our manufacturing facilities are set forth below:

Manufacturing Facility	Description	Area (in square feet)
Titagarh Facility I	This facility is located at Titagarh in West Bengal and was established in 1997. It is engaged in the manufacturing of freight wagons and wagon components. Since this facility is situated on the river bank, the shipbuilding is also carried out in this facility.	11,23,412.40
Uttarpara Facility	This facility is located at Uttarpara in West Bengal and was established in 2007 and was upgraded in 2021 for metro and other passenger rolling stock and propulsion systems. It is engaged in the manufacturing of aluminium and stainless steel passenger coaches including EMU/ MEMU trainsets, metros, semi high speed trainsets and coaches. Further, it is also engaged in the manufacture of traction motors and other electrical items such as cabinet, cubicles and cable harnessing which are primarily used for captive consumption. Additionally, there is also a design and engineering centre. Further it also has a foundry wherein items such as cast bogies, couplers and draft gears which are primarily used for captive consumption in the freight wagons is manufactured.	15,17,630.40
Titagarh Facility II	This facility is located at Titagarh in West Bengal and was established in 1983. It is engaged in the manufacturing of foundry items including cast bogies, couplers and draft gears which are primarily used for captive consumption in the freight wagons. Other products such as CMS crossings and other miscellaneous castings are manufactured at this facility for sale to third parties.	4,16,433.60
Bharatpur Facility	This facility is situated at Bharatpur in Rajasthan and was established in 2009. It is engaged in the manufacturing of special purpose wagons, loco shells and defence equipment.	82,60,282.80

Capacity and Capacity Utilisation

The information relating to the installed capacity, available capacity, actual production and capacity utilisation included below and elsewhere in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account in the calculation of our capacity and the same has been certified by Saibal Mukhopadhyay, independent chartered engineer. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information included in this Preliminary Placement Document. See "*Risk Factors – Information relating to the installed capacity and capacity utilisation included in this Preliminary Placement Document is based on various assumptions and estimates and capacity utilisation may vary*." on page 74.

The following table sets forth certain information relating to the installed capacity, available capacity, actual production and capacity utilization for the years indicated:

Particulars	As of/ For the year ended											
	March 31, 2021				March 31, 2022				March 31, 2023			
	Installed Capacity (1)	Available Capacity(1)	Actual Production (2)	Capacity Utilisation(3)	Installed Capacity (1)	Available Capacity(1)	Actual Production (2)	Capacity Utilisation(3)	Installed Capacity (1)	Available Capacity(1)	Actual Production (2)	Capacity Utilisation(3)
Freight Rolling Stocks (*i.e.*, Wagons) (in terms of number of units)	8,400	8,400	2,563	30.51%	8,400	8,400	3,274	38.98%	8,400	8,400	5,536	65.90%
Passenger Rolling Stocks (*i.e.*, Coaches) (in terms of number of units)	120	120	24	20.00%	108	81	3	3.70%	250	250	39	15.60%
Foundry (liquid metal in MT)	30,000	30,000	11,050	36.83%	30,000	30,000	13,900	46.33%	30,000	30,000	18,718	62.39%
Traction Motors (in terms of number of units)	-	-	-	-	-	-	-	-	2,400	2,400	6	0.25%
Traction Converters (in terms of number of units)	-	-	-	-	-	-	-	-	200	200	-	-

**As certified by Saibal Mukhopadhyay, independent chartered engineer, by certificate dated December 7, 2023.*

Notes:

(1) *Installed capacity represents the installed capacity as of the last date of the relevant Fiscal and the available capacity has been calculated based on the available capacity for the relevant Fiscal. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice in the railway components manufacturing industry and capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities include 312 working days in a year, at 3 shifts per day operating for 24 hours a day.*

(2) *Actual production represents quantum of production in the relevant Fiscal.*

(3) *Capacity utilization has been calculated on the basis of actual production in the relevant Fiscal divided by the available capacity for the relevant Fiscal.*

The following table sets forth certain information relating to the installed capacity, available capacity, actual production and capacity utilization for the periods indicated:

Particulars	As of/ for the six months September 30, 2022				As of/ for the six months September 30, 2023			
	Installed Capacity (1)	**Available Capacity(1)**	**Actual Production (2)**	**Capacity Utilisation(3)**	**Installed Capacity (1)**	**Available Capacity(1)**	**Actual Production (2)**	**Capacity Utilisation(3)**
Freight Rolling Stocks (*i.e.*, Wagons) (in terms of number of units)	8,400	4,200	2,037	48.50%	8,400	4,200	3,639	86.64%
Passenger Rolling Stocks (*i.e.*, Coaches) (in terms of number of units)	144	72	15	20.83%	250	125	18	14.40%
Foundry (liquid metal in MT)	30,000	15,000	8,298.20	55.32%	30,000	15,000	10,056	67.04%
Traction Motors (in terms of number of units)	2,400	1200	-	-	2,400	1,200	66	5.50%
Traction Converters (in terms of number of units)	-	-	-	-	200	100	-	-

**As certified by Saibal Mukhopadhyay, independent chartered engineer, by certificate dated December 7, 2023.*

Notes:

(1) *Installed capacity represents the installed capacity as of the last date of the relevant period and available capacity has been calculated based on the average of daily available capacity for the relevant period. The installed capacity is based on various assumptions and estimates, including standard capacity calculation practice in the in the railway components manufacturing industry and capacity of other ancillary equipment installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities include 312 working days in a year, at 3 shifts per day operating for 24 hours a day.*

(2) *Actual production represents quantum of production in the relevant period.*

(3) *Capacity utilization has been calculated on the basis of actual production in the relevant period divided by the available capacity for the relevant period.*

Raw Materials and Components

Raw materials used for the manufacturing activities of our Company include steel, wheelsets, bogies, couplers, draft gear, bearing, cold rolled form sections, light diesel oil, sponge iron lumps, liquid oxygen propulsion systems. Certain of the above raw materials and components are required to be procured from RDSO or customer approved vendors. In Fiscal 2021, 2022 and 2023 and the six months ended September 30, 2022 and 2023, our cost of raw materials and components consumed was ₹ 1,04,566.24 lakhs, ₹ 1,22,625.04 lakhs, ₹ 2,16,530.39 lakhs, ₹ 83,097.07 lakhs and ₹ 1,40,633.17 lakhs, representing 68.76%, 63.51%, 77.90%, 79.98% and 76.17% of our total revenue from operations, respectively.

Quality Control

The quality of our products and customer satisfaction are of significant importance to our business. We have implemented quality control processes throughout the manufacturing and assembly operations to ensure that products meet safety and quality standards. We have the following certifications:

- Received the IRIS certification for design, manufacturing, development of passenger rolling stock including products and accessories;
- ISO certifications such as ISO 9001:2015; ISO 14001:2015; and ISO 3834:2006;
- OHSAS MS 45001: 2018 certification for occupational health and safety management system; and
- Certificate Level CL1 according to EN 15085-2:2007 for welding of railway vehicles and components

Further, our Associate Firema holds multiple certifications including ISO TS 22163:2017 for quality management system in line with the international standards specific to the railway industry, UNI EN ISO 9001:2015 for quality management system, UNI EN ISO 3834 Part2 for welding processes, UNI EN 15085-2 CL1 for welding processes, UNI EN ISO 14001:2004 for environmental management system, BSOHSAS 18001:2007 for occupational health and safety management system, competence management system certification (in conformity with Trenitalia organizational communication COCS 30.5/DT and Trenord Procedure P096), Entity-in Charge of Maintenance ("**ECM**") certificate for meeting the requirements specified in the Directive 2004/49/EC and Regulation (EU) No.445/211 and laboratory certification by Italcertifer for conducting static and dynamic mechanical tests on railway rolling stock structures.

Competition

We operate in a competitive environment where we face competition from several entities. Our peers in the freight rail systems are Jupiter Wagons Limited, Texmaco Rail & Engineering Limited, Besco Limited, Jindal Rail Infrastructure, Hindustan Engineering & Industries Limited, Oriental Foundry Private Limited, Sail Rites Bengal Wagon Industry Private Limited, Modern Industries and in the passenger rail systems are Bharat Earth Movers Limited and Alstom India. (*Source: CARE Report*) Contracts with the Indian Railways and other government bodies 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. Our competition thus extends to relatively smaller base companies (who may be able to operate on lower overheads) and any new entrants to the industry who may be willing to reduce their margins in order to gain market share and may lower their bid values for securing these contracts. For further information, see "*Industry Overview*" on page 105.

See, "*Risk Factors - We face certain competitive pressures from the existing competitors and new entrants in both public and private sectors. Increased competition and aggressive bidding by such competitors is expected to make our ability to procure business in the future more uncertain, which may adversely affect our business, results of operations, financial condition and cash flows.*" on page 60.

Insurance

We maintain insurance policies to cover our assets, including a standard marine cargo open policy, industrial all risk insurance and all risk insurance which covers building (including road, culverts, boundary walls), plant and machinery, office equipment, furniture, fixtures, fittings and inventory and stock including spares and

attachments. We maintain a personal accident (group) insurance policy for its employees. We also maintain product liability insurance to cover our legal liability.

See, "*Risk Factors - Our insurance coverage may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which may impact on our results of operations, financial condition and cash flows.*" on page 72.

Environmental, Social and Governance

We place emphasis on our environmental, social and governance (**"ESG**") initiatives. In the past, we have taken various initiatives towards energy efficiency. Some initiatives are: (i) installation of a solar power plant with capacity of 2MW at Titagarh Facility I and Titagarh Facility II; and (ii) installation of variable frequency drive in overhead cranes to reduce energy consumption. In addition, all of our manufacturing facilities have obtained ISO 14001:2015 certification, showcasing our commitment to environmental management.

Further, in line with our corporate social responsibility vision, we strive to provide education, including employment enhancing vocational skills amongst the underprivileged children, women, elderly, and the differently abled persons and empower them for future. In Fiscal 2023, we provided support to Annamrita, Kolkata, to supply nutritious and high quality mid-day meals to underprivileged communities, ranging from school going children to frontline workers. We also extended assistance to South Kolkata Hamari Muskan, offering safe spaces with essential amenities for children, youths, and mothers from the red-light community. Further, in terms of governance, more than half of our Board Directors are Independent Directors and our directors have diversified skills and experience.

Employees

As of September 30, 2023, we have 745 permanent employees. We aim to align human resources practices with business goals, motivate the team members for improved performance both in terms of quality and productivity and build a healthy competitive working environment.

We conduct programs and workshops to bridge skill gaps and increase employee's motivation and participation level. These include personality grooming, improving communication skills, health and safety, housekeeping, energy management, productivity improvement, and total quality management. We impart structured training and learning programs at the entry and other levels to our workforce. 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. We also appoint independent contractors to engage on-site contract labourers for certain of our operations in India. As of September 30, 2023, we had 2,931 contract labourers.

Immovable Properties

Our Company's Registered Office is located at Poddar Point, 10th Floor, 113 Park Street, Kolkata- 700 016, West Bengal, India. The Corporate Office of our Company is situated at Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India, which is leased for a period of 99 years with effect from 2002. Details of the manufacturing facilities and the design and engineering centre are set forth below:

Particulars	Address	Owned/ Leased
Titagarh Facility I	12/9/1 R.K. Deo Path, P.O. & P.S Titagarh, 24 Parganas North – 700 119, West Bengal, India	Owned
Uttarpara Facility	Hindmotor Road, Uttarpara, District Hoogly, 712 233, West Bengal, India	Owned
Titagarh Facility II	1, Abdul Quddus Road, P.O. & P.S Titagarh, 24 Parganas North - 700 119, West Bengal, India	Owned
Bharatpur Facility	Mal Godown Road, Bharatpur – 321001, Rajasthan, India	Leased
Design and Engineering Centre[(1)]	Floor No 12 Manjeera Trinity Corporate, E-Seva Lane, Kukatpally, Hyderabad -500 072, Telangana, India	Leased

[(1)] The design and engineering centre at Hyderabad has been transferred by way of business transfer agreement to the joint venture company, Titagarh Firema Engineering Services Private Limited with effect from October 1, 2023.

See, "*Risk Factors - Certain of our properties are located on land not owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business, financial condition, results of operations and cash flows may be adversely affected.*" on page 76.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscal 2021, 2022 and 2023 and the six months ended September 30, 2022 and 2023 and should be read in conjunction with "Financial Statements" on page 305.

This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Our results could differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For further details, see "Forward-Looking Statements" on page 21. Also see "Risk Factors" and "- Significant Factors Affecting our Results of Operations" on pages 51 and 164, respectively, for a discussion of certain factors that may affect our business, results of operations, financial condition and cash flows.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, Fiscal 2022 and Fiscal 2023 has been derived from our Audited Consolidated Financial Statements beginning on page F-57. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for the six months ended September 30, 2022 and 2023 has been derived from our Unaudited Consolidated Financial Results beginning on page 42. See, "Financial Statements" on page 305. Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial Statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30, 2022 and our Joint Statutory Auditors have issued a review report on the unaudited consolidated financial results for the quarter ended September 30, 2023 and a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. For more information, see "Risk Factors - Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30, 2022, and Joint Statutory Auditor have issued a review report on the unaudited consolidated financial results for the quarter ended September 30, 2023 and a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. Further, our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included emphasis of matter paragraphs in their audit report on the audited consolidated financial statements as of and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and in their review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023." on page 51. Further, the consolidated financial results as of and for the quarter and six months ended September 30, 2023 are not directly comparable with the consolidated financial results of our Company as of and for the quarter and six months ended September 30, 2022. Also, Firema ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company and therefore, the audited consolidated financial statements as of and for the year ended March 31, 2023 are not directly comparable with the audited consolidated financial statements as of and for the year ended March 31, 2021 and 2022. See "Presentation of Financial and Other Information" on page 16 and "– Presentation of Financial Information" on page 168. Unless otherwise stated or the content otherwise requires, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us, our Subsidiary, our Joint Ventures and Associate on a consolidated basis.

Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Also see "Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our results of operations, financial condition and cash flows" on page 82.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Railway Wagons, Passenger Coach and Propulsion System" dated November 2023 (the "**CARE Report**") prepared and issued by Care Analytics and Advisory Private Limited and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Issue. Unless otherwise indicated, financial, operational, industry and other related*

information derived from the CARE Report and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal. For further information, see "Industry Overview" on page 105.

Overview

Established in 1997, we are a comprehensive rail mobility systems provider in the railway industry with over 25 years of experience. We are one of the largest wagon manufacturers and had a market share of 18% to 22% in railway ordering in India in terms of total tenders from Fiscal 2012 to Fiscal 2023 and had the largest market share of 25% to 30% in India in terms of total tenders from Fiscal 2020 and Fiscal 2023. (*Source: CARE Report*) We are an approved vendor for the Indian Railways. We presently operate under two business segments:

Freight Rail Systems Segment: We design and manufacture freight rolling stocks such as freight wagons, flat wagons, hopper wagons, tank wagons, box wagons, car carrying wagons, covered wagons and special purpose wagons brake vans for various purposes including container transportation, mining products, fuel, cement and bagged products. In May 2022, we received the largest order placed by the Indian Railways in the last ten years (*Source: CARE Report*) for the manufacture and delivery of 24,177 wagons. Further, this segment encompasses our shipbuilding, bridges and defence ("**SBD**") business, in which we manufacture products including (i) coastal research vessels, naval vessels, passenger ships and cargo ferry vessels, and tugs; (ii) metal canisters, and integrated field shelters for the Indian Air Force; and (iii) bailey bridges, steel modular bridges and unibridges. The following table sets forth certain details of our freight rail systems segment:

Freight Rail Systems[(1)]	As of/ for the year ended March 31, 2021	As of/ for the year ended March 31, 2022	As of/ for the year ended March 31, 2023	As of/ for the six months ended September 30, 2022	As of/ for the six months ended September 30, 2023
	(in ₹ lakhs)				
Revenue from operations	96,374.16	1,21,436.40	2,25,093.47	79,625.89	154,694.01
Order Book	102,362.00	129,487.00	853,039.00[(2)]	859,500.00	804,149.11[(2)]

[(1)] *During the last quarter of Fiscal 2023, considering the changes in the overall business activities and internal re-organisation, the operating segments were re-assessed, and the "Shipbuilding, Bridges and Defence" segment was merged with freight rolling stock. Accordingly, the operating segments of the Company have been identified as "Freight Rail Systems" (which includes Shipbuilding Bridges and Defence) and "Passenger Rail Systems" and the above table reflects this change for the year ended March 31, 2023 and six months period ended September 30, 2023.*

[(2)] *Excludes order size amounting to ₹ 12,35,459.61 lakhs for supply of forged wheels to Indian Railways which will be executed through a joint venture "Ramkrishna Titagarh Rail Wheels Limited". As of the date of this Preliminary Placement Document, our Company holds 49.00% of the paid-up equity share capital of Ramkrishna Titagarh Rail Wheels Limited.*

Passenger Rail Systems Segment: We offer a diverse portfolio of products to meet the demands of modern rail travel. We manufacture and supply passenger coaches for semi-high-speed trains, electric multiple-unit trainsets and urban rail systems. The following table sets forth certain details of our passenger rail systems segment:

Passenger Rail Systems	As of/ for the year ended March 31, 2021	As of/ for the year ended March 31, 2022	As of/ for the year ended March 31, 2023	As of/ for the six months ended September 30, 2022	As of/ for the six months ended September 30, 2023
	(in ₹ lakhs)				
Revenue from operations	54,107.07	65,771.68	52,865.57	20,767.09	29,927.03
Order Book	3,84,098[(1)]	5,47,000[(1)]	5,69,073[(2)]	1,08,500.00	6,84,455.94[(2)]

[(1)] *Includes order book of Titagarh Firema S.p.A, Italy amounting to ₹ 2,64,300 lakhs as on March 31, 2021 and ₹ 4,29,200 lakhs as on March 31, 2022, which ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company. As of the date of this Preliminary Placement Document, our Company holds 49.70% of the paid-up equity capital of Titagarh Firema S.p.A, Italy.*

[(2)] *Excludes order size amounting to ₹ 13,47,360.00 lakhs for maintenance of Vande Bharat which will be executed through a joint venture which is to be incorporated with Bharat Heavy Electricals Limited.*

We supply our products to the Indian Railways, metro authorities and customers in the private sector. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our revenue from sales to the Indian Railways was ₹ 75,221.86 lakhs, ₹ 86,292.93 lakhs, ₹ 1,72,441.14 lakhs and ₹ 59,688.32 lakhs, respectively, representing 49.47%, 44.69%, 62.04% and 57.45% of our total revenue from operations, respectively. Further, based on our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, our revenue from sales to the Indian Railways for the six months ended September 30, 2023 was ₹ 86,263.27 lakhs, representing 46.72% of our

total revenue from operations.

We have vertically integrated manufacturing operations which allow us to manage production processes in-house, from design and development to manufacturing and delivery. We have four manufacturing facilities, of which two are located at Titagarh in West Bengal, one is located at Uttarpara in West Bengal and the other one is located at Bharatpur in Rajasthan. While our manufacturing facility at Uttarpara in West Bengal ("**Uttarpara Facility**") is engaged in the manufacturing of aluminium and stainless-steel passenger coaches, and production of propulsion systems (including traction motors, traction convertors and train control and management systems ("**TCMS**")), our manufacturing facility at Titagarh in West Bengal ("**Titagarh Facility I**") is engaged in the manufacturing of freight wagons, wagon components and shipbuilding and the other manufacturing facility at Titagarh in West Bengal ("**Titagarh Facility II**") is engaged in the manufacturing of foundry items for the freight rolling stock. Furthermore, our manufacturing facility at Bharatpur in Rajasthan ("**Bharatpur Facility**") is engaged in the manufacturing of special purpose wagons, loco shells and defence equipment. As of September 30, 2023, our installed capacity for the freight rolling stock was 8,400 wagons per annum and our installed capacity for the passenger rolling stock was 250 coaches per annum. Further, as of September 30, 2023, our installed capacity for traction motors was 2,400 per annum, for traction converters was 200 per annum and for foundry was 30,000 MT per annum of liquid metal.

We are engaged in various ongoing projects in the passenger rail systems segment. Some of the projects include: (i) design, manufacture, testing, commissioning and supply of passenger rolling stock to Maharashtra Metro Rail Corporation Limited in consortium with our associate, Titagarh Firema S.p.A, Italy ("**Firema**") for the Pune metro; (ii) manufacturing and supply of metro coaches as a subcontractor of CRRC Nanjing Puzhen Co., Limited ("**CRRC**") for the design, manufacture, supply, testing and commissioning to Bangalore Metro Rail Corporation Limited; (iii) manufacture of Vande Bharat coaches and maintenance of such coaches in consortium with Bharat Heavy Electricals Limited ("**BHEL**"); and (iv) design, manufacture, testing, commissioning and supply of metro coaches to Gujarat Metro Rail Corporation Limited for the Surat and Ahmedabad metros.

We benefit from the experience of our management team which comprises of members with extensive knowledge in operations, business development and customer relationships under the overall supervision of the Board of Directors. We believe that the strength of our Board and management team and their experience has enabled us to take advantage of market opportunities and to better serve our customers.

Our total revenue from operations has increased from ₹ 1,52,063.95 lakhs in Fiscal 2021 to ₹ 2,77,959.04 lakhs in Fiscal 2023 at a CAGR of 35.20% and our EBITDA has increased from ₹ 10,548.99 lakhs in Fiscal 2021 to ₹ 29,334.72 lakhs in Fiscal 2023 at a CAGR of 66.76%. The following table sets forth certain financial information for the years/ periods indicated:

Particulars	**As of/ For the year ended March 31,**			**As of/ For the six months ended September 30,**	
	2021	**2022**	**2023[9]**	**2022**	**2023**
Revenue from Operations (₹ lakhs)	1,52,063.95	1,93,079.19	2,77,959.04	1,03,897.21	1,84,621.04
Other Income (₹ lakhs)	2,485.92	3,583.56	4,258.30	2,520.28	1,065.93
Total Expenses	1,55,106.92	1,92,453.79	2,61,935.01	98,984.89	1,67,772.57
EBITDA[1] (₹ lakhs)	10,548.99	16,875.94	29,334.72	11,884.19	23,136.10
EBITDA Margin[2]	6.94%	8.74%	10.55%	11.44%	12.53%
Profit/ (Loss) before exceptional items and tax from continuing operations ("PBT")	(557.70)	4,208.96	19,009.70	7,266.96	17,865.25
PBT Margin [3]	(0.37)%	2.18%	6.84%	6.99%	9.68%
Total Non-Current Assets	1,06,912.32	1,17,723.90	90,590.96	83,816.00	95,541.69
Total Current Assets	1,40,457.50	1,50,166.89	1,34,144.99	1,19,496.35	177,178.52
Earning/ (loss) per Equity Share (₹ lakhs)	(1.28)	(0.03)	10.89	4.14	10.76
Net working capital days[4] (in days)	58	90	97	83	76
Return on Capital Employed[5,8] (%)	4.46%	7.12%	22.09%	9.20%	13.17%
Return on Equity[6,8] (%)	(2.23)%	(0.08)%	13.92%	5.21%	11.27%
Net debt to EBITDA[7] (in	7.25	5.05	0.66	1.30	0.71

Particulars	As of/ For the year ended March 31,			As of/ For the six months ended September 30,	
	2021	2022	2023[9]	2022	2023
times)					

Notes:

(1) *Earning before interest, depreciation, amortization and taxes ("**EBITDA**") is calculated as profit/(loss) before exceptional items and tax from continuing operations plus finance costs and depreciation and amortisation expense.*

(2) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

(3) *PBT Margin is calculated as Profit/(Loss) before exceptional items and tax from continuing operations divided by revenue from operations.*

(4) *Net working capital days is calculated as average trade receivable days plus average contract asset days plus average inventory days less average trade payable days. For Fiscal 2021, 2022 and 2023, 365 days have been considered whereas for September 30, 2022 and 2023, 183 days have been considered.*

(5) *Return on Capital Employed is calculated as Earning before interest and taxes ("**EBIT**") divided by capital employed. EBIT is calculated as profit/(loss) after exceptional items but before tax for the year/ period from continuing operations plus finance cost. Capital employed is calculated as total equity plus total borrowings and deferred tax liabilities (net).*

(6) *Return on Equity is calculated as profit/(loss) after tax for the year/period divided by average shareholders' equity. Average shareholders equity is calculated as average of equity at start and at close of the year/period.*

(7) *Net Debt to EBITDA is calculated as Net Debt divided by EBITDA. Net debt is calculated as total borrowings (current plus non-current borrowings) less cash and cash equivalents.*

(8) *The figures for Return on Capital Employed and Return on Equity for the six months period ended September 30,2023 and 2022 are not annualised.*

(9) *Titagarh Firema was a subsidiary of our Company till September 8, 2022 whose corresponding numbers are considered under discontinued operations in the Consolidated Statement of Profit and Loss for Fiscal 2023 and in the Statement of Consolidated Unaudited Financial Results for the six months ended September 30, 2022. See, "Financial Statements" on page 305.*

For reconciliation of EBITDA, EBITDA Margin, PBT Margin, Return on Capital Employed, Return on Equity and Net Debt to EBITDA, see "*–Results of Operations –Non GAAP Measures*" on page 165.

Significant Factors Affecting Our Results of Operations

Volume of Business from the Indian Railways

We derive a significant portion of our revenues from the Indian Railways. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our revenue from sales to the Indian Railways was ₹ 75,221.86 lakhs, ₹ 86,292.93 lakhs, ₹ 1,72,441.14 lakhs and ₹ 59,688.32 lakhs, respectively, representing 49.47%, 44.69%, 62.04% and 57.45% of our total revenue from operations, respectively. Further, based on our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements, our revenue from sales to the Indian Railways for six months ended September 30, 2023 was ₹ 86,263.27 lakhs, representing 46.72% of our total revenue from operations. We believe therefore, that if the Indian Railways reduces their volume of business with our Company, or if the Indian Railways does not release any new orders, our business, results of operations, financial condition and cash flows may be adversely affected.

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. In addition, our Company also benefits from the wagon procurement policies of the Indian Railways where 55% of the total order for wagons is based on the past performance and track record of the bidder as per the recent tender documents issued by Indian Railways. Any amendment of the relevant policies to favour public sector enterprises, or a withdrawal of programmes and policies beneficial to the private sector may affect our business, results of operations, financial condition and cash flows.

Government policy and other macroeconomic factors in India

A significant portion of our business, especially the demand for freight and passenger rolling stocks, is dependent on government policy. Additionally, the demand for freight rolling stocks is directly related to the commodity demand in the coal, steel, cement, 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.

Cost and availability of raw materials

Our business, results of operations, financial condition and prospects are significantly impacted by the prices of raw materials purchased by us, particularly prices of steel and aluminum. In Fiscal 2021, 2022 and 2023 and the six months ended September 30, 2022 and 2023, our cost of raw material and components consumed was ₹ 1,04,566.24 lakhs, ₹ 1,22,625.04 lakhs, ₹ 2,16,530.39 lakhs, ₹ 83,097.07 lakhs and ₹ 1,40,633.17 lakhs, representing 68.76%, 63.51%, 77.90%, 79.98% and 76.17% of our total revenue from operations, respectively.

Our financial condition and results of operations are impacted by the availability and costs of raw materials. Raw material pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, fuel prices and availability, power tariffs and currency exchange rates. This volatility in commodity prices can significantly affect our raw material costs.

Our expansion plans

We have expanded and upgraded our existing manufacturing facilities in the last three Fiscals. As of September 30, 2023, our installed capacity for freight rolling stock was 8,400 wagons per annum and our installed capacity for passenger rolling stock was 250 coaches per annum. Further, as of September 30, 2023, our installed capacity for traction motors was 2,400 traction motors per annum, traction converters was 200 per annum and foundry was 30,000 MT per annum of liquid metal For further information, see "*Our Business – Capacity and Capacity Utilisation*" on page 155. In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our gross additions to plant and equipments were ₹ 1,206.91 lakhs, ₹ 4,982.00 lakhs, ₹ 1,264.66 lakhs and ₹ 95.16 lakhs, respectively. Based on our Unaudited Interim Condensed Consolidated Financial Statements, our gross additions for the six months ended September 30, 2023 to plant and equipments was ₹ 91.96 lakhs.

With the increase in the demand for freight and passenger rolling stocks owing to the Indian Railway's initiative of increasing its market share in the overall share of logistics coupled with the 'Make in India' and 'Atmanirbar Policy', we intend to expand our production capacity for both the freight and passenger rolling stocks to meet the growing demand. We expect that our expansion plans will allow us to meet the anticipated increase in freight and passenger rolling stocks' demand in the future. However, changes in macroeconomic and market conditions, including decline in the core sector of the Indian economy as well as government spending in railway infrastructure, may hinder our ability to capitalise on the expansion of our manufacturing capacities.

Competition

We operate in a competitive environment where we face competition from several entities. With the liberalisation of the Indian economy, the Government has encouraged competitive bidding. With increased competition, our ability to estimate costs to provide goods required under the contracts and ability to deliver the project timely will determine our profitability and competitive position in the market. We may in future face competition from foreign entities entering the Indian market for locomotive bodies and components in the railways industry, to the extent private entities are permitted by the Government of India to participate in this area. 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.

NON-GAAP MEASURES

In evaluating our business, we consider and use certain non-GAAP financial measures that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the consolidated financial statements. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS or any other generally accepted accounting principles. The non-GAAP financial measures have limitations as analytical tools. Further, these non-GAAP financial measures may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrices should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

See, "*Risk Factors - Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Return on Equity, Return on Capital Employed, PBT Margin and Net Debt to EBITDA have been included in this Preliminary Placement Document.*

These non-GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable" on page 75.

EBITDA and EBITDA Margin

The following table set forth our EBITDA and EBITDA Margin, which are non-GAAP financial measures, for Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023. We calculate EBITDA as profit before exception items and tax plus finance cost and depreciation and amortisation expense. We define our EBITDA margin as EBITDA divided by revenue from operations.

Reconciliation of Profit before exception items and taxes to EBITDA and EBITDA Margin

Particulars	For the year ended March 31,			For six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ lakhs, except percentages and ratios)				
Profit/ (loss) before Exceptional Items and Tax from continuing operations (A)	(557.70)	4,208.96	19,009.70	7,266.96	17,865.25
Finance Cost (B)	8,119.93	9,339.50	8,074.67	3,546.25	3,938.55
Depreciation and Amortisation Expense (C)	2,986.76	3,327.48	2,250.35	1,070.98	1,332.30
EBITDA (D) = (A + B + C)	**10,548.99**	**16,875.94**	**29,334.72**	**11,884.19**	**23,136.10**
Revenue from Operations (B)	**1,52,063.95**	**1,93,079.19**	**2,77,959.04**	**1,03,897.21**	**1,84,621.04**
EBITDA Margin (D/B) (%)	**6.94%**	**8.74%**	**10.55%**	**11.44%**	**12.53%**

PBT Margin

The following table set forth our PBT Margin, which is a non-GAAP financial measure, for Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023. We define our PBT Margin as Profit/(Loss) before exceptional items and tax from continuing operations divided by revenue from operations.

Reconciliation of Profit/(Loss) before exceptional items and tax from continuing operations to PBT Margin

Particulars	For the year ended March 31,			For six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ lakhs, except percentages and ratios)				
Profit/ (loss) before Exceptional Items and Tax from continuing operations (A)	(557.70)	4,208.96	19,009.70	7,266.96	17,865.25
Revenue from Operations (B)	1,52,063.95	1,93,079.19	2,77,959.04	1,03,897.21	1,84,621.04
PBT Margin (A/B) (%)	**(0.37)%**	**2.18%**	**6.84%**	**6.99%**	**9.68%**

Net Debt to EBITDA Ratio

The following table set forth our Net Debt to EBITDA ratio, which is a non-GAAP financial measure, for Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023. We define our Net Debt as total borrowings (i.e., current borrowings plus non-current borrowings). We calculate our Net Debt to EBITDA ratio by dividing Net Debt by EBITDA.

Reconciliation of Total Borrowings to Net Debt and Net Debt to EBITDA Ratio

Particulars	As of March 31,			As of September 30,	
	2021	2022	2023	2022	2023
	(₹ lakhs, except percentages and ratios)				
EBITDA (A)	**10,548.99**	**16,875.94**	**29,334.72**	**11,884.19**	**23,136.10**
Total Borrowings (current & non current)	84,453.29	86,053.04	24,932.41	28,251.16	26,039.20
Less: Cash and Cash Equivalents	7,969.38	895.85	5,540.55	12,840.88	9,668.02
Net Debt (B)	**76,483.91**	**85,157.19**	**19,391.86**	**15,410.28**	**16,371.18**
Net Debt to EBITDA Ratio (B/A) (Times)	**7.25**	**5.05**	**0.66**	**1.30**	**0.71**

Return on Capital Employed

The following table sets forth our ROCE, which is a non-GAAP financial measure, as at and for Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023. We calculate EBIT as profit/ (loss) after exceptional items but before tax for the year/ period from the continuing operations plus finance cost. We calculate capital employed as total of total equity plus total borrowings and deferred tax liabilities (net). Our Return on Capital Employed ("**ROCE**") is defined as EBIT divided by capital employed.

Reconciliation of profit/ (loss) after exceptional item but before tax for the year/ period from the continuing operations to EBIT and total equity to capital employed and return on capital employed

Particulars	As of/ For the year ended March 31,			As of/ For the six months ended September 30,	
	2021	2022	2023	2022	2023
Profit/ (Loss) after Exceptional Items but before tax for the year/period from the continuing operations	(557.70)	2,895.52	19,009.70	7,266.96	17,865.25
					Add:
Finance Cost	8,119.93	9,339.50	8,074.67	3,546.25	3,938.55
EBIT (A)	**7,562.23**	**12,235.02**	**27,084.37**	**10,813.21**	**21,803.80**
Total Equity (B)	84,055.40	84,227.23	96,355.17	88,287.04	138,460.81
Total Borrowings (C)	84,453.29	86,053.04	24,932.41	28,251.16	26,039.20
Deferred Tax liabilities (Net) (D)	1,143.26	1,448.60	1,346.36	1,015.28	1,068.98
Capital Employed (E) = (B+C+D)	**169,651.95**	**171,728.87**	**122,633.94**	**117,553.48**	**165,568.99**
Return on Capital Employed (E/A) (%)	**4.46%**	**7.12%**	**22.09%**	**9.20%**	**13.17%**

(1)*Figures in square brackets are non-annualized numbers.*

Return on Equity

The following table sets forth our ROE, which is a non-GAAP financial measure as at and for Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023. We calculate ROE as profit/ (loss) after tax for the year/ period divided by average shareholders equity.

Reconciliation of Profit/ (Loss) After Tax for the Year/ Period to Return on Equity

Particulars	As of/ For the year ended March 31,			As of/ For the six months ended September 30,	
	2021	2022	2023	2022	2023
Profit /(Loss) after tax for the year/period (A)	(1,878.65)	(68.55)	12,571.63	4,492.75	13,237.12
Average Shareholders Equity(2) (B)	84,301.72	84,141.32	90,291.20	86,257.14	117,407.99
Return on Equity (%) (C) = (A/B)	**(2.23)%**	**(0.08)%**	**13.92%**	**5.21%**	**11.27%**

(1)*Figures in square brackets are non-annualized numbers.*

(2)Average shareholders equity is calculated as average of equity at start and at close of the year/ period.

PRESENTATION OF FINANCIAL INFORMATION

In this Preliminary Placement Document, we have included (i) audited consolidated audited financial statements as of and for the years ended March 31, 2021, 2022 and 2023 along with the respective audit reports thereon; (ii) unaudited consolidated financial results as of and for the quarter and six months ended September 30, 2022 submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon; (iii) unaudited consolidated financial results as of and for the quarter and six months ended September 30, 2023 submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon; and (iv) unaudited interim special purpose condensed consolidated financial statements as of and for the six months ended September 30, 2023 along with the review report thereon.

The unaudited consolidated financial results for the quarter and six months ended September 30, 2022 included the financial information of Firema which was based on the unaudited management accounts approved by the board of directors of Firema and in respect of such unaudited consolidated financial results a qualified review report was issued by our earlier statutory auditors (now one of our Joint Statutory Auditors).

Pursuant to an investment agreement dated July 20, 2022 signed between our Company, Titagarh Bridges and International Private Limited (amalgamated with our Company with effect from April 1, 2021 pursuant to the order of the National Company Law Tribunal, Kolkata, dated October 26, 2022) and the Government of Italy through its investment agency, Invitalia along with a private equity investor, have together infused fresh equity into Firema amounting to Euro 14.50 million. The equity infusion resulted in the dilution of the equity stake of our Company in Firema to 49.70% which along with other terms of the investment agreement led to a loss of control by our Company in Firema as a subsidiary and became an 'associate company' with effect from September 9, 2022.

As the consolidated financial results for the quarter ended September 30, 2022 of Firema constitutes less than 20% of the consolidated revenue and profit after tax for the group (threshold stipulated as per SEBI LODR), the results of Firema were consolidated based on management accounts approved by the board of directors of Firema. These results of Firema for the quarter and six months ended September 30, 2022 were not subject to an audit or limited review. On account of this, our earlier statutory auditors (now one of our Joint Statutory Auditors) issued a qualified review report on the unaudited consolidated financial results for the quarter and six months ended September 30, 2022. Accordingly, the consolidated financial results as of and for the quarter and six months ended September 30, 2023 are not directly comparable with the consolidated financial results of our Company as of and for the quarter and six months ended September 30, 2022.

For further information, see "Risk Factors - *Our earlier statutory auditors (now one of our Joint Statutory Auditors) have issued a qualified report on the audited consolidated financial statements as of and for the year ended March 31, 2022 and a qualified review report on the unaudited consolidated financial results for the quarter ended September 30, 2022 and year to date results for the period April 1, 2022 to September 30, 2022, and Joint Statutory Auditor a review report on the unaudited consolidated financial results for the quarter ended September 30, 2023 and have issued a qualified review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023. Further, our earlier statutory auditors (now one of our Joint Statutory Auditors) and Joint Statutory Auditors, as applicable, have included emphasis of matter paragraphs in their audit report on the audited consolidated financial statements as of and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and in their review report on the unaudited interim special purpose condensed consolidated financial statements as of and for the six months period ended September 30, 2023."*

Further, Firema ceased to be our subsidiary with effect from September 8, 2022 and became an associate of our Company and therefore, the audited consolidated financial statements as of and for the year ended March 31, 2023 are not directly comparable with the audited consolidated financial statements as of and for the year ended March 31, 2021 and 2022. See "*Presentation of Financial and Other Information*" on page 16.

MATERIAL ACCOUNTING POLICIES

Below are the material accounting policies used for the preparation of the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements for the six months ended September 30, 2023:

Basis of Preparation

Compliance with Indian Accounting Standards

The accounting policies adopted in the preparation of the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the annual Ind AS financial statements for the year ended March 31, 2023.

Historical Cost Convention

The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

Current versus Non-current Classification

The Group presents assets and liabilities in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

b) held primarily for the purpose of trading,

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

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

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

All other liabilities are classified as non-current.

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

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is

exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Unaudited Interim Special Purpose Condensed Consolidated Financial Statement of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, if any in the results and equity of subsidiaries are shown separately in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss, Unaudited Interim Special Purpose Condensed Consolidated Statement of Changes in Equity and Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet respectively.

Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has four joint ventures and one associate.

Associate

Interests in Associate are accounted for using the equity method, after initially being recognised at cost in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet.

Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

Property, Plant and Equipment

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

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

Depreciation Method, Estimated Useful Lives and Residual Values

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

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

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

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

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

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

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

Intangible Assets

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

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

Brand and Design and Drawings

The Group had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies.

Prototype

The Group had developed prototype for tractors which was capitalised.

Research and Development

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

Amortisation Method and Period

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

Prototype is amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).

Amortisation method and useful lives are reviewed periodically including at each financial year end.

The management believes that the assigned useful lives and residual value are reasonable.

Investment Properties

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

Impairment of Non-financial Assets

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

Inventories

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

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

Leases

As a Lessee

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

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

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

i. the amount of the initial measurement of lease liability
ii. any lease payment made at or before the commencement date less any lease incentive received
iii. any initial direct cost; and
iv. restoration costs.

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

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss. Short term leases are leases with a lease term of less than 12 months or less.

As a Lessor

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

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

(i) Classification

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

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

- those to be measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt Instruments

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

- Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss when the asset is derecognised or impaired.

- Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in ‘Other Income/Other Expenses’.

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

(vi) Income Recognition

<u>Interest Income</u>

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss as part of other income.

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

<u>Dividends</u>

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

(vii) Fair Value of Financial Instruments

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

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Trade and Other Payables

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

Borrowings

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

Borrowings are removed from the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

Other Financial Liabilities

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

Derivatives Instruments

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

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The

legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Financial Guarantee Contracts

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

Cash and Cash Equivalents

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

Borrowing Costs

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

Revenue Recognition

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

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

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

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

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

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

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

<u>Sale of Products</u>

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

title of goods passes on to the customer basis the laid down criteria under the standard.

Revenue from sale of specialized products

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

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

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

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

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

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

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

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

Sale of Services

Revenue from service contracts is recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised at point in time on fulfilment of

respective performance obligation. In case, the service contracts include one performance obligation, and the revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

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

Other Operating Revenues

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

Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements are presented in Indian Rupee (Rupees or Rs.), which is the Parent Company's and a subsidiary's functional and the Group's presentation currency.

(ii) Transactions and Balances

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

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

Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation

and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

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

Defined Contribution Plans

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

(iii) Other Long-term Employee Benefits

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

(iv) Termination Benefits

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

Share Based Payments

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

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

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

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

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

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

Income Taxes

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

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

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

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

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

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

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

Provisions

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

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

Warranties

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

Liquidated Damages

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

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystallising against the Group in due course.

Onerous Contract

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

Contingencies

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

Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

- the profit / (loss) attributable to owners of the Parent Company
- by the weighted average number of equity shares outstanding during the period.

(ii) Diluted Earnings Per Equity Share

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

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

Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company.

Business Combinations

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

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

Government Grants

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

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

Dividends

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

Exceptional items

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

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contracts are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:

If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss in the same period in which the hedged item affects the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss.

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

Critical Estimates and Judgements

The preparation of Unaudited Interim Special Purpose Condensed Consolidated Financial Statements in

conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these Unaudited Interim Special Purpose Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses for the period presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

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

The areas involving critical estimates or judgements are:

Employee Benefits (Estimation of Defined Benefit Obligations)

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

Impairment of Trade and Other Receivables

The risk of uncollectibility of trade receivables and other receivables is primarily estimated based on prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history etc. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically. The Group uses specific identification method in determining the allowance for credit losses of trade receivable considering historical credit loss experience and is adjusted for forward looking information. Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Further, the Group has also applied the simplified approach for expected credit loss on trade receivable and contract assets.

Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets

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

Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time

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

Litigations, Claims and Contingencies

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in

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

Valuation of Deferred Tax Assets

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

Warranties and Liquidated Damages

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

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

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

Fair Value Measurements

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

Business Combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

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

Assets (or disposal groups) held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

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

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet.

New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

CHANGES TO SIGNIFICANT ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscal 2021, 2022, 2023 and in the six months ended September 30, 2023.

COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income consists of revenue from operations and other income.

Revenue from Operations

Our total revenue from operations is generated from the (i) sale of products; and (ii) other operating revenue.

Sale of Products

Sale of products comprises sale of finished goods manufactured by us at our manufacturing facilities for domestic and export markets and raw materials and components. Our sale of finished goods primarily includes freight wagons and passenger coaches, while sale of raw materials and components includes certain components / raw materials of freight and passenger coaches.

Other Operating Revenue

Other operating income primarily includes income from sales of scrap and others that includes export incentives.

Other income

Other income primarily consists of interest income on (i) financial assets, recognised at amortised cost; (ii) bank deposits; (iii) net foreign exchange fluctuations and fair value gain or loss; (iv) unspent liabilities/ provisions no longer required written back; (v) net gain on sale of investments; (vi) net gain on disposal of property, plant and equipment; (vii) insurance claims received; (viii) loans to subsidiaries; (ix) other non-operating income, which includes recovery against bad debts; and (x) fair value gain on investment FVTPL.

Expenses

Cost of Raw Materials and Components Consumed

Our total cost of materials consumed primarily comprises cost of steel, aluminium wheels sets and other components for freight and passenger rolling stock.

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

Increase in inventories refers to work-in-progress, finished goods and saleable scrap incurred in the ordinary course of our business.

Employee Benefits

Our employee benefit expense comprise salaries, wages, and bonus, gratuity expense, employee stock options expense, contribution to provident and other funds, and staff welfare expenses.

Finance Costs

Finance costs include interest expense on borrowings, interest and finance charges on lease liabilities, bank charges and other borrowing costs.

Depreciation and Amortisation

Depreciation and amortisation include the expense incurred by way of depreciation on property, plant and equipment, right of use assets and amortization of intangible assets.

Other Expenses

Other expenses primarily consist of cost of consumption of stores and spares, job processing and other machining charges (including contract labour charges), travelling and professional fees, power and fuel expenses, design and development expenses, repairs of plant, machinery and buildings, rent and hire charges, rates and taxes, insurance costs and legal professional fees.

Tax Expense

Tax expense represent the sum of taxes currently payable and deferred taxes. It includes tax adjustments for earlier years.

RESULTS OF OPERATIONS

Results of Operations for the six months ended September 30, 2022 and September 30, 2023 as per Unaudited Consolidated Financial Results

The following table sets forth certain information with respect to our results of operations, on a consolidated basis, for the periods indicated:

Particulars	Six months ended September 30,			
	2022		2023	
	Amount (₹ lakhs)	Percentage of Total Income	Amount (₹ lakhs)	Percentage of Total Income
Income				
Revenue from operations	1,03,897.21	97.63%	1,84,621.04	99.43%
Other income	2,520.28	2.37%	1,065.93	0.57%
Total Income	**1,06,417.49**	**100.00%**	**1,85,686.97**	**100.00%**
Cost of Raw Materials and Components Consumed	83,097.07	78.09%	1,40,633.17	75.74%
Changes in Inventories of Finished Goods, Work-in-Progress and Saleable Scrap	(3,484.61)	(3.27)%	2,716.55	1.46%
Employee Benefits Expense	2,545.79	2.39%	3,308.09	1.78%
Finance Costs	3,546.25	3.33%	3,938.55	2.12%
Depreciation and Amortisation Expense	1,070.98	1.01%	1,332.30	0.72%
Other Expenses	12,209.41	11.47%	15,843.91	8.53%
Total Expenses	**98,984.89**	**93.02%**	**1,67,772.57**	**90.35%**
Profit before Share of Loss of Joint Ventures or Associates, Exceptional Items and Tax	**7,432.60**	**6.98%**	**17,914.40**	**9.65%**
Share of Loss of Joint Venture or Associate	(165.64)	(0.16)%	(49.15)	(0.03)%
Profit before Exceptional Items and Tax	7,266.96	6.83%	17,865.25	**9.62%**
Exceptional Items	-	-	-	-
Profit before Tax from Continuing Operations	**7,266.96**	**6.83%**	**17,865.25**	**9.62%**
Tax Expense				
Current Tax	1,931.40	1.81%	4,944.25	2.66%
Deferred tax	(143.49)	(0.13)%	(297.12)	(0.16)%
Total Tax Expense	1,787.91	1.68%	4,647.13	2.50%

Particulars	Six months ended September 30,			
	2022		2023	
	Amount (₹ lakhs)	Percentage of Total Income	Amount (₹ lakhs)	Percentage of Total Income
Profit for the Period from Continuing Operations	**5,479.05**	**5.15%**	**13,218.12**	**7.12%**
Discontinued Operations				
Loss from discontinued operations before tax	(986.30)	(0.93)%	19.00	0.01%
Tax expense of discontinued operations	-	-	-	-
Profit / (Loss) for the Period from discontinued operations	**(986.30)**	**(0.93)%**	**19.00**	**0.01%**
Profit for the Period after Tax	**4,492.75**	**4.22%**	**13,237.12**	**7.13%**

SIX MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2022 AS PER UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Income

Our total income increased by 74.49% from ₹ 1,06,417.49 lakhs for the six months ended September 30, 2022 to ₹ 1,85,686.97 lakhs for the six months ended September 30, 2023. This increase was primarily due to an increase in revenue from operations.

Revenue from Operations

Our revenue from operations increased by 77.70% from ₹ 1,03,897.21 lakhs in the six months ended September 30, 2022 to ₹ 1,84,621.04 lakhs in the six months ended September 30, 2023. This increase was primarily due to an increase in our sale of products.

Other Income

Other income decreased by 57.71% from ₹ 2,520.28 lakhs in the six months ended September 30, 2022 to ₹ 1,065.93 lakhs in the six months ended September 30, 2023, primarily due to decrease in net foreign exchange fluctuations and fair value (gain)/ loss on derivatives not designated as hedges.

Expenses

Cost of Raw Materials and Components Consumed

Our cost of raw materials and components consumed increased by 69.24% from ₹ 83,097.07 lakhs in the six months ended September 30, 2022 to ₹ 140,633.17 lakhs in the six months ended September 30, 2023 on account of increase in production volume.

Changes in Inventories of Finished Goods, Work in Progress and Saleable Scrap

Our changes in inventories of finished goods, work in progress and saleable scrap was ₹ (3,484.61) lakhs in the six months ended September 30, 2022, compared to ₹ 2,716.55 lakhs in the six months ended September 30, 2023. This was primarily due to change in production volumes.

Employee Benefits Expense

Our employee benefits expense increased by 29.94% from ₹ 2,545.79 lakhs in the six months ended September 30, 2022 to ₹ 3,308.09 lakhs in the six months ended September 30, 2023. This was primarily due to increase in salaries wages and bonus and as a result of increase in permanent employees.

Finance Costs

Our finance costs increased by 11.06% from ₹ 3,546.25 lakhs in the six months ended September 30, 2022 to ₹ 3,938.55 lakhs in the six months ended September 30, 2023. This increase was primarily due to an increase in the working capital limits (fund based and non fund based) availed during the six months ended September 30, 2023.

Depreciation and Amortisation Expense

Our depreciation and amortisation expense increased by 24.40% from ₹ 1,070.98 lakhs in the six months ended September 30, 2022 to ₹ 1,332.30 lakhs in the six months ended September 30, 2023 on account of increase in the gross block in the six months ended September 30, 2023.

Other Expenses

Our other expenses increased by 29.77% from ₹ 12,209.41 lakhs in the six months ended September 30, 2022 to ₹ 15,843.91 lakhs in the six months ended September 30, 2023, primarily due to increase in certain direct costs like consumption of stores and spares, job processing and other charges etc. which are directly related to increase in sales volume.

Profit before Share of Loss of Joint Ventures or Associates, Exceptional Items and Tax

Profit before share of loss of joint ventures or associates, exceptional items and tax increased significantly by 141.02 % from ₹ 7,432.60 lakhs in the six months ended September 30, 2022 to ₹ 17,914.40 lakhs in the six months ended September 30, 2023, primarily due to an increase in revenue from operations

Share of Loss of Joint Venture or Associate

Share of loss of joint venture or associate was ₹ 165.64 lakhs in the six months ended September 30, 2022 while the share of loss of joint venture or associate was ₹ 49.15 lakhs in the six months ended September 30, 2023.

Profit before Tax from Continuing Operations

Profit before tax from continuing operations increased from ₹ 7,266.96 lakhs in the six months ended September 30, 2022 to ₹ 17,865.25 lakhs in the six months ended September 30, 2023.

Tax expense

Our total tax expense increased from ₹ 1,787.91 lakhs in the six months ended September 30, 2022 to ₹ 4,647.13 lakhs in the six months ended September 30, 2023. Our current tax increased from ₹ 1,931.40 lakhs in the six months ended September 30, 2022 to ₹ 4,944.25 lakhs in the six months ended September 30, 2023, which was primarily due to the increase in taxable income due to higher profit before tax.

We had a deferred tax credit of ₹ 143.49 lakhs in the six months ended September 30, 2022 compared to a deferred tax credit of ₹ 297.12 lakhs in the six months ended September 30, 2023.

Profit for the Period from Continuing Operations

Primarily for the reasons stated above, our profit for the period increased from ₹ 5,479.05 lakhs in the six months ended September 30, 2022 to ₹ 13,218.12 lakhs in the six months ended September 30, 2023.

Results of Operations for Fiscal 2021, 2022 and 2023

The following table sets forth certain information with respect to our results of operations, on a consolidated basis, for the years indicated:

Particulars	Fiscal					
	2021		2022		2023	
	Amount (₹ lakhs)	Percentage of Total Income	Amount (₹ lakhs)	Percentage of Total Income	Amount (₹ lakhs)	Percentage of Total Income
Income						
Revenue from operations	1,52,063.95	98.39%	1,93,079.19	98.18%	2,77,959.04	98.49%
Other income	2,485.92	1.61%	3,583.56	1.82%	4,258.30	1.51%
Total Income	**1,54,549.87**	**100.00%**	**1,96,662.75**	**100.00%**	**2,82,217.34**	**100.00%**
Cost of Raw Materials and Components Consumed	1,04,566.24	67.66%	1,22,625.04	62.35%	2,16,530.39	76.72%
Changes in Inventories of Finished Goods, Work-in-Progress and Saleable Scrap	(5,224.37)	(3.38)%	(1,797.09)	(0.91)%	(1,536.56)	(0.54)%
Employee Benefits Expense	21,056.99	13.62%	22,350.93	11.37%	5,652.64	2.00%
Finance Costs	8,119.93	5.25%	9,339.50	4.75%	8,074.67	2.86%
Depreciation and Amortisation Expense	2,986.76	1.93%	3,327.48	1.69%	2,250.35	0.80%
Other Expenses	23,601.37	15.27%	36,607.93	18.61%	30,963.52	10.97%
Total Expenses	**1,55,106.92**	**100.36%**	**1,92,453.79**	**97.86%**	**2,61,935.01**	**92.81%**
Profit / (Loss) before Share of Net Loss of Joint Ventures or Associates Accounted for Using the Equity Method, Exceptional Items and Tax	**(557.05)**	**(0.36)%**	**4,208.96**	**2.14%**	**20,282.33**	**7.19%**
Share of Loss of Joint Venture or Associate	(0.65)	(0.00)%	-	-	(1,272.63)	**(0.45)%**
Profit/(Loss) before Exceptional Items and Tax	(557.70)	(0.36)%	4,208.96	2.14%	19,009.70	6.74%
Exceptional Items	-	-	1,313.44	0.67%	-	-
Profit / (Loss) before Tax from Continuing Operations	**(557.70)**	**(0.36)%**	**2,895.52**	**1.47%**	**19,009.70**	**6.74%**
					Tax Expense	
Current Tax	176.96	0.11%	2,751.37	1.40%	5,305.50	1.88%
Deferred tax	1,143.99	0.74%	212.70	0.11%	240.87	0.09%
Total Tax Expense	**1,320.95**	**0.85%**	**2,964.07**	1.51%	5,546.37	1.97%
Profit for the Year from Continuing Operations	**(1,878.65)**	**(1.22)%**	**(68.55)**	**(0.03)%**	**13,463.33**	**4.77%**
					Discontinued Operations	
Loss from discontinued operations before tax	-	-	-	-	(891.70)	(0.32)%
Tax expense of discontinued operations	-	-	-	-	-	
Profit / (Loss) for the Year after tax from discontinued operations	-	-	-	-	(891.70)	(0.32)%
Profit / (Loss) for the Year after Tax	**(1,878.65)**	**(1.22)%**	**(68.55)**	**(0.03)%**	**12,571.63**	**4.45%**

FISCAL 2023 COMPARED TO FISCAL 2022

Total Income

Our total income increased by 43.50% from ₹ 1,96,662.75 lakhs in Fiscal 2022 to ₹ 2,82.217.34 lakhs in Fiscal 2023. This increase was primarily due to an increase in revenue from operations.

Revenue from Operations

Our revenue from operations increased by 43.96% from ₹ 1,93,079.19 lakhs in Fiscal 2022 to ₹ 2,77,959.04 lakhs in Fiscal 2023. This increase was primarily due to an increase in our sale of products, services and other operating revenues, which are discussed below.

Sale of Products

Our sale of products increased by 44.61 % from ₹ 190,535.47 lakhs in Fiscal 2022 to ₹ 2,75,531.45 lakhs in Fiscal 2023, which was primarily due to an increase in the demand for our products.

Other Operating Revenues

Our total other operating revenues decreased by 4.57% from ₹ 2,543.72 lakhs in Fiscal 2022 to ₹ 2,427.59 lakhs in Fiscal 2023. This was primarily due to a decrease in scrap sales by 14.65% from ₹ 2,543.72 lakhs in Fiscal 2022 to ₹ 2,171.09 lakhs in Fiscal 2023.

Other Income

Other income increased by 18.83% from ₹ 3,583.56 lakhs in Fiscal 2022 to ₹ 4,258.30 lakhs in Fiscal 2023, primarily due to increase in interest income by 31.76% from ₹ 576.38 lakhs in Fiscal 2022 to ₹ 759.41 lakhs in Fiscal 2023 and increase in net foreign exchange fluctuations and fair value (gain)/ loss on derivatives not designated as hedges from nil in Fiscal 2022 to ₹ 2,695.33 lakhs in Fiscal 2023 which was partially offset by decrease in other non-operating income by 88.51% from ₹ 1,810.83 lakhs in Fiscal 2022 to ₹ 208.08 lakhs in Fiscal 2023.

Expenses

Cost of Raw Materials and Components Consumed

Our cost of raw materials and components consumed increased by 76.58% from ₹ 122,625.04 lakhs in Fiscal 2022 to ₹ 216,530.39 lakhs for Fiscal 2023. This was primarily due to increase in production volume.

Changes in inventories of Finished Goods, Work in Progress and Saleable Scrap

Our changes inventories of finished goods, work in progress and saleable scrap was ₹ (1,797.09) lakhs in Fiscal 2022, compared to ₹ (1,536.56) lakhs in Fiscal 2023. This was primarily due to increase in our production and sales of our product.

Employee Benefits Expense

Our employee benefits expense decreased by 74.71% from ₹ 22,350.93 lakhs in Fiscal 2022 to ₹ 5,652.64 lakhs in Fiscal 2023. This was primarily due to deconsolidation of Firema which ceased to be our subsidiary with effect from September 8, 2022.

Finance Costs

Our finance costs decreased by 13.54% from ₹ 9,339.50 lakhs in Fiscal 2022 to ₹ 8,074.67 lakhs in Fiscal 2023, primarily due to a decrease in interest expense on financial liabilities carried at amortised costs – borrowings, etc. from ₹ 6,715.11 lakhs in Fiscal 2022 to ₹ 5,893.32 lakhs in Fiscal 2023 and decrease in other borrowing costs (bank charges, etc) from ₹ 2,400.58 lakhs in Fiscal 2022 to ₹ 1,606.21 lakhs in Fiscal 2023, which was partially offset by increase in interest and finance charge on lease liabilities from ₹ 223.81 lakhs in Fiscal 2022 to ₹ 575.14 lakhs in Fiscal 2023.

Depreciation and Amortisation

Our depreciation and amortisation expense decreased by 32.37% from ₹ 3,327.48 lakhs in Fiscal 2022 to ₹ 2,250.35 lakhs in Fiscal 2023 on account of deconsolidation of Firema which ceased to be our subsidiary with effect from September 8, 2022.

Other Expenses

Our other expenses decreased by 15.42% from ₹ 36,607.93 lakhs in Fiscal 2022 to ₹ 30,963.52 lakhs in Fiscal 2023, primarily due to decrease in job processing and other machining charges (including contract labour charges) from ₹ 10,768.59 lakhs in Fiscal 2022 to ₹ 9,454.35 lakhs in Fiscal 2023, decrease in rent and hire charges from ₹ 507.20 lakhs in Fiscal 2022 to ₹ 102.57 lakhs in Fiscal 2023 and decrease in miscellaneous expenses from ₹ 4,206.34 lakhs in Fiscal 2022 to ₹ 1,960.92 lakhs in Fiscal 2023.

Tax expense

Our total tax expense increased from ₹ 2,964.07 lakhs in Fiscal 2022 to ₹ 5,546.37 lakhs in Fiscal 2023 primarily due to increase in profit before tax.

Profit for the Year

Primarily for the reasons stated above, our profit/ (loss) for the year after tax increased from ₹ (68.55) lakhs in Fiscal 2022 to ₹ 12,571.63 lakhs in Fiscal 2023.

FISCAL 2022 COMPARED TO FISCAL 2021

Total Income

Our total income increased by 27.25% from ₹ 1,54,549.87 lakhs in Fiscal 2021 to ₹ 1,96,662.75 lakhs in Fiscal 2022. This increase was primarily due to an increase in revenue from operations.

Revenue from Operations

Our revenue from operations increased by 26.97% from ₹ 1,52,063.95 lakhs in Fiscal 2021 to ₹ 1,93,079.19 lakhs in Fiscal 2022. This increase was primarily due to an increase in our sale of products, services and other operating revenues, which are discussed below.

Sale of Products

Our sale of products increased by 27.22% from ₹ 1,49,768.60 lakhs in Fiscal 2021 to ₹ 1,90,535.47 lakhs in Fiscal 2022, which was primarily due to an increase in the demand for our products.

Other Operating Revenues

Our total other operating revenues increased by 10.82% from ₹ 2,295.35 lakhs in Fiscal 2021 to ₹ 2,543.72 lakhs in Fiscal 2022. This was primarily due to an increase in scrap sales by 11.44% from ₹ 2,282.51 lakhs in Fiscal 2021 to ₹ 2,543.72 lakhs in Fiscal 2022.

Other Income

Other income increased by 44.15% from ₹ 2,485.92 lakhs in Fiscal 2021 to ₹ 3,583.56 lakhs in Fiscal 2022, primarily due to increase in interest income by 33.55% from ₹ 431.59 lakhs in Fiscal 2021 to ₹ 576.38 lakhs in Fiscal 2022, increase in other non-operating income by 15.85% from ₹ 1,563.11 lakhs in Fiscal 2021 to ₹ 1,810.83 lakhs in Fiscal 2022 and increase in insurance claim received from nil in Fiscal 2021 to ₹ 684.28 lakhs in Fiscal 2022.

Expenses

Cost of Raw Materials and Components Consumed

Our cost of raw materials and components consumed increased by 17.27% from ₹ 1,04,566.24 lakhs in Fiscal 2021 to ₹ 1,22,625.04 lakhs for Fiscal 2022. This was primarily due to increase in production volume.

Changes in inventories of Finished Goods, Work in Progress and Saleable Scrap

Our changes in inventories of finished goods, work in progress and saleable scrap was ₹ (5,224.37) lakhs in Fiscal 2021, compared to ₹ (1,797.09) lakhs in Fiscal 2022. This was primarily due to change in production volume.

Employee Benefits Expense

Our employee benefits expense increased by 6.14% from ₹ 21,056.99 lakhs in Fiscal 2021 to ₹ 22,350.93 lakhs in Fiscal 2022. This was primarily due to increase in salaries, wages and bonus from ₹ 20,626.44 lakhs in Fiscal 2021 to ₹ 21,831.61 lakhs in Fiscal 2022, as a result of increase in number of permanent employees.

Finance Costs

Our finance costs increased by 15.02%% from ₹ 8,119.93 lakhs in Fiscal 2021 to ₹ 9,339.50 lakhs in Fiscal 2022. This increase was primarily due to an increase in interest expense on financial liabilities carried at amortised costs – borrowings, etc. from ₹ 6,328.22 lakhs in Fiscal 2021 to ₹ 6,715.11 lakhs in Fiscal 2022 and increase in other borrowing costs (bank charges, etc) from ₹ 1,787.95 lakhs in Fiscal 2021 to ₹ 2,400.58 lakhs in Fiscal 2022.

Depreciation and Amortisation

Our depreciation and amortisation expense increased by 11.41% from ₹ 2,986.76 lakhs in Fiscal 2021 to ₹ 3,327.48 lakhs in Fiscal 2022 on account of increase in gross block of tangible and intangible assets.

Other Expenses

Our other expenses increased by 55.11% from ₹ 23,601.37 lakhs in Fiscal 2021 to ₹ 36,607.93 lakhs in Fiscal 2022, primarily due to increase in job processing and other machining charges (including contract labour charges) from ₹ 6,941.90 lakhs in Fiscal 2021 to ₹ 10,768.59 lakhs in Fiscal 2022, increase in consumption of stores and spares from ₹ 2,972.32 lakhs in Fiscal 2021 to ₹ 4,996.13 lakhs in Fiscal 2022, increase in power and fuel from ₹ 3,422.12 lakhs in Fiscal 2021 to ₹ 4,521.69 lakhs in Fiscal 2022 and increase in miscellaneous expenses from ₹ 2,885.20 lakhs in Fiscal 2021 to ₹ 4,206.34 lakhs in Fiscal 2022.

Tax expense

Our total tax expense increased from ₹ 1,320.95 lakhs in Fiscal 2021 to ₹ 2,964.07 lakhs in Fiscal 2022 primarily due to increase in profit before tax.

Profit for the Year

Primarily for the reasons stated above, our loss for the year after tax decreased from ₹ (1,878.65) lakhs in Fiscal 2021 to ₹ (68.55) lakhs in Fiscal 2022.

SEGMENT INFORMATION IN ACCORDANCE WITH IND AS 108 – OPERATING SEGMENTS

During the last quarter of Fiscal 2023, considering the changes in the overall business activities and internal re-organization, the operating segments were re-assessed, and the "Shipbuilding, Bridges and Defence" segment was merged with freight rolling stock. Accordingly, the operating segments of our Company have been identified as "Freight Rail Systems" (which includes Shipbuilding Bridges and Defence) and "Passenger Rail Systems".

Particulars	For the year ended March 31,			For six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ lakhs)				
Segment Revenue					
Freight Rolling Stock	96,374.16	1,21,436.40	2,25,093.47	79,625.89	1,54,694.01
Passenger Rolling Stock	54,107.07	65,771.68	52,865.57	20,767.09	29,927.03
Shipbuilding, Bridges and Defence	329.62	5,871.11	-	3,504.23	-
Others	1,253.10	-	-		-
Revenue from operations	**1,52,063.95**	**1,93,079.19**	**2,77,959.04**	**1,03,897.21**	**1,84,621.04**
Segment Results					
Freight Rolling Stock	12,377.74	15,781.12	23,570.94	8,211.04	20,489.63
Passenger Rolling Stock	(4,282.63)	(4,077.62)	2,198.13	685.47	997.35
Shipbuilding, Bridges and Defence	(229.81)	1,521.35	-	544.18	-
Others	(177.35)	-	-	-	-
Segment Results Profit/ (Loss) before tax	**7,687.95**	**13,224.85**	**25,769.07**	**9,440.69**	**21,486.98**

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements arise principally from our operating activities, working capital requirements, capital expenditures for maintenance and expansion activities, the repayment of borrowings and debt service obligations. Our sources of liquidity for Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023 were cash generated from operating activities and borrowings. We expect that our primary sources of liquidity will continue to be cash generated from operating activities and borrowings, as well as the net proceeds from the Issue. As at September 30, 2023, we held cash and cash equivalents of ₹ 9,668.02 lakhs.

CASH FLOWS

The following table sets forth cash flow information for Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023:

Particulars	Fiscal			Six months ended September 30,	
	2021	2022	2023	2022	2023
	(₹ lakhs)				
Net cash flow from/ (used in) operating activities	6,775.60	5,458.89	4,091.68	469.86	(14,743.99)
Net cash (used in) investing activities	(7,207.31)	(6,948.04)	(6,135.17)	(1,900.95)	(7,946.26)
Net cash flow from/ (used in) financing activities	4,315.30	(5,270.60)	6,652.60	13,489.38	26,809.36
Net increase/ (decrease) in cash and cash equivalents	**4,673.87**	**(7,073.53)**	4,644.70	**11,945.03**	**4,127.47**
Cash and cash equivalents – Opening Balance	2,897.18	7,969.38	895.85	895.85	5,540.55
Cash and cash equivalents – Closing Balance	**7,969.38**	**895.85**	**5,540.55**	**12,840.88**	**9,668.02**

Operating Activities

Six months ended September 30, 2023

Net cash used in operating activities was ₹ 14,743.99 lakhs. Our profit before tax was ₹ 17,884.25 lakhs, which was primarily adjusted for finance costs of ₹ 3,938.55 lakhs and depreciation and amortisation expense of ₹ 1,332.30 lakhs, along with other adjustments, resulting in an operating profit before changes in operating assets and liabilities of ₹ 23,251.14 lakhs. The key adjustments in operating assets and liabilities primarily included (i)

an increase in trade receivables of ₹ 34,630.96 lakhs, (ii) decrease in trade payables of ₹ 6,109.28 lakhs, and (iii) increase in other non-current and current financial and non-financial assets of ₹ 6,917.62 lakhs.

Six months ended September 30, 2022

Net cash flow from our operating activities was ₹ 469.86 lakhs. Our profit before tax was ₹ 6,280.66 lakhs, which was primarily adjusted for depreciation and amortization expense of ₹ 1,721.70 lakhs and finance costs of ₹ 5,240.44 lakhs, along with other adjustments, resulting in operating assets and liabilities of ₹ 8,924.48 lakhs. The key adjustments in operating assets and liabilities primarily included (i) increase in non-current and current financial and non-financial liabilities and provisions of ₹ 24,111.94 lakhs, (ii) increase in inventories of ₹ 13,894.13 lakhs and increase in trade receivables of ₹ 10,524.37 lakhs.

Fiscal 2023

Net cash flow from our operating activities was ₹ 4,091.68 lakhs in Fiscal 2023. Our profit before tax was ₹ 18,118.00 lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹ 2,250.35 lakhs, finance costs of ₹ 8,074.67 lakhs and discontinued operations – non cash portion of ₹ (3,481.51) lakhs, along with other adjustments, resulting in an operating profit before changes in operating assets and liabilities of ₹ 26,001.65 lakhs. The key adjustments in operating assets and liabilities primarily included (i) an increase in contract liabilities of ₹ 22,899.69 lakhs, (ii) increase in contract assets of ₹ 17,296.90 lakhs and increase in inventories of ₹ 17,277.43 lakhs.

Fiscal 2022

Net cash flow from our operating activities was ₹ 5,458.89 lakhs in Fiscal 2022. Our Profit before tax was ₹ 2,895.52 lakhs, which was adjusted primarily for depreciation and amortization expenses of ₹ 3,327.48 lakhs, warranty claims (net) of ₹ 3,390.93 lakhs and finance costs of ₹ 9,339.50 lakhs, along with other adjustments, resulting in an operating profit before changes in operating assets and liabilities of ₹ 20,615.82 lakhs. The key adjustments in operating assets and liabilities primarily included (i) increase in trade receivables of ₹ 10,520.92 lakhs and (iii) an increase in inventories of ₹ 14,182.39 lakhs.

Fiscal 2021

Net cash flow from our operating activities was ₹ 6,775.60 lakhs in Fiscal 2021. Our loss before tax including discontinued operations was ₹ (557.70) lakhs, which was adjusted primarily for depreciation and amortization expense of ₹ 2,986.76 lakhs and finance costs of ₹ 8,119.93 lakhs, along with other adjustments, resulting in an operating profit before changes in operating assets and liabilities of ₹10,092.75 lakhs. The key adjustments operating assets and liabilities primarily included (i) an increase in non-current and current financial and non-financial assets of ₹ 11,892.63 lakhs and (ii) increase in non-current and current financial and non-financial liabilities and provisions of ₹ 7,467.18 lakhs.

Investing Activities

Six months ended September 30, 2023

Net cash used in investing activities was ₹ 7,946.26 lakhs, which was primarily due to payments of acquisition of property, plant and equipment including capital work-in-progress and intangible assets of ₹ 5,846.40 lakhs and fixed deposits made of ₹ 5,634.66 lakhs. This was partially offset by fixed deposits matured of ₹ 3,184.43 lakhs.

Six months ended September 30, 2022

Net cash used in investing activities was ₹ 1,900.95 lakhs, which was primarily due to payments of acquisition of property, plant and equipment including capital work-in-progress and intangible assets of ₹ 665.49 lakhs and fixed deposits made of ₹ 1,884.21 lakhs. This was partially offset by fixed deposits matured of ₹ 543.97 lakhs.

Fiscal 2023

Net cash used in investing activities was ₹ 6,135.17 lakhs in Fiscal 2023, which was primarily due to payments of acquisition of property, plant and equipment including capital work-in-progress, intangible assets and

intangible assets under development of ₹ 3,674.09 lakhs and fixed deposits made of ₹ 7,125.07 lakhs. This was partially offset by fixed deposits matured of ₹ 4,053.43 lakhs.

Fiscal 2022

Net cash used in investing activities was ₹ 6,948.04 lakhs during Fiscal 2022, which was primarily due to payments of acquisition of property, plant and equipment including capital work-in-progress, intangible assets and intangible assets under development of ₹ 10,217.70 lakhs and fixed deposits made of ₹ 10,191.89 lakhs. This was partially offset by fixed deposits matured of ₹ 12,079.58 lakhs.

Fiscal 2021

Net cash used in investing activities was ₹ 7,207.31 lakhs during Fiscal 2021, which was primarily due to payments of acquisition of property, plant and equipment including capital work-in-progress, intangible assets and intangible assets under development of ₹ 5,999.31 lakhs and fixed deposits made of ₹ 6,800.72 lakhs. This was partially offset by fixed deposits matured of ₹ 5,256.21 lakhs.

Financing Activities

Six months ended September 30, 2023

Net cash from financing activities was ₹ 26,809.36 lakhs, primarily owing to receipts of securities premium of ₹ 28,728.00 lakhs and receipts of short-term borrowings (net) of ₹ 3,404.66 lakhs. This was partially offset by repayment of long-term borrowings of ₹ 2,365.00 lakhs and finance costs paid of ₹ 2,365.55 lakhs.

Six months ended September 30, 2022

Net cash from financing activities was ₹ 13,489.38 lakhs, primarily owing to receipts of short-term borrowings of ₹ 15,966.93 lakhs. This was partially offset by finance costs paid of ₹ 3,769.78 lakhs.

Fiscal 2023

Net cash from financing activities was ₹ 6,652.60 lakhs during Fiscal 2023, primarily owing to receipts of short-term borrowings (net) of ₹ 10,798.89 lakhs and proceeds from long-term borrowings of ₹ 4,962.50 lakhs. This was partially offset by finance costs paid of ₹ 5,193.50 lakhs, repayment of long-term borrowings of ₹ 2,705.02 lakhs and repayment of loan from related party of ₹ 2,000.00 lakhs.

Fiscal 2022

Net cash used in financing activities was ₹ 5,270.60 lakhs during Fiscal 2022, primarily owing to repayment of long-term borrowings of ₹ 10,325.53 lakhs and finance costs paid of ₹ 6,295.23 lakhs. This was partially offset by receipt of short-term borrowings (net) of ₹ 9,571.73 lakhs.

Fiscal 2021

Net cash flow from financing activities was ₹ 4,315.30 lakhs in Fiscal 2021, primarily due to proceeds from long-term borrowings of ₹ 11,162.04 lakhs and receipts/ (payments) of short-term borrowings (net) of ₹ 4,147.15 lakhs. This was partially offset by finance cost paid of ₹ 6,358.01 lakhs and repayment of long-term borrowings of ₹ 4,650.00 lakhs.

BORROWINGS

Our borrowings as at September 30, 2023 are all secured and are set out below based on our Unaudited Interim Condensed Consolidated Financial Statements:

Particulars	As at September 30, 2023 (₹ lakhs)
Non-current borrowings	4,355.53
Current borrowings	21,683.67
Total borrowings	**26,039.20**

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES

The following table sets forth contractual maturities of financial liabilities as at September 30, 2023 based on our Unaudited Interim Condensed Consolidated Financial Statements:

	Total	Up to one year	One year to three years	Three years to five years	More than five years
	(₹ lakhs)				
Interest accrued and not due on Borrowings	118.25	118.25	-	-	-
Unpaid Dividends	8.29	8.29	-	-	-
Unpaid fractional share	8.59	8.59	-	-	-
Employee Related Liabilities	794.08	794.08	-	-	-
Payable for Purchase of Property, Plant and Equipment	617.37	617.37	-	-	-
Other Liabilities	1,500.00	1,500.00	-	-	-
Total	**3,046.58**	**3,046.58**	-	-	-

Capital Expenditure

In Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022, our gross additions to plant and equipments were ₹ 1,206.91 lakhs, ₹ 4,982.00 lakhs, ₹ 1,264.66 lakhs and ₹ 95.16 lakhs, respectively. Based on our Unaudited Interim Condensed Consolidated Financial Statements, our gross additions to plant and equipments for the six months ended September 30, 2023 was ₹ 91.96 lakhs.

The following table sets forth our fixed assets as at year/ period end, as indicated, based on our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
	(₹ lakhs)				
Property, Plant and Equipment (I)	83,303.29	87,901.56	61,998.03	61,046.31	61,410.20
Capital Work in Progress (II)	1,622.89	1,518.05	1,227.91	458.58	5,849.92
Total Fixed Assets (III = I + II)	**84,926.18**	**89,419.61**	**63,225.94**	**61,504.89**	**67,260.12**

CONTINGENT LIABILITIES AND COMMITMENTS

The following table sets forth certain information relating to our contingent liabilities/ claims against the group not acknowledged as debts as at September 30, 2023, as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, based on our Unaudited Interim Condensed Consolidated Financial Statements:

Particulars	As at September 30, 2023 (₹ lakhs)
Disputed claims contested by the Group and pending at various courts/arbitration	3,826.58
Income tax authorities	4,845.72
Custom and Excise Authorities	13,610.73
Goods & service tax Authorities	181.52
Sales tax authorities	2,510.17
Total	**26,165.26**

(a) Erstwhile Cimmco Limited (since merged with the Company) had prior to the year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of ₹ 1,128.95 lakhs on erstwhile Cimmco Limited (since merged with the Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with

ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Parent Company believes that there would not be any liability that would crystallise on account of the above.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

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

Foreign Currency Risk

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

Equity Price Risk

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

We only invest in the equity shares of some of the group companies as part of our overall business strategy and policy. We manage the equity price risk through placing limits on individual and total equity investment in each of group companies based on the respective business plan of each of the companies. Reports on the investment portfolio along with the financial performance of the group companies are submitted to our management on a regular basis.

Our Company's Board of Directors reviews and approves all investment decisions.

Our investment in quoted equity instruments is not material.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to risk of changes in market interest rates relates primarily to our debt interest obligation. Further we engage in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. We continuously monitor the situation and take remedial actions if required. Our investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade

receivables and loans / deposits) and from investing activities (primarily deposits with banks). Our maximum exposure to credit risk for the components of the balance sheet as at September 30, 2023 is their carrying amounts except for the financial guarantees.

Trade and Other Receivables

Customer credit risk is managed by us through established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. We have a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. We use specific identification method in determining the allowance for credit losses of trade receivable considering prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history, forward looking information etc. receivables are deemed to be past due or impaired with reference to our normal terms and conditions of business.

These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Further we have also applied the simplified approach for expected credit loss based on trade receivable and contract assets which resulted in the default risk being up to 6.81% in respect of various categories of customers, which is not significant.

Other Financial Assets and Deposits

Credit risk from balances with banks, deposits, etc. is managed by our finance department. Investments of surplus funds are made only with approved counterparties in accordance with our policy.

Liquidity Risks

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

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

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

RESERVATIONS, QUALIFICATIONS, OR ADVERSE REMARKS OF OUR AUDITORS IN THE LAST FIVE FISCALS IMMEDIATELY PRECEDING THE YEAR OF THIS PRELIMINARY PLACEMENT DOCUMENT

Except as set out below, there are no reservations, qualifications or adverse remarks of our Statutory Auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document:

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Fiscal/ Period	Reservation/ qualification and adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
Fiscal 2019	***Qualified Opinion paragraph in the audited consolidated financial statements***		
	"*We draw your attention to Note 45 to the Financial Statements regarding public shareholding in the company being 20.512% as at March 31, 2019, which is below the minimum requirement of 25% under Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957. The consequential impact of the aforesaid non-compliance, if any, is presently not ascertainable.*"	There is no material impact of this on the consolidated financial statements	The public shareholding in Cimmco had fallen below 25% due to the allotment of further shares by Cimmco to Titagarh Wagons Limited (the Company), the only shareholder of Titagarh Agrico Private Limited (TAPL), pursuant to the Scheme of Amalgamation of TAPL with Cimmco sanctioned by an Order of the Hon'ble National Company Law Tribunal (NCLT) effective from 14th November, 2017. Although the allotment was made on 02/12/2017, the 72,00,000 equity shares so allotted could be credited to the Company's demat account only on May 25, 2018 after the requisite listing approvals were received. The Company came out with two Offers for Sale (OFS) on 14/11/2018 and 26/12/2018, but due to low demand, could sell only 557,968 shares representing 2.04% of the share capital of Cimmco. It was decided to issue the third OFS in early May 2019, however BSE has advised that the Company must wait for trading window to re-open before making the OFS. The third OFS made on 6th and 7th June, 2019 was oversubscribed in both Retail and Non Retail Categories and as a result, the minimum Public Shareholding of 25% in Cimmco has been achieved and the aforesaid qualified opinion stands addressed. The promoters holding in Cimmco now stands at 74.99% which includes the Company"s holding of 74.89%.
	"We draw your attention to the Material Uncertainty Relating to Going Concern paragraph included in the audit report of the special purpose financial statements of Titagarh Wagons AFR (a subsidiary company of the Holding Company) issued by the independent auditors vide their report dated May 29, 2019 reproduced as under: *We draw attention to Note 1 in the special purpose information. The events or conditions described in Note 1 in the special purpose information indicate that a*	No impact on the consolidated financial statements, since the Company had already provided for impairment of 100% value of investment in the French subsidiary amounting to Euro 16 million. Reference having been made to the Commercial Court of Paris (the Court), the start of the process on 4th June, 2019 is deemed	Since the entire investments was provided for in the books hence no further actions needed. Further the Parent company had filed for its claims with the Commercial Court of Paris towards its receivables.

Fiscal/ Period	Reservation/ qualification and adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
	material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."	as the date from which TWA is no longer in control of the Company and by an order dated 13th August, 2019 the Court has approved transfer of business and assets of TWA to another bidder and ordered its liquidation.	
Fiscal 2020	***Qualified Opinion paragraph in the Consolidated financial statements***		
	"*We draw your attention to Note 51 to the consolidated financial statements which states that the Group did not consolidate the financial results of Titagarh Wagons AFR (TWA) for the period from April 1, 2019 to June 4, 2019 in absence of financial information of TWA for that period for reasons mentioned in Note 51, as the Group did not have control over TWA from June 4, 2019 onwards, which has resulted in non-compliance with Ind AS 110 'Consolidated Financial Statements' for the year ended March 31, 2020.* *Further, the assets and liabilities of TWA were derecognized as at March 31, 2019 as against June 4, 2019, the date of loss of control. The consequential impact of the aforesaid matters on the financial results is presently not ascertainable.*"	On 4th June 2019, the Commercial Court of Paris approved the start of Rehabilitation Procedure and from said date, Parent Company was no longer in control of TWA, under French law. Accordingly, the Group derecognised the net asset value of TWA from its consolidated financial statements. The net asset value as on 4th June 2019 has been considered as the same value as appearing on 31st March 2019 since complete financial information including the financial statements from 1st April 2019 till 4th June 2019 was not available for TWA on account of loss of control. The de-recognition based on the net asset value as on 31st March 2019, instead of 4th June 2019 will not have any material impact on the total consolidated profit / (loss) before tax except disclosure under respective line items.	Since the entire investments was provided for in the books hence no further actions needed. Further the Parent company had filed for its claims with the Commercial Court of Paris towards its receivables.
Fiscal 2022	***Qualified Opinion paragraph in the Consolidated financial statements***		
	"*We draw your attention to the following paragraph (as reproduced) included in the audit report on the special purpose financial information of Titagarh Firema S.p.A (a subsidiary of the Holding Company) issued by other auditors vide their report dated May 27, 2022:* *As of 31 March 2022 the Company has a financial debt with two financial institution, according to the provisions of the reference accounting standards, that have to be classified as due within 12 months due to failure to comply with some financial parameters, pending the formalization of waiver letters with the banking class. As of 31 March 2022, however in the absence of a specific request by the banking class for an immediate repayment of the debt exposure, the company continues to report the financial debt as long term and specifically (i) to the Italian credit institution, equal to Euro 10 million (of which Euro 0,6 million withing twelve months and Euro 9,4 million beyond twelve months), and (ii) to the foreign credit institution, equal Euro 75,3 million (of which Euro 32,3 million withing twelve months and Euro 43 million beyond twelve months), maintaining the original classification in the special purpose financial information as required by the financial agreements. So, the Company,*	In case of TFA, The Tern loan agreements with the banks stipulates certain key financial ratios that needs to be complied with as on 31st March, 2022, all of which are note met. The Company has already applied for the waiver for testing of the said financial covenants which are not met with the respective banks. We have been informed by the banks that they have taken up our proposal with their competent authority on priority. Considering the ongoing discussions and email correspondences with the banks, the management is hopeful of receiving such waivers shortly, and moreover in the absence of a specific request by the banks for an immediate repayment of the debt exposure, the company continues to report the term loan repayable after one year as non-current in line with the terms of the existing loan	Waiver for breach of financial covenant has been received subsequently from the Bank and the matter stands resolved.

Fiscal/ Period	Reservation/ qualification and adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
	although contractually regulated, has not classified the previous amounts in the current liabilities in the special purpose financial information as of 31 March 2022."	agreements.	
Six months ended September 30, 2022	***Qualification included in the unaudited consolidated results for the quarter and half year ended September 30, 2022***		
	"*The Statement includes the financial information of Titagarh Firema Spa (TFA) for the quarter ended September 30, 2022, which has been consolidated by the Parent Company based on Management Accounts of TFA, as approved by their Board of Directors and for reasons stated in Note 3 to the Statement. TFA was a subsidiary of the Parent Company up to September 8, 2022, subsequent to which it became as associate. Accordingly, the Statement reflects loss from discontinued operations of Rs. 1,524.96 lakhs for the period July 1 to September 8, 2022 and share of loss of Rs. 165.64 lakhs for the period September 9, 2022 to September 30, 2022 as considered in the consolidated unaudited financial results. As the financial information of TFA has not been audited or reviewed by us or any other auditors, the consequential impact, if any, on the Statement is presently not ascertainable.*"	As the consolidated financial results for the quarter ended September 30, 2022 of Titagarh Firema SPA constitutes less than 20% of the consolidated revenue and profit after tax for the Group (threshold stipulated as per SEBI LODR), the same has been consolidated based on management accounts duly approved by the Board of Directors of Titagarh Firema SpA, in their meeting held on November 08, 2022 for the limited purpose of consolidation with the Parent Company. These results have not been subjected to audit / limited review due to internal time constraints owing to extensive organisational changes pursuant to the inclusion of the new shareholders and formation of the new Board of Directors which includes nominees from Invitalia, Government of Italy and international private equity investor. Further keeping in line with the general practice of the similar companies in the region, the statutory audits of financial statements are performed on a year-end basis. The management shall take necessary steps to obtain the audited special purpose financial statements as on September 8, 2022, for the purpose of accounting of loss of control, in due course but in any case, prior to the finalisation of the annual accounts of the Group, and necessary adjustments if any shall be accounted for in the same.	The audited special purpose financial statements as on September 8, 2022, for the purpose of accounting of loss of control, was completed during the year end audit of FY 2022-23 and the audit conclusion resulted in no change in the reported numbers and accordingly the qualification was dropped by the statutory auditors and instead an Emphasis of Matter paragraph was included.
Six months ended September 30, 2023	***Qualification included in the unaudited interim special purpose condensed consolidated financial statements for the six months ended September 30, 2023***		
	"*We draw attention to Note 2.1(i) to the Unaudited interim special purpose condensed consolidated financial statements in respect of non-disclosure of comparative financial information , which comprise the Condensed Consolidated Balance Sheet*	This does not have any material impact on the consolidated financial statements.	Not applicable

Fiscal/ Period	Reservation/ qualification and adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
	as at March 31, 2023, and the Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Cash Flow Statement for the six month period ended September 30, 2022, which is not in compliance with the requirements of Ind AS 34, "Interim Financial Reporting"."		

Fiscal/ Period	Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
Fiscal 2019	***Emphasis of matter Paragraph included in the Consolidated financial Statements***		
	"We draw your attention to the following paragraph included in the audit report on the financial statements of Cimmco Limited (a subsidiary of the Holding Company) issued by us vide our report dated May 30, 2019: *We draw your attention to Note 6(a) to the Financial Statement regarding the Company's claim of Rs. 2,361.23 lacs towards lease rental and interest thereon receivable from the Indian Railways, which is recognized based on the order from the Hon' ble High Court of Delhi dated March 15,2019 reaffirming the Arbitration award dated February 3, 2016 and based on the legal advice obtained by the Company in this regard.* *Our opinion is not modified in respect of this matter.*"	This is an emphasis of matter and does not have any material impact on the consolidated financial statements as the same was based on Arbitration award and legal advice.	Not applicable
Fiscal 2020	**Emphasis of matter Paragraph included in the Standalone financial Statements**		
	"We draw your attention to Note 48 to the standalone financial statements, regarding the approval of the Scheme of Amalgamation between the Company and two of its subsidiaries (the 'Scheme') received from the National Company Law Tribunal vide its Order dated September 30, 2020, with appointed date of April 1, 2019. The figures for the year ended March 31, 2019 have been restated in accordance with the aforesaid Scheme and Indian Accounting Standard 103 – Business Combinations. Consequently, the figures for the year ended March 31, 2019 and March 31, 2020 include the results of the Company and its two erstwhile subsidiaries. Further, there is a typographical error in the amount of Authorised Share Capital in numeric figures as set out in Clause 17.1 of the Scheme, while the amount of Authorised Share Capital has been correctly recorded in words and the division/classification of revised Authorised Share Capital does not reflect the correct amount. While filing the certified copy of the Order with the Ministry of Corporate Affairs (MCA) on October 2, 2020, the Company has stated the correct amount of Authorised Share Capital therein. *Our opinion is not modified in respect of these matters."*	This is an emphasis of matter and does not have any material impact on the standalone financial statements.	Not applicable
	"We draw your attention to Note 52 to the standalone financial statements which	This is an emphasis of matter and does not have	Not applicable

Fiscal/ Period	Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
	explains the delay in filing of the results for the year ended March 31, 2020 with Stock Exchanges as required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/ 106 dated June 24, 2020 and consequential penalty thereof till the date of the filing of same as per Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018. *Our opinion is not modified in respect of these matters."*	any material impact on the standalone financial statements.	
	"We draw your attention to Note 53 to the standalone financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments, for which definitive assessment of the impact is dependent upon future economic conditions. *Our opinion is not modified in respect of these matters."*	This is an emphasis of matter and does not have any material impact on the standalone financial statements.	Not applicable
	Emphasis of matter Paragraph included in the in the Consolidated financial statements		
	"We draw your attention to Note 50 to the consolidated financial statements, regarding the approval of the Scheme of Amalgamation between the Company and two of its subsidiaries (the 'Scheme') received from the National Company Law Tribunal vide its Order dated September 30, 2020, with appointed date of April 1, 2019. Further, there is a typographical error in the amount of Authorised Share Capital in numeric figures as set out in Clause 17.1 of the Scheme, while the amount of Authorised Share Capital has been correctly recorded in words and the division/classification of revised Authorised Share Capital does not reflect the correct amount. While filing the certified copy of the Order with the Ministry of Corporate Affairs (MCA) on October 2, 2020, the Company has stated the correct amount of Authorised Share Capital therein. *Our opinion is not modified in respect of this matter."*	This is an emphasis of matter and does not have any material impact on the consolidated financial statements.	Not applicable
	"We draw your attention to Note 52 to the consolidated financial statements which explains the delay in filing of the results for the year ended March 31, 2020 with Stock Exchanges as required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 and consequential penalty thereof till the date of the filing of same as per Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018. *Our opinion is not modified in respect of this matter."*	This is an emphasis of matter and does not have any material impact on the consolidated financial statements.	Not applicable
	"We draw your attention to Note 53 to the consolidated financial statements which explains the uncertainties and management's assessment of the financial impact due	This is an emphasis of matter and does not have any material impact on the consolidated financial	Not applicable

Fiscal/ Period	Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
	to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments, for which definitive assessment of the impact is dependent upon future economic conditions. *Our opinion is not modified in respect of this matter."*	statements.	
	The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Firema Spa, a subsidiary of the Holding Company, vide their report dated July 2, 2020: *We point out that the special purpose financial information has been prepared on going concern basis as described in the paragraph "Significant Matters" of "Memorandum of Work Performed". Our opinion is not modified in respect of this matter.* *Paragraph "Significant Matters" of "Memorandum of Work Performed" as described above corresponds to Note 47 in the consolidated financial statements* *Our opinion is not modified in respect of this matter.*	This is an emphasis of matter and does not have any material impact on the consolidated financial statements as the Company had assessed the going concern based on its projections, future plans etc.	Not applicable
Fiscal 2021	***Emphasis of matter Paragraph included in the Consolidated Financial Statements***		
	The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Firema S.p.A, a subsidiary of the Holding Company, vide their report dated June 4, 2021: *"In the reporting package ended as at 31 March 2021, the Company incurred a net loss for some 6,9 million of Euro, has a shareholders' equity for some 11,5 million of Euro and has a significant bank debt for some 84,3 million of Euro, of which some 48,6 million of Euro expiring beyond twelve months. As of 31 March 2021, the Company reported significant negative differences on net result as compared to the budget / plan 2021 - 2025, approved by the Board of Directors on 30 June 2020 which provided for a substantial financial balance of the Company, assuming the achievement of significant volumes of turnover. Trade payables, equal to some 34,5 million of Euro as at 31 March 2021, increased by some 16,7 million of Euro during the year, and include an overdue payable to suppliers for some 18,1 million of Euro at same date. Therefore, the Company does not currently have the necessary financial resources for the full repayment of its overdue debt position.* *In the explanatory note accompanying the reporting package, the directors of the Company indicate that the reporting package at 31 March 2021 has been prepared according to the assumption of the going concern and illustrate the reasons. These reasons are based on the expectation that the Company implements an important growth plan, envisaged by the Budget 2021 / 2022 (the "Budget") approved by the Board of Directors on 24 March 2021, with the generation of significantly higher margins compared to the historical values resulting from the same, the failure of which would generate additional cash needs, also to meet the overdue debt to*	This is an emphasis of matter and does not have any material impact on the consolidated financial statements as the Company had assessed the going concern based on its projections, future plans etc.	Not applicable

Fiscal/ Period	Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
	suppliers. In particular, the Budget provides for the partial payment of overdue trade payables for some 14,6 million of Euro, considering that renegotiation negotiations with overdue suppliers are in progress. The directors indicate in the aforementioned explanatory notes that, despite the aforementioned uncertainty that may give rise to doubts about the Company's going concern, the reporting package has been drawn up according to operating criteria, having acquired the reasonable expectation of being able to reach a financial balance in a short time through the successful conclusion of the action previously indicated. *Our opinion is not modified in respect of this matter."*		
Fiscal 2022	***Emphasis of matter Paragraph included in the in the Consolidated financial statements***		
	"The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Firema S.p.A (a subsidiary of the Holding Company) vide their report dated May 27, 2022: *In the reporting package ended 31 March 2022, the Company reported a net loss for some Euro 9,2 million, shareholders' equity for some Euro 2,4 million and has a significant bank debt for some Euro 85,3 million, of which some Euro 52,3 million classified by the Company as expiring beyond 12 months. Current assets exceed current liabilities by some Euro 12,3 million. Trade payables, equal to some Euro 28,6 million as at 31 March 2022, decreased by some Euro 5,9 million during the year, and include an overdue payable to third party suppliers for some Euro 18,1 million at same date. The Company is currently proceeding with the rescheduling and the payment of the overdue commercial debt for the main suppliers of the Company.* *In the explanatory note accompanying the special purpose financial information (the "explanatory note"), the Directors of the Company indicate that the special purpose financial information as at 31 March 2022 has been prepared according to the assumption of the going concern and illustrate the reasons. These reasons are based on the expectation that the Company implements an important growth plan, envisaged by the Budget 1 April 2022 – 31 March 2023 (the "Budget"), approved by the Board of Directors on 27 May 2022, with the generation of significantly higher margins compared to the historical values achieved, the failure of which could affect the overall value of cash generation, also to meet the overdue debt to suppliers.* *In particular, the Budget is based on the positive expectation of the financial debt renegotiation indicated above at the paragraph "Basis for Qualified Opinion" for which negotiations are underway.* *The Directors indicate in the aforementioned explanatory notes that, despite the aforementioned material uncertainty that may give rise to doubts about the*	This is an emphasis of matter and does not have any material impact on the consolidated financial statements as the Company had assessed the going concern based on its projections, future plans etc.	Not applicable

Fiscal/ Period	Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
	Company's going concern, the the special purpose financial information have been drawn up on a going-concern basis, as they have a reasonable expectation that the Company will be able to reach a financial balance in the short term through the successful conclusion of the actions indicated above. *Our opinion is not modified in respect of this matter.* *Paragraph "explanatory note accompanying the reporting package" as described above corresponds to Note 46 in the consolidated financial statements.* *Our opinion is not modified in respect of this matter."*		
Fiscal 2023	***Emphasis of matter Paragraph included in the Standalone financial Statements***		
	"We draw your attention to Note 49 to the standalone financial statements in respect of Scheme of Amalgamation (the "Scheme") between the Company and Titagarh Bridges and International Private Limited, its subsidiary ("Transferor Company"), from the appointed date of April 1, 2021, as approved by National Company Law Tribunal vide its order dated October 26, 2022. Accordingly, the figures for the previous year ended March 31, 2022 have been restated to give effect to the aforesaid merger. *Our opinion is not modified in respect of this matter."*	This is an emphasis of matter and does not have any material impact on the standalone financial statements.	Not applicable
	Emphasis of matter Paragraph included in the Consolidated financial Statements		
	"The financial information of Titagarh Firema S.p.A, Italy, an associate company of the Group with effect from September 9, 2022, has been considered based on unaudited financial information given by the company for the year ended March 2023, as the audit and approval of financial statement will be completed in due course along with the audit as per local laws and regulations followed by Italian Companies. The consolidated financial statements include the Group's share of loss of Rs. 1,272.63 lacs for the period from September 9, 2022, to March 31, 2023, in respect of the aforesaid associate company, which has resulted in reduction of carrying amount of the investment to Nil as at March 31, 2023. The financial information is unaudited and has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on unaudited financial information, which is subject to audit by other auditors."	This is an emphasis of matter and does not have any material impact on the consolidated financial statements.	Not applicable
	"The Financial Statement of the company mentions passing of Board Resolution by shareholders of the company on 14th November 2022, for voluntary winding up of Titagarh Singapore PTE Ltd and therefore the financial statements are prepared on the basis of liquidation."	This is an emphasis of matter and does not have any material impact on the consolidated financial statements.	Not applicable

Fiscal/ Period	Emphasis of Matter	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
Six months ended September 30, 2023	***Emphasis of matter Paragraph included in the unaudited interim special purpose condensed consolidated financial statements for the six months ended September 30, 2023***		
	"We draw attention to Note 2.1(i) to the Unaudited interim special purpose condensed consolidated financial statements, which describes the Basis of Preparation of the financial information for the six month period ended September 30, 2023. These Unaudited interim special purpose condensed consolidated financial statements are not intended to, and do not, comply with all the disclosure provisions applicable to financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of the Unaudited interim special purpose condensed consolidated financial statements for the purposes for which those have been prepared. Our conclusion is not modified in respect of this matter."	This is an emphasis of matter and does not have any material impact on the consolidated financial statements.	Not applicable

Fiscal	Companies Auditor's Report Order (Standalone) - Adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
Fiscal 2019	***Standalone Financial Statements - Companies (Auditor's Report) Order, 2016, as applicable. These observations included the following:*** *"Clause (i) (c) : The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the standalone financial statements, are held in the name of the Company, except for the following* *a) Freehold Land having Gross Block and Net Block: Rs. 9,409.78 (lakhs).* *b) Freehold Land having Gross Block and Net Block: Rs. 3,391.29 (lakhs).* *c) Building having Gross Block Rs. 181.91 (lakhs) and Net Block Rs. 173.67 (lakhs).* *d) Building having Gross Block Rs. 572.04 (lakhs) and Net Block Rs. 532.32 (lakhs)."*	There is no material impact of these on the financial statements as the Company continues to be in possession of said immoveable properties.	As explained to us, the Company is taking necessary steps to regularise the same, however considering that the process involved requires approvals to be taken from various government authorities the said will be done is due course.
Fiscal 2020	***Standalone Financial Statements - Companies (Auditor's Report) Order, 2016, as applicable. These observations included the following:*** *"Clause (i) (c) : The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the standalone financial statements, are held in the name of the Company, except for the following* *a) Freehold Land having Gross Block and Net Block: Rs. 14,144.61 (lakhs).* *b) Freehold Land having Gross Block and Net Block: Rs. 3,391.29 (lakhs).* *c) Freehold Land having Gross Block and Net Block: Rs. 97.96 (lakhs).* *d) Building having Gross Block Rs. 117.04 (lakhs) and Net Block Rs. 105.12 (lakhs).* *Clause (vii) (a) : Arrears of Employee's Provident Funds amounting to Rs. 8.94 (lakhs) for the period has not been paid yet."*	There is no material impact of these on the financial statements as the Company continues to be in possession of said immoveable properties.	As explained to us, the Company is taking necessary steps to regularise the same, however considering that the process involved requires approvals to be taken from various government authorities the said will be done is due course.

Fiscal	Companies Auditor's Report Order (Standalone) - Adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
Fiscal 2021	***Standalone Financial Statements - Companies (Auditor's Report) Order, 2016, as applicable. These observations included the following:***		
	"Clause (i) (c)The title deeds of immovable properties, as disclosed in Note 3.1 on property, plant and equipment to the standalone financial statements, are held in the name of the Company, except for the following (details of which are set out in Notes 3.1(a) to the standalone financial statements); *a) Freehold Land having Gross and Net Block: Rs. 14,144.61 (lakhs).* *b) Freehold Land having Gross and Net Block Rs. 3,550.15 (lakhs).* *(c) Building having Gross block Rs. 117.04 (lakhs) and Net block Rs. 103.16 (lakhs)"*	There is no material impact of these on the financial statements as the Company continues to be in possession of said immoveable properties.	As explained to us, the Company is taking necessary steps to regularise the same, however considering that the process involved requires approvals to be taken from various government authorities the said will be done is due course.
	Clause (vii) (a) : Delayed in deposit of Employee's Provident Funds amounting to Rs. 29.97 (lakhs) for the period.	There is no material impact of these on the financial statements.	This has been paid subsequently
Fiscal 2022	***Standalone Financial Statements - Companies (Auditor's Report) Order, 2020, as applicable. These observations included the following:***		
	"Clause (i)(c) : The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3.1 and Note 3.3 to the standalone financial statements in respect of property, plant and equipment and investment properties respectively, are held in the name of the Company, except for the following: *a) Freehold Land having Gross Block: Rs. 158.86 (lakhs).* *b) Freehold Land having Gross Block Rs. 4,734.83 (lakhs).* *c) Freehold Land having Gross Block Rs. 3,391.29 (lakhs).* *d) Leasehold Land having Gross Block Rs. 19,724.09 (lakhs).* *e) Building having Gross Block Rs. 117.04 (lakhs).* *f) Investment Property having Gross Block Rs. 821.24 (lakhs)."*	There is no material impact of these on the financial statements as the Company continues to be in possession of said immoveable properties.	As explained to us, the Company is taking necessary steps to regularise the same, however considering that the process involved requires approvals to be taken from various government authorities the said will be done is due course.
	"Clause (ii) (b) : During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account other than those as set out below (Also refer Note 14 (i) to the standalone financial statements). *1) Sept 30, 2021 - Difference is Rs 69.96 lacs and;* *2) June 30, 2021 - Difference is Rs 2158.01 lacs* *The reason for the above did fference is on account of Unbilled revenue which as per Ind AS is considered as Inventory in the stock statement.* *Note: First charge on the Company's current assets, movable fixed assets both present and future at Titagarh, and Mouza, Bhadrakali, Uttarpara, West Bengal and further creating charge on immovable properties by way of depositing tittle deeds of*	There is no material impact of these on the financial statements.	Not applicable

Fiscal	Companies Auditor's Report Order (Standalone) - Adverse remarks	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company
	various lands of the company. The above facilities have also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks"		
	"Clause (iii) (b) : In respect of the certain securities and loans, the terms and conditions under which such securities were provided and loans were granted are not prejudicial to the Company's interest except loan aggregating Rs. 2,400.00 lacs as at March 31, 2022, with a maximum amount of Rs. 2,400.00 lacs outstanding during the year, where no repayment terms have been stipulated."	There is no material impact of these on the financial statements.	This has been received subsequently.
	"Clause (iii) (c) : In respect of the certain securities and loans, loans/advances in nature of loans were granted during the year, including to promoters/related parties under Section 2(76), which are repayable on demand or where no schedule for repayment of principal and payment of interest has been stipulated by the Company. *1) Loans/advances in nature of loan repayable on demand to related parties - Rs. 2,400 lacs"*	There is no material impact of these on the financial statements.	This has been received subsequently.
Fiscal 2023	***Standalone financial Statements - Companies (Auditor's Report) Order, 2020, as applicable. These observations included the following:***		
	"Clause (i) (c) : The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3.1, Note 3.3 and Note 3.5 to the standalone financial statements in respect of property, plant and equipment, investment properties and right respectively, are held in the name of the Company, except for the following: *a) Freehold Land having Gross Block: Rs. 155.67 (lakhs).* *b) Freehold Land having Gross Block Rs. 4,734.83 (lakhs).* *c) Freehold Land having Gross Block Rs. 3,391.29 (lakhs).* *d) Leasehold Land having Gross Block Rs. 19,724.09 (lakhs).* *e) Building having Gross Block Rs. 117.04 (lakhs).* *f) Investment Property having Gross Block Rs. 821.24 (lakhs)"*	There is no impact of these on the standalone financial statements as the Company continues to be in possession of said immoveable properties.	The Company is in the process of regularising the same.
	"Clause (iii) (c) : During the year the outstanding loan balance of Titagarh Firema S.p.A which was repayable on demand was converted into investment. In respect of interest amounting to Rs. 3.95 (lakhs) & Rs. 3.55(lakhs) due on 10th May & 10th June , Titagarh Firema S.p.A is not regular in payment of interest as applicable till date of conversion."	There were some delays in remittance of funds due to temporary cash flow issues at TFA, however, the same was repaid subsequently	The said loan was converted into equity shares of the subsidiary in the subsequent year. The interest amount was realised on July 28, 2022.
	"Clause (ix) (c) : During the year the Company has not utilized the money obtained by way of term loans from ICICI Bank Limited amounting to Rs. 4,962.50 during the year for the purposes for capital expansion. The Amount received on March 31, 2023 and is lying unutilised in the Company's Bank account."	There is no impact of this on the standalone financial statements.	The amount was received on March 31, 2023, and was lying unutilised in company's bank account.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*—Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 164 and 51, respectively. Except as discussed in this Preliminary Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATION

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*—Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 164 and 51, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

As on the date of this Preliminary Placement Document, there are no recent accounting pronouncements, which we believe would have a material effect on our financial condition or results of operations.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as described in this Preliminary Placement Document, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 51, 145 and 161, respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

We are dependent on a few customers and suppliers. See, "*Risk Factors – We derive a significant portion of our revenue from the Indian Railways. Any adverse change in policy of the Ministry of Railways, Government of India may lead to our contracts being foreclosed, terminated, restructured or renegotiated, which may have an adverse effect on our business, results of operations, financial condition and cash flows."* on page 54 and "*Risk Factors – We depend on a few suppliers for our primary raw material i.e. steel and any delay, interruption or reduction in the supply of steel to manufacture our products may adversely affect our business, results of operations, financial condition and cash flows."* on page 56.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See, "*Our Business*", "*Industry Overview*", "*Risk Factors - We face certain competitive pressures from the existing competitors and new entrants in both public and private sector. Increased competition and aggressive bidding by such competitors is expected to make our ability to procure business in future more uncertain which may adversely affect our business, results of operations, financial condition and cash flows."* and *"— Significant Factors affecting our Results of Operations – Competition*" on pages 145, 105, 60 and 165, respectively.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is not seasonal or cyclical.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2023

Except as disclosed elsewhere in this Preliminary Placement Document, our Company is not aware of any circumstances that have arisen since September 30, 2023 that have a material adverse effect on, or are likely to affect, our operations or profitability, the value of our assets or our ability to pay our material liabilities within the next 12 months.

ORGANISATIONAL STRUCTURE

Corporate History

Our Company was originally incorporated as 'Titagarh Wagons Limited', a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 3, 1997 issued by the RoC. The Registered Office of our Company is situated at Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India and the Corporate Office of our Company is situated at Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India. The CIN of our Company is L27320WB1997PLC084819.

Changes in Registered Office

The details of the changes in our registered office since incorporation are detailed below:

Effective date of change	Details of Change	Reason(s) for change
May 15, 2001	The registered office of our Company was changed from 113, Park Street, Kolkata 700 016, West Bengal, India to 3, Loudon Street, Kolkata – 700 017, West Bengal, India	For administrative convenience
April 2, 2005	The registered office of our Company was changed from 3, Loudon Street, Kolkata 700 017, West Bengal, India to Premlata, 4th Floor, 39, Shakespeare Sarani, Kolkata – 700 017, West Bengal, India	For administrative convenience
May 13, 2013	The registered office of our Company was changed from Premlata, 4th Floor, 39, Shakespeare Sarani, Kolkata – 700 017, West Bengal, India to 1-B, Aster Court, 3 Louden Street, Kolkata – 700 017, West Bengal, India	For administrative convenience
May 9, 2016	The registered office of our Company was changed from 1-B, Aster Court, 3 Louden Street, Kolkata 700 017, West Bengal, India to 756, Anandapur, E M Bypass, Kolkata – 700 017, West Bengal, India	For administrative convenience
October 1, 2023	The registered office of our Company was changed from Titagarh Towers, 756, Anandapur, E M Bypass, Kolkata - 700 017, West Bengal, India to Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India	For administrative convenience

Holding company

As on date of this Preliminary Placement document, our Company does not have any holding company.

Our Subsidiary

As on the date of this Preliminary Placement Document, we have one wholly-owned foreign Subsidiary, Titagarh Singapore Pte Ltd which was incorporated on August 18, 2008 and pursuant to the approval of the Board, it is under the process of voluntary winding up, as there were no operations in the Subsidiary. Our Company held investment in Titagarh Wagons AFR, a subsidiary of our Company, which is under the control of liquidators.

Associate and Joint Ventures

As on the date of this Preliminary Placement document, we have one Associate company, Titagarh Firema SPA, Italy (incorporated on June 26, 2015) in which our Company has 49.70% shareholding.

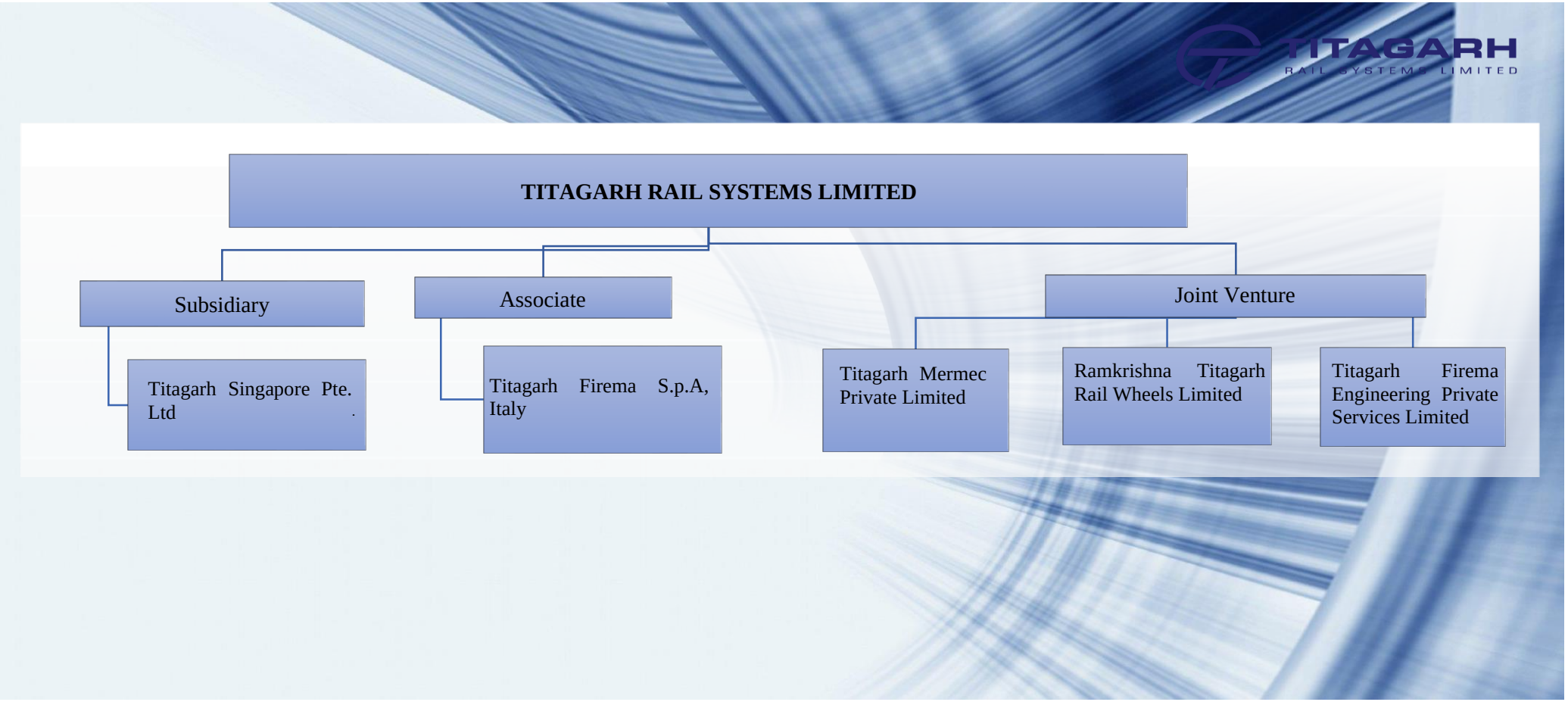
Further, as on the date of this Preliminary Placement Document, our Companies has three joint ventures, the details of which are set forth below:

1. Titagarh Mermec Private Limited (incorporated on July 18, 2018) in which our Company has 50% shareholding;

2. Ramkrishna Titagarh Rail Wheels Limited (incorporated on June 9, 2023) in which our Company has 49% shareholding; and

3. Titagarh Firema Engineering Services Private Limited (incorporated on September 16, 2023) in which our Company has 49% shareholding.

The organizational structure of our Company as on the date of this Preliminary Placement Document is as follows:



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum of Association and Articles of Association of our Company and the requirements of applicable laws. The composition of our Board is governed by the provisions of the Companies Act, the Articles of Association and the SEBI Listing Regulations. The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors. As on date of this Preliminary Placement Document, our Company has 14 Directors, of which one is a Non-Executive Non-Independent Director, five are Whole-time Directors and eight are Independent Directors (including one woman Independent Director).

Pursuant to the provisions of the Companies Act, at least two-thirds of the total number of Directors, excluding Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. Additionally, if the number of Directors retiring is not three or a multiple of three, then the nearest number to one-third are liable to retire by rotation. A retiring Director is eligible for re-appointment. Further, as per the provisions of the Companies Act, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. However, the re-appointment of an Independent Director for a second consecutive term shall, amongst other things, be based on the performance evaluation report and shall be approved by the Shareholders by way of a special resolution.

The following table sets forth the details regarding our Board of Directors as on the date of this Preliminary Placement Document:

Name, Occupation, Term, Nationality, Designation and DIN	Age	Designation
Jagdish Prasad Chowdhary ***Address:*** 14B, Gurusaday Road, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation***: Industrialist ***Term:*** Re-appointment or a term of five years with effect from January 8, 2022, liable to retire by rotation ***Nationality***: Indian ***DIN:*** 00313685	83 years	Chairman and Managing Director, designated as Executive Chairman
Umesh Chowdhary ***Address*:** 14B, Gurusaday Road, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation***: Business ***Term:*** Re-appointment for a term of five years with effect from October 1, 2020, liable to retire by rotation ***Nationality***: Indian ***DIN:*** 00313652	49 years	Managing Director, designated as Vice Chairman and Managing Director; and Chief Executive Officer
Anil Kumar Agarwal ***Address:*** Urbana, Tower – 1, Flat No – 0804, 783, Anandapur, Madurdaha, Near Ruby Hospital, E.K.T., Kolkata – 700 107, West Bengal, India	48 years	Director (Finance) and Chief Financial Officer

Name, Occupation, Term, Nationality, Designation and DIN	Age	Designation
Occupation*:** Service ***Term*:** For a term of five years with effect from May 29, 2019, liable to retire by rotation ***Nationality: Indian ***DIN*:** 01501767		
Prithish Chowdhary ***Address:*** 14B, Gurusaday Road, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation:*** Service ***Term:*** For a term of five years with effect from August 13, 2022, liable to retire by rotation ***Nationality:*** Indian ***DIN:*** 08509158	22 years	Whole-time Director, designated as Director (Marketing and Business Development)
Saket Kandoi ***Address:*** 4th Floor, Kirti Regalia 12/5, Ballygunge Park Road, Ballygunge, Ballygunge Circus Avenue, Kolkata – 700 019, West Bengal, India ***Occupation:*** Service ***Term:*** For a term of five years with effect from March 17, 2023, liable to retire by rotation ***Nationality***: Indian ***DIN:*** 02308252	35 years	Whole-time Director, designated as Director (Freight Rolling Stock)
Rashmi Chowdhary ***Address:*** 14B, Gurusaday Road, Ballygunge, Kolkata – 700 019, West Bengal, India **Occupation:** Housewife ***Term:*** Liable to retire by rotation ***Nationality:*** Indian ***DIN:*** 06949401	50 years	Non-Executive Non-Independent Director
Atul Joshi ***Address:*** Flat No – 15, Minal Apartments, Shradhanand Rd., Vile Parle East, Mumbai – 400 057, Maharashtra, India ***Occupation***: Business ***Term:*** Re-appointed for a term of five years with effect from January 24, 2023	55 years	Independent Director

Name, Occupation, Term, Nationality, Designation and DIN	Age	Designation
Nationality: Indian ***DIN:*** 03557435		
Sunirmal Talukdar ***Address:*** Flat 406, 12 Ashoka Road, Alipore, Kolkata – 700 027, West Bengal, India ***Occupation***: Retired ***Term:*** Re-appointed for a term of five years with effect from April 1, 2019 ***Nationality:*** Indian ***DIN:*** 00920608	71 years	Independent Director
Manoj Mohanka ***Address:*** 9 Love Lock Place, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation:*** Business ***Term:*** Re-appointed for a term of five years with effect from April 1, 2019 ***Nationality:*** Indian ***DIN:*** 00128593	60 years	Independent Director
Krishan Kumar Jalan ***Address:*** Flat No – 302, Hermitage CGHS Ltd, Near Galleria Market, Sector – 28, Chakarpur, Gurgaon – 122 002, Haryana, India ***Occupation:*** Government Servant ***Term:*** For a term of five years with effect from August 13, 2020 ***Nationality***: Indian ***DIN:*** 01767702	66 years	Independent Director
Sushil Kumar Roongta ***Address:*** D 91, The Pinnacle, DLF Phase V, Gurgaon – 122 009, Haryana, India ***Occupation****:* Self-employed ***Term***: For a term of five years with effect from January 1, 2021 ***Nationality***: Indian ***DIN****:* 00309302	73 years	Independent Director
Nayantara Palchoudhuri ***Address:*** 64 Lake Place, Sarat Bose Road, Circus Avenue, Kolkata – 700 029, West Bengal, India	61 years	Independent Director

Name, Occupation, Term, Nationality, Designation and DIN	Age	Designation
Occupation: Business ***Term:*** For a term of five years with effect from June 22, 2020 ***Nationality:*** India ***DIN:*** 00581440		
Bontha Prasada Rao ***Address:*** Flat No. I – 1803, My Home Bhooja, Near Biodiversity Park, Gachibowli, Hyderabad – 500 032, Telangana, India ***Occupation:*** Independent director in companies ***Term:*** For a term of five years with effect from September 4, 2023 ***Nationality:*** Indian ***DIN:*** 01705080	69 years	Independent Director
Debanjan Mandal ***Address:*** 93/3A/2, Acharya Prafulla Chandra Road, Raja Ram Mohan Sarani, Kolkata – 700 009, West Bengal, India ***Occupation:*** Advocate ***Term:*** For a term of five years with effect from September 4, 2023 ***Nationality:*** Indian ***DIN:*** 00469622	50 years	Independent Director

Remuneration of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to Directors. The Board of Directors or the shareholders, as the case may be, approves such compensation to Directors.

Pursuant to a resolution of our Board of Directors dated November 14, 2015, our Company is required to pay to each of our Independent Directors, ₹ 40,000 for attending each meeting of the Board, Audit Committee and Nomination and Remuneration Committee, and ₹ 20,000 for attending the meeting of any other committee of the Board.

Our Non-Executive Directors including Independent Directors are paid commission in addition to sitting fees and are not eligible for any other remuneration.

The table below sets forth the details of the remuneration paid to our existing Whole-time Directors for the last three Financial Years and the six months period ended September 30, 2023:

(in ₹ lakhs)

Name	Six months period ended September 30, 2023^	Fiscal 2023#	Fiscal 2022#	Fiscal 2021#
Jagdish Prasad Chowdhary	134.64	257.28	257.28	257.28
Umesh Chowdhary	134.64	257.28	257.28	212.80
Anil Kumar Agarwal	48.88	104.98	83.69	61.59

Name	Six months period ended September 30, 2023^	Fiscal 2023#	Fiscal 2022#	Fiscal 2021#
Prithish Chowdhary	28.57	34.23	4.00	16.60
Saket Kandoi*	35.02	1.95	-	-

** Appointed w.e.f. March 17, 2023*
^Source: Unaudited Interim Special Purpose Condensed Consolidated Financial Statements
#Source: Audited Consolidated Financial Statements

The table below sets forth the details of the remuneration (including sitting fees and commission) paid to our Non-Executive Directors for the last three Financial Years and the six months period ended September 30, 2023:

(in ₹ lakhs)

Name	Designation	Six months period ended September 30, 2023^	Fiscal 2023#	Fiscal 2022#	Fiscal 2021#
Rashmi Chowdhary	Non-Executive Non-Independent Director	2.00	3.20	3.20	1.20
Atul Joshi	Independent Director	6.29	14.17	16.07	9.20
Sunirmal Talukdar	Independent Director	7.09	16.17	17.67	10.40
Manoj Mohanka	Independent Director	6.88	15.96	14.27	10.70
Krishan Kumar Jalan	Independent Director	4.08	9.17	6.67	2.40
Sushil Kumar Roongta	Independent Director	5.09	11.17	8.07	1.60
Nayantara Palchoudhuri	Independent Director	4.09	9.16	6.67	3.00
Bontha Prasada Rao*	Independent Director	-	-	-	-
Debanjan Mandal*	Independent Director	-	-	-	-

** Appointed w.e.f. September 4, 2023*
^Source: Unaudited Interim Special Purpose Condensed Consolidated Financial Statements
#Source: Audited Consolidated Financial Statements

Terms and conditions of employment of our Executive Directors

Jagdish Prasad Chowdhary, Chairman and Managing Director, designated as Executive Chairman

Jagdish Prasad Chowdhary is the Chairman and Managing Director, designated as Executive Chairman of our Company. The following is a description of the current terms of appointment of Jagdish Prasad Chowdhary, pursuant to the board resolution dated August 10, 2021, shareholders' resolution dated September 27, 2021 and service agreement dated January 8, 2022 entered into by him with the Company:

The total remuneration in a Financial Year payable to Jagdish Prasad Chowdhary shall not exceed 5% of the net profit of our Company which shall be computed in accordance with the applicable provisions of the Companies Act and shall include salary/ perquisites/allowances as detailed below:

a) **Basic Salary:** ₹ 12,00,000 per month, and;

b) **Perquisites/Benefits:**

i) House rent allowances of upto 60% of the basic salary or a furnished accommodation.

ii) Special allowance: ₹ 80,000 per month only or the balance amount remaining after deduction of the sum representing the applicable statutory valuation of other perquisites as may be entitled to him and availed by him;

iii) Expenditure on gas, electricity, water and furnishings at the market value to be evaluated in terms of the Income Tax Rules, 1962;

iv) Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;

v) Gratuity payable at the rate not exceeding 15 (fifteen) days' salary or as may be allowed by the prevailing provisions of law applicable thereto for each completed year of service;

vi) Encashment of leave at the end of tenure in accordance with the rules of the Company and the same not be included in the remuneration as permitted by the provisions of the Companies Act;

vii) Use of Company owned car with driver;

viii) Provision of mobile and telephone;

ix) Medical expenses and hospitalization expenses incurred by the incumbent on self and spouse in India or abroad;

x) Club fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees;

xi) Leave travel concession: For him and his family (family includes spouse and dependent children) once in a year incurred in accordance with the rules of the Company;

xii) Personal accident insurance with an annual premium on the policy as per the rules of the Company;

xiii) Any other perquisite or benefit in accordance with the rules of the Company provided the same together with the salary, perquisites and performance bonus (other than the perquisites not required to be included in the remuneration in pursuance of the applicable provisions of the Companies Act/law) is within the overall limit of 5% included in the service agreement;

xiv) The perquisite/benefits shall be valued as per the Income Tax Act, 1961, wherever applicable.

Provided that the amount incurred by the Company towards provision of car for use on the Company's business and mobile phone and telephone at residence will be excluded from computation of the aforesaid ceiling his remuneration. Further, the contribution of the Company to provident fund and gratuity payable by the Company, and encashment of leave or any other benefit(s) to the extent exempt under the Income Tax Act, 1961 at the end of the tenure will not be included in the computation of the aforesaid ceiling on his remuneration.

c) The Company shall reimburse actual entertainment and travelling expenses incurred by him in the course of the Company's business.

d) He will not receive sitting fees for attending meetings of the Board of Directors and/or committees thereof, as the case may be, of the Company and its subsidiaries.

e) He shall be liable to retire by rotation as stipulated under the provisions of Section 152 of the Companies Act, 2013.

f) Remuneration shall be payable monthly or at such intervals as may be agreed.

Minimum Remuneration

In the event of inadequacy or absence of net profits in any year during his tenure, he shall be paid minimum

remuneration as may be prescribed by the Schedule V and/ or other applicable provisions of the Companies Act, subject to such minimum remuneration not being less than the existing minimum remuneration of ₹ 240 lakhs per annum.

Umesh Chowdhary, Vice Chairman and Managing Director

Umesh Chowdhary is the Vice Chairman and Managing Director of our Company. The following is a description of the current terms of appointment of Umesh Chowdhary, pursuant to the board resolution dated October 1, 2020, shareholders' resolution dated December 30, 2020 and service agreement dated July 31, 2020 entered into by him with the Company:

The total remuneration in a Financial Year payable to Umesh Chowdhary shall not exceed 3.5% of the net profit of our Company which shall be computed in accordance with the applicable provisions of the Companies Act and shall include salary/ perquisites/ allowances as detailed below:

a) **Basic Salary:** ₹ 12,00,000 per month, and;

b) **Perquisites/Benefits:**

i) House rent allowances of upto 60% of the basic salary or a furnished accommodation.

ii) Special allowance: ₹ 80,000 or the balance amount remaining after deduction of the sum representing the applicable statutory valuation of other perquisites as may be entitled to him and availed by him;

iii) Expenditure on gas, electricity, water and furnishings at the market value to be evaluated in terms of the Income Tax Rules, 1962;

iv) Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;

v) Gratuity payable at the rate not exceeding 15 (fifteen) days' salary or as may be allowed by the prevailing provisions of law applicable thereto for each completed year of service;

vi) Encashment of leave at the end of tenure in accordance with the rules of the Company and the same not be eluded in the remuneration as permitted by the provisions of the Companies Act;

vii) Use of Company owned car with driver for official duties;

viii) Provision of mobile and telephone at residence for official use;

ix) Medical expenses and hospitalization expenses incurred by the incumbent on self and spouse in India or abroad;

x) Club fees: Fees of clubs subject to a maximum of two clubs. This will include admission and life membership fees;

xi) Leave travel concession: For him and his family (family includes spouse and dependent children) once in a year incurred in accordance with the rules of the Company;

xii) Personal accident insurance with an annual premium on the policy as per the rules of the Company;

xiii) Any other perquisite or benefit in accordance with the Rules of the Company provided the same together with the salary, perquisites and performance bonus (other than the perquisites not required to be included in the remuneration in pursuance of the applicable provisions of the Companies Act/law) is within the overall limit of 3.5% included in the service agreement;

xiv) The above perquisite/ benefits or any other as per the rules of the Company shall be valued as per the Income Tax Act, 1961, wherever applicable.

Provided that the amount incurred by the Company towards provision of car for use on the Company's business and mobile phone and telephone at residence will be excluded from computation of the aforesaid ceiling on his remuneration. Further, the contribution of the Company to provident fund and gratuity payable by the Company, and encashment of leave or any other benefit(s) to the extent exempt under the Income Tax Act, 1961 at the end of the tenure will not be included in the computation of the aforesaid ceiling on his remuneration.

c) The Company shall reimburse actual entertainment and travelling expenses incurred by him in the course of the Company's business.

d) He will not receive sitting fees for attending meetings of the Board of Directors and/ or Committees thereof, as the case may be, of the Company and its subsidiaries.

e) He shall be liable to retire by rotation as stipulated under the provisions of Section 152 of the Companies Act.

f) Remuneration shall be payable monthly or at such intervals as may be agreed.

Minimum Remuneration

In the event of inadequacy or absence of net profits in any year during his tenure, he shall be paid minimum remuneration as may be prescribed under Schedule V and/or other applicable provisions of the Companies Act, subject to such minimum remuneration not being less than the existing minimum remuneration of ₹ 240 lakhs per annum.

Anil Kumar Agarwal, Director (Finance) and Chief Financial Officer

Anil Kumar Agarwal is the Director (Finance) and Chief Financial Officer of our Company. The following is a description of the current terms of appointment of Anil Kumar Agarwal, pursuant to the board resolution dated May 29, 2019, shareholders' resolution dated September 20, 2019, service agreement dated May 30, 2019 and supplementary agreement dated June 8, 2021 entered into by him with the Company:

a) **Salary** – Basic – ₹ 1,75,019, HRA – ₹ 87,510, Conveyance – ₹ 35,003, Special Allowance – ₹ 1,52,505, Medical Allowance – ₹ 16,626, Vehicle Allowance – ₹ 46,190, PF Contribution – ₹ 21,002 per month, CTC per month – ₹ 5,33,855 and CTC per annum is ₹ 64,06,260 plus value of perquisites as per the Company's rules as mentioned hereinbelow, including exercise of ESOP.

b) **Perquisites/ Benefits:**

i) Reimbursement of car running expenses incurred for the Company's business: as per the Company's Rules;

ii) Provision of mobile and telephone at residence for official use;

iii) Personal accident insurance with an annual premium of an amount as per the rules of the Company;

iv) Reimbursement of actual entertainment and travelling expenses incurred by him for the Company's business;

v) Any other perquisite(s) or benefit(s) to be borne or reimbursed in accordance with the rules of the Company.

The perquisites/benefits shall be valued as per the Income Tax Act, 1961, wherever applicable and shall be limited to his basic pay.

c) He shall not receive any sitting fees for attending meetings of the Board of Directors and/or committees thereof, as the case may be, of the Company.

d) Reimbursement of actual entertainment and travelling expenses incurred by him for the Company's business; as per the Company's rules for senior executives; on submission of supporting documents;

Minimum Remuneration

Where in any financial year during his tenure, the Company has no profits or its profits are inadequate, the Company will pay the above remuneration to him as the minimum remuneration or remuneration in accordance and compliance with the Schedule V of the Companies Act.

The remuneration and perquisites specified herein will compensate him for all the services rendered by him including any overtime under the service agreement.

The remuneration payable to him shall be deemed to include valuable consideration in respect of all the services rendered by him.

Prithish Chowdhary, Whole-time Director, designated as Director (Marketing and Business Development)

Prithish Chowdhary is the Whole-time Director, designated as Director (Marketing and Business Development) of our Company. The following is a description of the current terms of appointment of Prithish Chowdhary, pursuant to the board resolution dated August 13, 2022, shareholders' resolution dated September 15, 2022 and service agreement dated August 13, 2022 entered into by him with the Company:

The total remuneration payable to Prithish Chowdhary shall not exceed ₹ 2.50 lakhs per month as provided in by the Section 188 (1)(f) of the Act from the date of approval of his appointment by the Board and such remuneration payable to him to be revised to ₹ 5 lakhs per month from the date of approval from the shareholders of the Company and shall include salary/ perquisites/ allowances as detailed below:

a) **Basic Salary:** ₹ 1,81,724 per month, and;

b) **Perquisites/Benefits:**

i) House rent allowance or a furnished accommodation and/or some other allowance(s) aggregating upto 60% of the basic salary.

ii) Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;

iii) Gratuity payable at the rate not exceeding 15 (fifteen) days' salary or as may be allowed by the prevailing provisions of law applicable thereto for each completed year of service;

iv) Leave benefits as per the rules of the Company and encashment of leave at the end of tenure in accordance with the rules of the Company and the same not be eluded in the remuneration as permitted by the provisions of the Companies Act;

v) Use of Company owned car with driver for official duties or conveyance allowance as per the rules of the Company;

vi) Provision of mobile reimbursement thereof;

vii) Personal accident insurance with an annual premium on the policy as per the Rules of the Company;

viii) Any other perquisite or benefit in accordance with the rules of the Company provided the same together with the salary and perquisites (other than the perquisites not required to be included in the remuneration in pursuance of the applicable provisions of the Companies Act/law) is within the overall limit of ₹ 60 lakhs per annum or ₹ 5 lakh per month;

ix) The above perquisite/ benefits or any other as per the rules of the Company shall be valued as per the Income Tax Act, 1961, wherever applicable.

c) The Company shall reimburse actual entertainment and travelling expenses incurred by Director (Marketing and Business Development) in the course of the Company's business.

d) He will not receive sitting fees for attending meetings of the Board of Directors and/ or committees thereof, as the case may be, of the Company and its subsidiaries.

e) He shall be liable to retire by rotation as stipulated under the provisions of Section 152 of the Companies Act, 2013.

f) Remuneration shall be payable monthly or at such intervals as may be agreed.

Saket Kandoi, Whole-time Director, designated as Director (Freight Rolling Stock)

Saket Kandoi is the Whole-time Director, designated as Director (Freight Rolling Stock) of our Company. The following is a description of the current terms of his appointment, pursuant to the board resolution dated March 17, 2023, shareholders' resolution dated April 28, 2023 and service agreement dated March 17, 2023 entered into by him with the Company:

The total remuneration of ₹ 70 lakhs consisting of basic pay and allowances as set out below, and variable pay upto 20% thereof in a Financial Year payable to Saket Kandoi as Director (Freight Rolling Stock), shall not exceed the limit stipulated under the provisions of Section 197 of the Companies Act read with Schedule V thereof and rules made thereunder and shall include perquisites as detailed below:

a) **Basic Salary:** ₹ 2,12,011 per month, and;

b) Allowances:

i) House rent allowances of upto 50% of the basic salary or a furnished accommodation.

ii) Special allowance: ₹ 1,11,407 only;

iii) Other allowances by whatever name called as per the rules of the Company within the overall remuneration stated hereinabove;

iv) Variable pay upto 20% of the total remuneration equivalent to amount as may be computed in accordance with the policy of the Company in this regard;

v) Expenditure on gas, electricity, water and furnishings at the market value to be evaluated in terms of the Income Tax Rules, 1962;

vi) Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;

vii) Gratuity as may be allowed by the prevailing provisions of law applicable thereto for each completed year of service;

viii) Encashment of leave at the end of tenure in accordance with the rules of the Company;

ix) Use of Company owned car with driver;

x) Provision of mobile and telephone;

xi) Medical expenses and hospitalization expenses incurred by the incumbent on self and spouse.

xii) Club fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

xiii) Leave travel concession: For him and his family (family includes spouse and dependent children) once in a year incurred in accordance with the rules of the Company.

xiv) Personal accident insurance with an annual premium on the policy as per the rules of the Company.

xv) Any other perquisite or benefit in accordance with the Rules of the Company provided the same together with the salary, perquisites and performance bonus (other than the perquisites not required to be included in the remuneration in pursuance of the applicable provisions of the Companies Act/law) is within the overall limit of remuneration not exceeding the slab under Schedule V of the Act.

xvi) The perquisite/benefits shall be valued as per the Income Tax Act, 1961, wherever applicable.

Provided that contribution of the Company to provident fund and gratuity payable by the Company, and encashment of leave or any other benefit(s) to the extent exempt under the Income Tax Act, 1961 at the end of the tenure will not be included in the computation of the aforesaid ceiling on his remuneration.

c) The Company shall reimburse actual entertainment, travelling and other expenses incurred by him in the course of the Company's business.

d) He will not receive sitting fees for attending meetings of the Board of Directors and/ or committees thereof, as the case may be, of the Company and its subsidiaries.

e) He shall be liable to retire by rotation as stipulated under the provisions of Section 152 of the Companies Act.

f) Remuneration shall be payable monthly or at such intervals as may be agreed.

Minimum Remuneration

In the event of inadequacy or absence of net profits in any yar during his tenure, he shall be paid minimum remuneration as may be prescribed under Schedule V and/or other applicable provisions of the Companies Act, subject to such minimum remuneration not being less than the existing minimum remuneration set out hereinabove.

Relationship with other Directors

Except as stated below, none of the Directors on our Board are related to each other:

Name of the Directors	Relationship
Jagdish Prasad Chowdhary and Umesh Chowdhary	Father and son
Umesh Chowdhary and Rashmi Chowdhary	Husband and wife
Umesh Chowdhary and Prithish Chowdhary	Father and son
Rashmi Chowdhary and Prithish Chowdhary	Mother and son
Jagdish Prasad Chowdhary and Rashmi Chowdhary	Father-in-law and daughter-in-law
Jagdish Prasad Chowdhary and Prithish Chowdhary	Grandfather and Grandson

Borrowing powers of the Board

Pursuant to a special resolution dated September 29, 2023, passed under Section 180(1)(c) of Companies Act, 2013, our Company has authorised the Board of Directors to borrow, any sum or sums of money from time to time, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of paid-up share capital of our Company, securities premium and free reserves, provided, however, that the total amount upto which moneys may be borrowed by the Board shall not

exceed the aggregate of paid-up share capital, securities premium and free reserves of our Company by more than the sum of ₹ 5,50,000 lakhs at any time.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, fees and commission, if any, payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them, and the Whole-time Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or held by or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefits arising out of such holding.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

Our Company has not availed any loans from any of our Directors.

No loans have been availed by our Directors from our Company.

Except as provided in "*Related Party Transactions*" on page 103, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, 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. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see "*Related Party Transactions*" on page 103.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Except for (i) Jagdish Prasad Chowdhary who is the Promoter of our Company, (ii) Rashmi Chowdhary and Prithish Chowdhary, who are members of our Promoter Group and who hold 21.00% and 21.50% shareholding in our Corporate Promoter respectively, and (iii) Umesh Chowdhary, who is a member of our Promoter Group, none of our Directors have any interest in the promotion of our Company.

Bonus or profit-sharing plan of the Directors

Except as disclosed in "- *Terms and conditions of employment of our Executive Directors*" on page 221, our Company does not have any bonus or profit-sharing plan with our Directors.

Service contracts with Directors

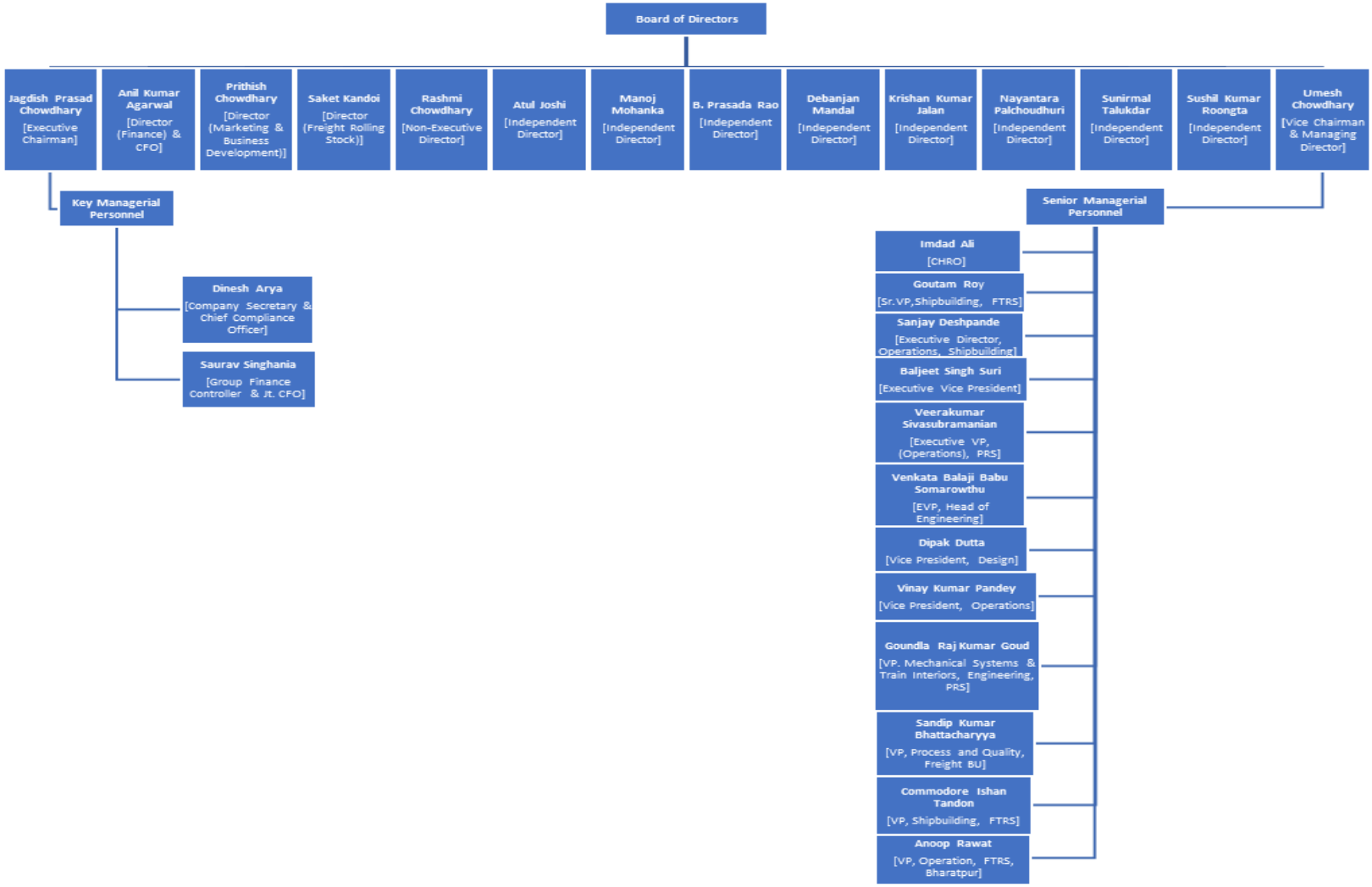
Except as disclosed in "- *Terms and conditions of employment of our Executive Directors*" on page 221, our Company does not have any bonus or profit-sharing plan with our Directors.

Shareholding of Directors

As on the date of this Preliminary Placement Document, our Directors hold the following number of the Equity Shares:

Names of Directors	Number of Equity Shares held	Number of Employee Stock Options Granted	Number of Employee Stock Options Vested	Number of Employee Stock Options Exercised	Percentage of shareholding (%)
Anil Kumar Agarwal	1,00,000	1,00,000	1,00,000	1,00,000	0.08
Jagdish Prasad Chowdhary	70,700	-	-	-	0.05
Umesh Chowdhary	77,530	-	-	-	0.06
Rashmi Chowdhary	1,28,16,105	-	-	-	10.08
Saket Kandoi	70,965	70,965	70,965	70,965	0.06

Organisation Structure



Corporate Governance

Our Company has in place processes and systems whereby it complies with the requirements of corporate governance provided under the SEBI Listing Regulations. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company is in compliance with the requirements of applicable law, including the Companies Act, 2013 and the SEBI Listing Regulations in respect of corporate governance, including constitution of our Board and committees thereof. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of Board of Directors

Committee	Members
Audit Committee	Atul Joshi (Chairman)
	Manoj Mohanka
	Sunirmal Talukdar
Nomination and Remuneration Committee	Manoj Mohanka (Chairman)
	Jagdish Prasad Chowdhary
	Sunirmal Talukdar
	Sushil Kumar Roongta
Stakeholders Relationship Committee	Manoj Mohanka (Chairman)
	Umesh Chowdhary
	Nayantara Palchoudhuri
	Krishan Kumar Jalan
Risk Management Committee	Atul Joshi (Chairman)
	Sunirmal Talukdar
	Sushil Kumar Roongta
	Prithish Chowdhary
Corporate Social Responsibility Committee	Rashmi Chowdhary (Chairman)
	Jagdish Prasad Chowdhary
	Nayantara Palchoudhuri
	Krishan Kumar Jalan
Management Committee	Jagdish Prasad Chowdhary (Chairman)
	Umesh Chowdhary
	Prithish Chowdhary
	Anil Kumar Agarwal

Key Managerial Personnel

The details of the Key Managerial Personnel of our Company as on the date of this Preliminary Placement Document, are set out below:

Sr No.	Name	Designation
1.	Jagdish Prasad Chowdhary	Chairman and Managing Director, designated as Executive Chairman
2.	Umesh Chowdhary*	Managing Director, designated as Vice Chairman and Managing Director; and Chief Executive Officer
3.	Dinesh Arya	Company Secretary & Chief Compliance Officer
4.	Anil Kumar Agarwal**	Director (Finance) and Chief Financial Officer
5.	Prithish Chowdhary	Whole-time Director, designated as Director (Marketing and Business Development)
6.	Saket Kandoi	Whole-time Director, designated as Director (Freight Rolling Stock)
7.	Saurav Singhania	Group Finance Controller and Joint Chief Financial Officer

** Appointed as Chief Executive Officer of our Company with effect from April 28, 2008.*
*** Appointed as Chief Financial Officer of our Company with effect from December 8, 2006.*

Senior Management

In addition to the Key Managerial Personnel of our Company, the details of the members of the Senior Management of our Company as on the date of this Preliminary Placement Document, are set out below:

Sr No.	Name	Designation
1.	Imdad Ali	CHRO
2.	Goutam Roy	Senior Vice President, Shipbuilding, FTRS
3.	Sanjay Deshpande	Executive Director – Operations (Shipbuilding)
4.	Baljeet Singh Suri	Executive Vice President
5.	Veerakumar Sivasubramanian	Executive Vice President (Operations), PRS
6.	Somarowthu Venkata Balaji Babu	Executive Vice President, PRS
7.	Dipak Dutta	Vice President – Design
8.	Vinay Kumar Pandey	Vice President – Operations
9.	Goundla Raj Kumar Goud	Vice President – Mechanical Systems and Train Interiors – Engineering, PRS
10.	Sandip Kumar Bhattacharyya	Vice President – Process and Quality, Freight BU
11.	Commodore Ishan Tandon	Vice President – Shipbuilding, FTRS
12.	Anoop Rawat	Vice President Operation, FTRS, Bharatpur

Shareholding of our Key Managerial Personnel and Senior Management

The following table sets forth details regarding the shareholding of the Key Managerial Personnel and Senior Management in our Company as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage shareholding (%)
Key Managerial Personnel		
Dinesh Arya	43,700	0.034
Saurav Singhania	39,500	0.031
Senior Management		
Commodore Sanjay Deshpande	31,100	0.024
Baljeet Singh Suri	9,000	0.007

Relationship amongst the Key Managerial Personnel and Senior Management and Directors

Except as disclosed in *"- Relationship with other Directors"*, none of our Key Managerial Personnel or Senior Management are related to each other or to the Directors.

Interest of Key Managerial Personnel and Senior Management

Other than as disclosed in the "– *Interest of our Directors*" on page 228, our Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration, benefits or stock options to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any. The Key Managerial Personnel and Senior Management 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 in our Company, if any.

Except for Imdad Ali, who is a consultant, all our Key Managerial Personnel and members of the Senior Management are permanent employees of our Company.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Except as disclosed in "- *Terms and conditions of employment of our Executive Directors*" on page 221, our

Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or Senior Management.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals and the six months period ended September 30, 2023, as per the requirements under Ind AS 24 – Related Party Transactions, see "*Related Party Transactions*" on page 103.

Employee Stock Option Scheme

For the details of options granted under the ESOS 2014 and ESOS 2023, see "*Capital Structure*" on page 99.

Other confirmations

None of the Directors, Promoters or Key Managerial Personnel or members of Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not intend to subscribe to and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India. Further, none of our Company, Directors or Promoters have been categorised as a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters are currently debarred from accessing capital markets under any offence under any order or direction made by SEBI.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Dinesh Arya, our Company Secretary and Chief Compliance Officer, acts as the 'compliance officer' of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The following tables present information regarding the ownership of Equity Shares by the Shareholders as of September 30, 2023:

Table I - Summary statement holding of specified securities:

Category	Category of Shareholder	No of Shareholders	No of fully paid up Equity Shares held	Total No of Equity Shares Held	Shareholding as a % of total no of Equity Shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities		Number of Locked in Equity Shares		Number of Equity Shares held in dematerialized form	No. of Equity Shares pledged or otherwise encumbered	
						No of Voting Rights	Total as a % of (A+B+C)	No.	As a % of total Equity Shares held		No.	As a % of total Equity Shares held
(A)	Promoter & Promoter Group	9	57,186,087	57,186,087	44.97	57,186,087	44.97	0	0	57,186,087	0	0
(B)	Public	191,901	69,985,002	69,985,002	55.03	69,985,002	55.03	7,600,000	10.86	69,764,419	0	0
(C)	Non-Promoter Non-Public	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trust	0	0	0	0	0	0	0	0	0	0	0
	Total:	**191,910**	**127,171,089**	**127,171,089**	**100.00**	**127,171,089**	**100.00**	**7,600,000**	**5.98**	**126,950,506**	**0**	**0**

Note: C=C1+C2
Grand Total=A+B+C

Table II - Statement showing shareholding pattern of our Promoter and Promoter Group:

Category	Category & Name of the Shareholder	Entity type	No of Shareholders	No of fully paid up equity shares held	Total No of Shares Held	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities		Number of Locked in Shares		Number of equity shares held in dematerialized form
							No.	As a % of total shares held	No.*	As a % of total Shares held	
(1)	**Indian**					0		0		0	
(a)	Individuals/Hindu undivided Family		6	13,004,137	13,004,137	10.23	13,004,137	10.23	0	0	13,004,137
	Rashmi Chowdhary	Promoter Group	1	12,816,105	12,816,105	10.08	12,816,105	10.08	0	0	12,816,105
	Umesh Chowdhary	Promoter Group	1	77,530	77,530	0.06	77,530	0.06	0	0	77,530
	Jagdish Prasad Chowdhary	Promoter	1	70,700	70,700	0.06	70,700	0.06	0	0	70,700
	Vinita Bajoria	Promoter Group	1	32,051	32,051	0.03	32,051	0.03	0	0	32,051
	Sumita Kandoi	Promoter Group	1	5,751	5,751	-	5,751	-	0	0	5,751
	Bimla Devi Kajaria	Promoter Group	1	2,000	2,000	-	2,000	-	0	0	2,000
	Gaurav Kajaria	Promoter Group	0	0	0	0	0	0	0	0	0
	Savitri Devi Chowdhary	Promoter	0	0	0	0	0	0	0	0	0
(b)	Central Government/State Government(s)		-	-	-	-	-	-	-	0	0
(c)	Financial Institutions/Banks		-	-	-	-	-	-	-	0	0
(d)	Any Other		3	44,181,950	44,181,950	34.74	44,181,950	34.74	0	0	44,181,950
	Titagarh Capital Management Services Private Limited	Promoter	1	24,071,588	24,071,588	18.93	24,071,588	18.93	0	0	24,071,588
	Titagarh Logistics Infrastructures Private Limited	Promoter Group	1	1,908,487	1,908,487	1.50	1,908,487	1.50	0	0	1,908,487

Category	Category & Name of the Shareholder	Entity type	No of Shareholders	No of fully paid up equity shares held	Total No of Shares Held	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities		Number of Locked in Shares		Number of equity shares held in dematerialized form
							No.	As a % of total shares held	No.*	As a % of total Shares held	
	Jagdish Prasad Chowdhary	Promoter	1	18,201,875	18,201,875	14.31	18,201,875	14.31	0	0	18,201,875
	Umesh Chowdhary Foundation Family Trust	Promoter Group	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)		**9**	**57,186,087**	**57,186,087**	**44.97**	**57,186,087**	**44.97**	**0**	**0**	**57,186,087**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)		**9**	**57,186,087**	**57,186,087**	**44.97**	**57,186,087**	**44.97**	**0**	**0**	**57,186,087**

Table III - Statement showing shareholding pattern of the public shareholder:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Locked in Shares		Number of equity shares held in dematerialized form
						No of Voting Rights	Total as a % of (A+B+C)	No.	As a % of total shares held	
(1)	**Institutions (Domestic)**									
(a)	Mutual Funds	10	10,721,403	10,721,403	8.43	10,721,403	8.43	-	-	10,721,317
	Canara Robeco Mutual Fund A/C GAD1	1	1,844,004	1,844,004	1.45	1,844,004	1.45	-	-	1,844,004
	HDFC Large and Mid Cap Fund	1	7,142,025	7,142,025	5.62	7,142,025	5.62	-	-	7,142,025
(b)	Alternate Investment Funds	7	285,898	285,898	0.22	285,898	0.22	-	-	285,898
(c)	Banks	19	512	512	-	512	-	-	-	246
(d)	Insurance Companies	5	2,293,467	2,293,467	1.80	2,293,467	1.80	-	-	2,293,467
	ICICI Prudential Life Insurance Company Limited	1	1,466,519	1,466,519	1.15	1,466,519	1.15	-	-	1,466,519
(e)	NBFCs registered with RBI	1	1,500	1,500	-	1,500	-	-	-	1,500
(f)	Other Financial institutions	1	50	50	-	50	-	-	-	50
	Sub Total (B)(1)	**43**	**13,302,830**	**13,302,830**	**10.46**	**13,302,830**	**10.46**	**-**	**-**	**13,302,478**
(2)	**Institutions (Foreign)**									
(a)	Foreign Portfolio Investors (Category I)	124	20,865,358	20,865,358	16.41	20,865,358	16.41	7,600,000	36.42	20,865,358
	Morgan Stanley Asia (Singapore) Pte. – ODI	1	1,432,520	1,432,520	1.13	1,432,520	1.13	-	-	1,432,520
	Smallcap World Fund, Inc	1	7,600,000	7,600,000	5.98	7,600,000	5.98	7,600,000	100.00	7,600,000
(b)	Foreign Portfolio Investors (Category II)	8	553,653	553,653	0.44	553,653	0.44	-	-	553,653
	Sub Total (B)(2)	**132**	**21,419,011**	**21,419,011**	**16.84**	**21,419,011**	**16.84**	**7,600,000**	**35.48**	**21,419,011**
(3)	**Central Government/State Government(s)/President of India**	-	-	-	-	-	-	-	-	-
(a)	Central Government / President of India	3	13,452	13,452	0.01	13,452	0.01	-	-	13,452
	Sub Total (B)(3)	**3**	**13,452**	**13,452**	**0.01**	**13,452**	**0.01**	**-**	**-**	**13,452**
(4)	**Non-Institutions**									
(a)	Directors and their relatives (excluding independent directors	5	198,858	198,858	0.16	198,858	0.16	-	-	198,858

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Locked in Shares		Number of equity shares held in dematerialized form
						No of Voting Rights	Total as a % of (A+B+C)	No.	As a % of total shares held	
	and nominee directors)									
(b)	Key Managerial Personnel	1	44,700	44,700	0.04	44,700	0.04	-	-	44,700
(c)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	2	39,000	39,000	0.03	39,000	0.03	-	-	39,000
(d)	Investor Education and Protection Fund (IEPF)	1	72,740	72,740	0.06	72,740	0.06	-	-	72,740
(e)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	186,742	27,218,086	27,218,086	21.40	27,218,086	21.40	-	-	27,087,781
(f)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	9	2,386,817	2,386,817	1.88	2,386,817	1.88	-	-	2,386,817
(g)	Non Resident Indians (NRIs)	2,107	1,196,006	1,196,006	0.94	1,196,006	0.94	-	-	1,196,006
(h)	Foreign Nationals	1	700	700	-	700	-	-	-	700
(i)	Foreign Companies	7	88,256	88,256	0.07	88,256	0.07	-	-	-
(j)	Bodies Corporate	865	2,820,320	2,820,320	2.22	2,820,320	2.22	-	-	2,818,734
(m)	Any Other	1,983	1,184,226	1,184,226	0.93	1,184,226	0.93	-	-	1,184,142
	Clearing Members	61	277,402	277,402	0.22	277,402	0.22	-	-	277,402
	HUF	1,910	852,573	852,573	0.67	852,573	0.67	-	-	852,573
	Trusts	11	8,020	8,020	0.01	8,020	0.01	-	-	8,020
	Domestic Corporate Unclaimed Shares Account	1	46,231	46,231	0.04	46,231	0.04	-	-	46,231
	Sub Total (B)(4)	**191,723**	**35,249,709**	**35,249,709**	**27.72**	**35,249,709**	**27.72**	**-**	**-**	**35,029,478**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)	**191,901**	**69,985,002**	**69,985,002**	**55.03**	**69,985,002**	**55.03**	**7,600,000**	**10.86**	**69,764,419**

Table IV - Statement showing shareholding pattern of the Non – Promoter – Non-Public Shareholder:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						No of Voting Rights	Total as a % of (A+B+C)	
						Total		
(1)	Custodian/DR Holder	0	0	0	0	0	0	0
(2)	Employee Benefit Trust under SEBI (Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Note:
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares
(3) With respect to the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 257 and 265, respectively.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, our Company being a listed company in India may issue Equity Shares to Eligible QIBs provided that certain conditions are met by such company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the QIP. Such special resolution must *inter alia* specify that, (a) the allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date for the QIP;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of the Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution. This is not applicable to such companies who propose to undertake a QIP for complying with the minimum public shareholding requirements specified in the SCRR;

- The "Equity Shares of the same class" shall mean Equity Shares which rank *pari passu* in relation to rights as to the dividend, voting otherwise of our Company.

- invitation to apply in the QIP must be made through a private placement offer-cum-application form (i.e., this Preliminary Placement Document and an Application Form) serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- the Issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- the Issuer shall have completed allotments with respect to any earlier offer or invitation made by the Issuer or shall have withdrawn or abandoned such invitation or offer, made by the Issuer, except as permitted under the Companies Act. However, subject to the limits prescribed under the applicable law, the Issuer may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document and Application Form), the Issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by the Issuer prior to the invitation to subscribe;

- Our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees;

- the Promoters and Directors of the Issuer are not Fugitive Economic Offenders and have not been declared as Wilful Defaulters;

- the Equity Shares issued through the QIP shall be listed on the Stock Exchanges where the Equity Shares of the Company are listed and our Company shall seek approval under rule 19(7) of the SCRR, if applicable; and

- the Directors of the Issuer are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the Issuer's equity shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated November 8, 2023 and our Shareholders through a special resolution on December 2, 2023, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "Relevant Date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the Board or the committee of Directors duly authorised by the board of the Issuer decides to open the Issue and "Stock Exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the Issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the Relevant Date.
The Equity Shares must be Allotted within 365 days from the date of passing of the Shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information required under applicable laws including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for the QIP shall At least be:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs; and
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process – Application Form*" on page 247.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges on December 7, 2023. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on November 8, 2023 and our Shareholders by way of a special resolution on December 2, 2023.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLMs, shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. **The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by our Company in consultation with the BRLMs. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer or to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.**

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLMs.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue; and

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document.

   - a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can*

be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

5. Each Bidder shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*TRSL – QIP ESCROW ACCOUNT 2023*"with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. On receipt of final listing and trading approvals from the Stock Exchanges, the Net Proceeds deposited in the Escrow Account, shall be transferred to a separate bank account with a scheduled bank as agreed between our Company and the Monitoring Agency. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 252.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and any other regulatory filing and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form, whether signed or not and the Bid Amount in the Escrow Account on or after the Issue Closing Date, our Company shall, in consultation with BRLMs determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. Upon such determination, the BRLMs, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders.

The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLMs .**

10. Upon determination of the Issue Price and the issuance of the CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Successful QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

17. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

    - Eligible FPIs;
    - insurance companies registered with the Insurance Regulatory and Development Authority of India;
    - insurance funds set up and managed by army, navy or air force of the Union of India;
    - insurance funds set up and managed by the Department of Posts, India.
    - multilateral and bilateral development financial institutions eligible to invest in India;
    - Mutual Funds, VCFs, AIFs, each registered with SEBI;
    - pension funds with minimum corpus of ₹ 25 crore registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
    - provident funds with minimum corpus of ₹ 25 crore;
    - public financial institutions as defined under Section 2(72) of the Companies Act;
    - scheduled commercial banks;
    - state industrial development corporations;

- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company on a fully diluted basis, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible 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.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a Promoter, or any person related to, the Promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board of the Issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMs and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.
Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*" and "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 3, 7, 257 and 265, respectively, including without limitation:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or members of the Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter(s) or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral

development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. The Eligible QIB confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. The Eligible QIB confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

12. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIB acknowledges that no Allocation shall be made to it if the price at which it has Bid for in the Issue is lower than the Issue Price.

14. The Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in

such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. The Bidder is either (i) a U.S. QIB purchasing the Equity Shares pursuant to Section 4(a)(2) of the U.S. Securities Act or (ii) located outside the United States and purchasing Equity Shares in an offshore transaction as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
HSBC Securities and Capital Markets (India) Private Limited	52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001, Maharashtra, India	Rishi Tiwari/ Sumant Sharma	Website: https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market Email: titagarhqip@hsbc.co.in	+91 22 6864 1289
Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*)	801 -804, Wing A, Building No 3, Inspire BKC, G Block Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India	Lokesh Shah/ Manish Tejwani	Website: www.nuvama.com Email: Project.Rail@nuvama.com	+91 22 4009 4400

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed, and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*TRSL – QIP ESCROW ACCOUNT 2023*"with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in *"TRSL – QIP ESCROW ACCOUNT 2023"* only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "*– Refunds*" on page 252.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income-tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated December 2, 2023 and in terms of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLMs.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with BRLMs, has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all such Successful Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board/its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion (in consultation with the BRLMs), reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event we are unable to issue and Allot the Equity Shares offered in the Issue or within 60 days from the date of receipt of Bid Amount, our Company shall repay the Bid Amount within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. form the expiry of the sixtieth day. The Bid Amount to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion (in consultation with the BRLMs), reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the Equity Shares offered pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Provided that upon receipt of the listing and trading approval from Stock Exchanges, our Company files the return of Allotment in connection with the Issue with the RoC, upon which, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to a separate bank account with a scheduled bank or any other account as may be mutually agreed between our Company and the Monitoring Agency.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted with the Company/ BRLMs as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 247 and 252 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The BRLMs have entered into the Placement Agreement dated December 7, 2023 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and the Issue is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

Relationship with the Book Running Lead Managers

In connection with the Issue, the BRLMs or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLMs may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" on page 14.

From time to time, the BRLMs, and their respective affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, commercial banking, and other banking services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, in its ordinary course of business (which would be a separate transaction from this Issue) pursuant to which they have received compensation or may in the future receive compensation.

Lock-up

Under the Placement Agreement, the Company undertakes that it will not, subject to the exceptions set out below: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or any securities convertible into, or exercisable for Equity Shares (including, without limitation, securities convertible into, or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act with respect to any of the foregoing; (b) enter into any swap or other agreement or transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or such other securities, in cash or otherwise); (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction described in (a) to (c) above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 60 days after the Closing Date without the prior written consent of the BRLMs. However, the foregoing restriction shall not be applicable to the (i) the issuance of the Issue Shares pursuant to the Issue; and (ii) any transaction required by applicable law or an order of a court of law or a statutory authority.

Lock-up by Promoters

Under the Placement Agreement, our Promoters and our Promoter Group (excluding Sumita Kanodia, Vinita Bajoria, Bimla Devi Kajaria and Gaurav Kajaria) holding 5,71,46,285 Equity Shares aggregating to 44.94% of the equity share capital of the Company as of the date of this undertaking (the "**Lock-up Shares**" which definition shall include all Equity Shares that the undersigned may acquire during the Lock-up Period), agree that, without the prior written consent of the BRLMs, they shall not, publicly announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date hereof and ending 60 days after the Closing Date (both dates inclusive) ("**Lock-up Period**") directly or indirectly:

(a) offer, issue, pledge, sell, encumber, contract to sell, lend, purchase any option, grant or sell any option, right, contract or warrant to purchase, make any short sale or otherwise transfer or dispose of any Lock-up Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Lock-up Shares, whether now owned or hereinafter acquired or file any registration statement under the Securities Act with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Lock-up Shares or such other securities, in cash or otherwise); or

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Lock-up Shares or any securities that are convertible into, exercisable or exchangeable for the Lock-up Shares, whether now owned or hereinafter acquired (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Lock-up Shares or such other securities, in cash or otherwise); or

(c) deposit any of the Lock-up Shares, or any securities convertible into, exercisable or exchangeable for the Lock-up Shares or which carry the rights to subscribe for or purchase the Lock-up Shares, with any depository in connection with a depository receipt facility; or

(d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-up Shares in any depository receipt facility.

Provided, however, that none of the foregoing or below restrictions shall apply to:

i. any sale, transfer or disposition of any of the Lock-up Shares by the undersigned with prior written consent of all the BRLMs to the extent such sale, transfer or disposition is required by applicable law; and

ii. any bona fide pledge or non-disposal undertaking of any of the Lock-up Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the Lock-up Shares to any third party pursuant to the invocation of any pledge in relation to the Lock-up Shares.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Purchaser Representations and Transfer Restrictions*" on pages 3, 7 and 265, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it with ASIC. No offer will be made under this Preliminary Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "**sophisticated investors**" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not

make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Shares shall require the Issuer or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed

of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). This Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in this Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Jordan

The Securities have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Preliminary Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Securities are not and will not be traded on the Amman Stock Exchange.

Each of the BRLMs have represented and agreed that the Securities have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant to them governing the issue of offering and sale of securities. Without limiting the foregoing, each Manager has represented and agreed that the Securities have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Kuwait

This Preliminary Placement Document is not for general circulation to the public in Kuwait. The Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

New Zealand

This Preliminary Placement Document, and the information within and accompanying this Preliminary Placement Document are not, and are under no circumstances to be construed as, an offer of the Equity Shares in New Zealand. No product disclosure statement, prospectus or similar offering or disclosure document in relation to the Equity Shares has been prepared or has been lodged with or reviewed or approved by the Financial Markets Authority, the Registrar of Financial Service Providers or any other regulatory body in New Zealand. The Equity Shares are only available for investment by a "wholesale investor" within the meaning of clause 3(2) of the Financial Markets Conduct Act 2013 ("**FMCA**"). Each recipient of this Preliminary Placement Document represents and agrees that he, she or it:

a) is a "wholesale investor" for the purposes of clause 3(1) of Schedule 1 of the FMCA) (as the term "wholesale investor" is defined by clause (3)(2) of Schedule 1 of the FMCA);

b) has not offered or sold, and agrees he, she or it will not offer or sell, any Equity Shares in New Zealand in a manner that would require disclosure under Part 3 of the FMCA; and

has not distributed or published, and agrees he, she or it will not publish this Preliminary Placement Document or any offering material or advertisement in relation to any offer of the Equity Shares in New Zealand.

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licensed by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor Book Running Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the

basis of, or be relied on in connection with, any contract in Qatar. The persons representing Book Running Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licensed by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective investors of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

South Africa

Due to restrictions under the securities laws of South Africa, no "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act")) is being made in connection with the issue of the Securities in South Africa. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Securities are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

i. the offer, transfer, sale, renunciation or delivery is to:

(a) persons whose ordinary business is to deal in securities, as principal or agent;

(b) the South African Public Investment Corporation;

(c) persons or entities regulated by the Reserve Bank of South Africa;

(d) authorised financial service providers under South African law;

(e) financial institutions recognised as such under South African law;

(f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

(g) any combination of the person in (a) to (f);

ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Preliminary Placement Document should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

South Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "UAE") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "SCA") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "Promotion and Introduction Regulations"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "High Net Worth Individuals") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("**DFSA**"). This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective investors of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 257 and 265, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsels prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized stock exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 257.

U.S. TRANSFER RESTRICTIONS

U.S. Offer Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Managers as follows:

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A), (B) are aware that the sale of the Equity Shares to you is being made in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a "qualified institutional buyer";

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance upon Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts;

- The Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of their respective affiliates has made or will make any representations,

express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Preliminary Placement Document, as it may be supplemented;

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution;

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions;

- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Company's request;

- You have been provided access to this Preliminary Placement Document which you have read in its entirety; and

- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

Global Offer Purchaser Representations and Transfer Restrictions

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of my Equity Shares, you will be deemed to have represented and agreed as follows:

(i) You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Book Running Lead Managers and their respective affiliates shall have any responsibility in this regard;

(ii) You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares

for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

(iii) You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;

(iv) You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

(v) You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company) the information contained in this Preliminary Placement Document, as may be supplemented.

(vi) You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Managers, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE together are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership of stock exchanges and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and

bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**") to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall, in the manner prescribed by SEBI. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, the PAS Rules and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders, audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations

mandate specific disclosure requirements, while acquisitions (direct or indirect along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures ("**SDD**").

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities listed or proposed to be listed, to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, designated person or director in case value of trade exceed monetary threshold of ₹ 10 lakh over a calendar quarter, within two trading days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies

and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following information relates to the Equity Shares, including a brief summary of the Memorandum of Association and Articles of Association and certain provisions of the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹ 3,851,000,000 divided into 1,290,500,000 Equity Shares having face value of ₹ 2 each and 127,000,000 Preference Shares having face value of ₹ 10 each and the issued subscribed and paid-up share capital is ₹ 254,342,178 divided into 127,171,089 Equity Shares having face value of ₹ 2 each. For further details, see "*Capital Structure*" on page 99.

Dividends and Reserve

Under Indian law, a company pays dividends upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) arrived at as laid down by the Companies Act and remaining undistributed or out of both or out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid-up share capital of our Company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by our Company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of our Company after such withdrawal shall not fall below 15% of our Company's paid-up share capital as per the most recent audited financial statement of the company.

The Articles of Association authorise the Board of Directors to pay to the members such interim dividend as appear to it to be justified by the profits of our Company. All dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares of our Company, dividends may be declared and paid according to the amounts of the shares. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the board of directors of a company subject to approval of shareholders in a general meeting to distribute an amount transferred in the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid-up bonus shares. These bonus shares must be distributed to shareholders in proportion to the number of shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

As per the Articles of Association, a general meeting may upon the recommendation of the Board resolve that that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution and that such sum be accordingly set free for distribution amongst the members who would have been entitled thereto, if

distributed by way of dividend and in the same proportions, in terms of the manner set out under the Articles of Association and under applicable laws.

Pre-emptive rights and alteration of share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The Board is entitled to make private placement and preferential issue of Equity Shares, debentures, preference shares or any other instruments to such class of persons as the Board may deem fit which would be convertible or exchanged with Equity Shares, at a later date or such other securities as may be permissible to be issued by our Company under any law from time to time.

According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

The Articles of Association authorises our Board to increase our authorised capital by issuing new shares consisting of equity shares, as our Company may determine in a general meeting by an ordinary resolution. The Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force in the general meeting, from time to time, may (a) consolidate and divide all or any of its share capital into shares of a larger amount than the existing shares; (b) convert all or any of its fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association; and (d) cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Issuance of preference shares

Subject to Section 55 of the Companies Act, and in accordance with the Articles of Association, any preference shares may be issued as redeemable preference shares, with the sanction of an ordinary resolution on such terms as may be decided at the time of the issue.

General meetings of shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company must hold its AGM in each Fiscal year, provided that not more than 15 months shall elapse between each AGM, unless extended by RoC at its request for any special reason, not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid-up capital carrying a right to vote on such date.

As per the provisions of the Companies Act and Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five

shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

In accordance with Section 110 of the Companies Act, a company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to 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.

At a general meeting, every member holding shares is entitled to vote through e-voting process and has one vote for every one equity share held. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the shall be as provided under the Companies Act and rules framed thereunder. The Chairperson, if any, of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings. No proxy shall be entitled to vote on a show of hands unless such proxy is present on behalf of a company or corporation.

Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 deal with the exercise of right to vote by members by electronic means.

Registration of transfers and register of members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' or such lesser period as may be prescribed for certain situations (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The

trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and share transfer agent shall keep a book in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than 15. However, our Company may appoint more than 15 Directors after passing a special resolution. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles of Association. Two-thirds of the total number of Directors is subject to retirement by rotation. Of such Directors, one-third, or if their number is not three or multiples of three, then the number nearest to one-third, must retire every year.

As provided under Section 161 of the Companies Act, 2013, the Director may be appointed by the Board or by the general meeting of the Shareholders. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company, but the total number of Directors shall not at any time exceed the maximum strength. The Board shall also have the power to appoint any person to act as an alternate Director for a Director (not being an independent director) during the latter's absence for a period of not less than three months from India. The alternate Director shall vacate the office if and when the original Director returns to India and in case the office of the original Director is determined before he returns, the provisions of the Companies Act, 2013, and the Articles for automatic reappointment shall apply to the original Director and not the alternate Director.

Additionally, the Directors have the power to appoint persons to fill casual vacancies on the Board. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company, but the total number of Directors shall not at any time exceed the maximum strength for the Board of Directors fixed by the Articles of Association.

Buy back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 issued in connection therewith.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

There may be certain material Indian tax consequences to a U.S. holder (as defined below) of ownership of Equity Shares which are based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Preliminary Placement Document. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Equity Shares. For information on Indian taxation, please refer to the section titled "*Taxation*" on page 282 of this Preliminary Placement Document.

Certain U.S. Federal Income Tax Considerations

The following is a discussion of certain material U.S. federal income tax consequences to a U.S. holder (as defined below) for purchasing, owning and disposing of Equity Shares acquired pursuant to this Issue. This summary does not address any aspect of U.S. federal non-income tax laws, such as U.S. federal estate and gift tax laws, or state, local or non-U.S. tax laws, and does not purport to be a comprehensive description of all of the U.S. tax considerations that may be relevant to a particular person's decision to acquire Equity Shares.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The discussion applies to you only if you acquire the Equity Shares in this Issue and you hold the Equity Shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). This section does not apply to you if you are a member of a special class of holders subject to special tax rules, including:

- a broker;
- a dealer in securities, commodities or non-U.S. currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- a tax-exempt organization;
- an insurance company;
- a regulated investment company;
- an accrual method taxpayer subject to special tax accounting rules as a result of its use of financial statements;
- an investor who is a U.S. expatriate, former U.S. citizen or former long term resident of the United States;
- a controlled foreign corporation;
- a passive foreign investment company;
- a mutual fund;
- an individual retirement or other tax-deferred account;
- a holder liable for alternative minimum tax;
- a holder that actually, indirectly or constructively owns 10% or more of (i) the total combined voting power of all classes of the Company voting stock or (ii) the total value of all classes of the Company stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a holder that holds Equity Shares as part of a straddle, hedging, constructive sale, conversion or other integrated transaction for U.S. federal income tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. Dollar.

This section is based on the Code, existing and proposed U.S. Department of the Treasury regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing are subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company ("PFIC") rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion.

This discussion is not binding on the U.S. Internal Revenue Service ("IRS") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of an investment in the Equity Shares or that any such position would not be sustained.

For U.S. federal income tax purposes, you are a "U.S. holder" if you are a beneficial owner of Equity Shares that acquired the shares pursuant to this Issue and you are:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. holders who are not resident in India for purposes of the Income Tax Treaty between the United States and India.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Equity Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Equity Shares that is a partnership and partners in such a partnership should consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Equity Shares.

Taxation of Dividends

Subject to the PFIC rules described below under "PFIC Considerations", if you are a U.S. holder you generally must include in your gross income as a dividend the gross amount of any distributions of cash or property (other than certain pro rata distributions of Equity Shares) with respect to Equity Shares, to the extent the distribution is paid by our Company out of its current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. A U.S. holder will include the dividend as ordinary income at the time of actual or constructive receipt. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Equity Shares and thereafter as capital gain from the sale or exchange of such Equity Shares. Notwithstanding the foregoing, our Company does not intend to maintain calculations of its earnings and profits as determined for U.S. federal income tax purposes. Consequently, distributions generally will be reported as dividend income for U.S. information reporting purposes.

Subject to the PFIC rules described below, dividends paid by a non-U.S. corporation generally will be taxed at the preferential tax rates applicable to long-term capital gain of non-corporate taxpayers if (a) such non-U.S. corporation is eligible for the benefits of certain U.S. treaties or the dividend is paid by such non-U.S. corporation with respect to stock that is readily tradable on an established securities market in the United States, (b) the U.S. holder receiving such dividend is an individual, estate, or trust, and (c) such dividend is paid on shares that have been held by such U.S. holder for at least 61 days during the 121-day period beginning 60 days before the "ex-dividend date." If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by a non-U.S. corporation to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). The dividend rules are complex, and each U.S. holder should consult its own tax advisor regarding the dividend rules.

Dividends received generally will be income from non-U.S. sources, which may be relevant in calculating your U.S. foreign tax credit limitation. Such non-U.S. source income generally will be "passive category income", which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. holder's particular circumstances. You should consult your own tax advisor to determine the foreign tax credit implications of owning the Equity Shares.

The amount of the dividend distribution that you must include in your income as a U.S. holder will be the U.S. Dollar value of the Indian Rupee payments made, determined at the spot Indian Rupee/U.S. Dollar exchange rate

on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. Dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. Dollars will be treated as ordinary income or loss. The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Taxation of Sale, Exchange or Other Taxable Disposition of Equity Shares

Subject to the PFIC rules discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your Equity Shares in a taxable disposition, you generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount realized and your tax basis, determined in U.S. Dollars, in your Equity Shares. Gain or loss recognized on such a sale, exchange or other disposition of Equity Shares generally will be long-term capital gain if the U.S. holder has held the Equity Shares for more than one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates (currently at a maximum rate of 20%). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes, unless it is attributable to an office or other fixed place of business outside the United States and certain other conditions are met. Your ability to deduct capital losses is subject to limitations.

Medicare Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income", which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.

PFIC Considerations

The Code provides special rules regarding certain distributions received by U.S. persons with respect to, and sales, exchanges and other dispositions, including pledges, of, shares of stock in a PFIC. A non-U.S. corporation will be treated as a PFIC for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its gross assets during the taxable year (generally based on the average of the fair market values of the assets determined at the end of each quarterly period) are "passive assets," which generally means that they produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, rents, royalties, gains from commodities and securities transactions, and gains from assets that produce passive income. Cash is generally a passive asset. However, under recently proposed U.S. Treasury regulations, on which taxpayers may rely, an amount of cash held in a non-interest bearing financial account that is held for the present needs of an active trade or business and is no greater than the amount necessary to cover operating expenses incurred in the ordinary course of the trade or business and reasonably expected to be paid within 90 days is generally not treated as a passive asset. Further, goodwill is generally treated as an active asset to the extent attributable to activities that produce or are intended to produce active income. In determining whether a non-U.S. corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Based on the current and projected composition of our income and assets, and the valuation of our assets, including goodwill, we do not expect to become, a PFIC in the current taxable year or the foreseeable future for U.S. federal income tax purposes. However, no assurance can be given that our Company will not be considered a PFIC in the current or any future taxable years. Our Company's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. Because this determination is made annually at the end of each taxable year and is dependent upon a number of factors, some of which are beyond our Company's control, including the amount and nature of our Company's income and assets, as well as on the market valuation of our Company's assets, including goodwill, and Equity Shares, and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that our Company is not a PFIC and will not become a PFIC or that the IRS will agree with our conclusion regarding our PFIC status. If our Company was currently or were to become a PFIC, U.S. holders of Equity Shares would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

If we are a PFIC for any fiscal year during which a U.S. holder holds our Securities, we generally will continue

to be treated as a PFIC with respect to that U.S. holder for all succeeding fiscal years during which the U.S. Holder holds our Securities, unless we cease to meet the threshold requirements for PFIC status and that U.S. holder makes a qualifying "deemed sale" election with respect to the Securities. If such an election is made, the U.S. holder will be deemed to have sold the Securities it holds at their fair market value on the last day of the last fiscal year in which we qualified as a PFIC, and any gain from such deemed sale will be subject to the consequences described below. After the deemed sale election, the Securities with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. holder holds our Securities, the U.S. holder may be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of our Securities by the U.S. holder would be allocated ratably over the U.S. holder's holding period for such Securities. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and would be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to each such other taxable year. Further, to the extent that any distribution received by a U.S. holder on our Securities exceeds 125% of the average of the annual distributions on such Securities received during the preceding three years or the U.S. holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner described immediately above with respect to gain on disposition.

If we are a PFIC for any fiscal year during which any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder of our Securities during such year will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules to such subsidiary. U.S. holders should consult their tax advisers regarding the tax consequences if the PFIC rules apply to any of our subsidiaries. Alternatively, if we are a PFIC and if our Securities are "regularly traded" on a "qualified exchange", a U.S. holder may be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment described above. Our Securities would be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the Securities are traded on a qualified exchange on at least 15 days during each calendar quarter. However, because a mark-to-market election cannot be made for equity interests in any lower-tier PFIC that we may own, a U.S. holder that makes a mark-to-market election with respect to us may continue to be subject to the PFIC rules with respect to any indirect investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. If a U.S. holder makes the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the Securities at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the Securities over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes the election, the U.S. holder's tax basis in the Securities will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of our Securities in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless our Securities are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. holders are urged to consult their tax advisers about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Alternatively, a U.S. holder of stock in a PFIC may make a so-called "Qualified Electing Fund" election to avoid the PFIC rules regarding distributions and gain described above. The PFIC taxation regime would not apply to a U.S. holder who makes a QEF election for all taxable years that such U.S. Holder has held our Securities while we are a PFIC, provided that we comply with specified reporting requirements. Instead, each U.S. holder who has made a valid and effective QEF election is required for each taxable year that we are a PFIC to include in income such U.S. Holder's pro rata share of our ordinary earnings as ordinary income and such U.S. Holder's pro rata share of our net capital gains as long-term capital gain, regardless of whether we make any distributions of such earnings or gain. The QEF election is made on a shareholder-by-shareholder basis and generally may be revoked only with the consent of the IRS. Accordingly, it is currently anticipated that a U.S. holder will not be able to avoid the special tax rules described above by making the QEF election.

In addition, if we are a PFIC or, with respect to particular U.S. holders, are treated as a PFIC for the taxable year in which we paid a dividend or for the prior taxable year, the preferential rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a U.S. Holder owns our Securities during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to us, generally with the U.S. holder's federal income tax return for that year. If we are a PFIC for a given taxable year, you should consult your tax advisor concerning your annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. U.S. holders are urged to consult their own tax advisers with respect to the ownership and disposition of our Securities, the consequences if we are or become a PFIC, any elections available with respect to our Securities, and the IRS information reporting obligations with respect to the ownership and disposition of our Securities.

Information with Respect to Foreign Financial Assets

In addition, certain U.S. holders may be subject to certain reporting obligations with respect to Equity Shares if the aggregate value of these and certain other "specified foreign financial assets" exceeds $50,000. If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if U.S. holders are required to make this disclosure and fail to do so. In addition, a U.S. holder should consider the possible obligation for online filing of a FinCEN Report 114—Foreign Bank and Financial Accounts Report as a result of holding Equity Shares. U.S. holders are thus encouraged to consult their U.S. tax advisors with respect to these and other reporting requirements that may apply to their acquisition of Equity Shares.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to distributions made on our Equity Shares within the U.S. to a non-corporate U.S. holder and to the proceeds from the sale, exchange, redemption or other disposition of Equity Shares by a non-corporate U.S. holder to or through a U.S. office of a broker. Payments made (and sales or other dispositions effected at an office) outside the U.S. will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number (or otherwise establishes, in the manner provided by law, an exemption from backup withholding) or to report dividends required to be shown on the U.S. holder's U.S. federal income tax returns.

Backup withholding is not an additional income tax, and the amount of any backup withholding from a payment to a U.S. holder will be allowed as credit against the U.S. holder's U.S. federal income tax liability provided that the appropriate returns are filed.

You should consult your own tax advisor as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to this Issue, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, non-U.S. tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

TAXATION

Date: 7th December 2023

To,

The Board of Directors
Titagarh Rail Systems Limited
Poddar Point, 10th floor,
113, Park Street,
Kolkata - 700016
West Bengal, India

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi
Road, Fort, Mumbai 400 001
Maharashtra, India
("HSBC")

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
801 - 804, Wing A, Building No 3
Inspire BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai 400 051
Maharashtra, India
("Nuvama")

(HSBC and Nuvama and any other lead managers appointed by the Company are hereinafter collectively referred to as the "**Book Running Lead Managers**" or "**BRLMs**")

Sub: Statement of possible special tax benefits available to Titagarh Rail Systems Limited and its shareholders.

Re: Qualified institutions placement of equity shares of face value of ₹ 2 each ("Equity Shares") (such placement, the "Issue" or "QIP") by the Company under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Sections 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended

1. This certificate has been issued in accordance with the terms of our arrangement letter dated December 07, 2023 in relation to the Issue.

2. We, Salarpuria & Partners, Chartered Accountants, are one of the Joint Statutory Auditors of the Company (Firm Registration Number 302113E), and have been informed that the company will be undertaking a qualified institutions placement of Equity Shares. The information contained in the attached Annexure has been prepared and certified by management of the Company for inclusion in the preliminary placement document and placement document (together the "**Placement Documents**") of the Company prepared in connection with the Issue to be filed with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**") and any other authority. We have initialled the Annexure for identification purpose only.

Management's Responsibility

3. The preparation of the accompanying **Annexure** ("the **Statement**") regarding the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, as amended (the "**IT Act**"), applicable for the financial year ended March 31, 2024 and relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India ("**Tax Laws**"), including creation and maintenance of all accounting and other records supporting its contents is the responsibility of the management of the Company.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the **Annexure** attached hereto and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities and for claiming/utilization of these available tax benefits.

4. The management is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations, Listing Regulations and provides all relevant information to Stock Exchange as may be required under applicable law.

Auditors' Responsibility

5. Our responsibility is to obtain reasonable assurance and report that the Information stated in the accompanying Annexure is based on information, explanations and representations obtained from the Company and on the basis of our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

6. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the examination to obtain reasonable assurance about the "Reporting Criteria". The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. 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 of the Company.

9. This is not a statement/confirmation of the tax treatment of any transaction of investing in the Company or a treatise on tax rate and tax provisions. It only elaborates any possible special tax benefits that are available to the Company or to its shareholder over and above those that are generally available to operating companies and to the shareholders.

10. Our views are based on the existing provisions of law and its interpretation, which are subject to change time to time. We do not assume responsibility to update the views consequent to such changes.

Conclusion

11. Based on our procedure performed as mentioned above, records and documents produced to us, information, explanations and representations given to us, we certify that the information included in **Annexure** provides the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 read with the rules, circulars and notifications issued in connection thereto, as amended (the "**IT Act**"), applicable for the financial year ended March 31, 2024 and relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India ("**Tax Laws**"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and/or its shareholders may or may not choose to fulfill.

12. The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company or its shareholders and do not cover any general tax benefits available to the Company or its shareholders. The benefits discussed in the enclosed Statement are not exhaustive. We were informed that the Statement is only intended to provide general information to the investors 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 the changing tax laws, each investor is advised to consult his/ her/their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Annexure. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to taxation aspects prescribed under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the country in which the non-resident has fiscal domicile.

13. We do not express any opinion or provide any assurance as to whether:

    i. The Company or its shareholders will continue to be governed by these taxation aspects in future;

    ii. The conditions prescribed in the taxation laws have been/would be met; and

    iii. The revenue authorities/courts will concur with the view expressed herein.

Other Matters

14. We confirm that we will immediately communicate any changes in writing in the above information to the Company and the Book Running Lead Managers which comes to our knowledge based on our review, including in accordance with the procedures mentioned above in this certificate and/ or based on written intimation received from the management until the date when the Equity Shares allotted and transferred in the Issue commence trading on the relevant stock exchanges. In the absence of receipt of any such communication from the management, BRLMs and the legal counsel can assume that there is no change to the above information.

15. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

Restriction on Use

16. The aforesaid consent and information contained herein may be relied upon by the BRLMs and legal counsels appointed pursuant to the Issue and may be submitted to the Stock Exchanges, the Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Issue and/or for the purpose of conducting due-diligence and maintaining records by the BRLMs in connection with the issue and for any defense.

17. This certificate may be disclosed by the BRLMs, if required, (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

18. We consent to the inclusion of the above information in whole or in part in the Placement Documents to be filed by the Company with the Stock Exchanges, and the Registrar of Companies, West Bengal at Kolkata, and any other authority and such other documents as may be prepared in connection with the Issue.
19. This certificate is addressed to and provided to the BRLMs appointed by the Company solely for the purpose of Issue and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing

For **Salarpuria & Partners**
Chartered Accountants
Firm Registration Number: 302113E
Peer Review Number: 014560

UDIN: 23053991BGWIIC2820

Palash K Dey
Partner
Membership Number: 053991
Place: Kolkata
Date: 07.12.2023
UDIN:

CC:

Khaitan & Co
10th and 13th Floors, Tower 1C
One World Centre841 Senapati Bapat Marg
Mumbai 400 013, Maharashtra,
India

Shardul Amarchand Mangaldas & Co.
24th floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India

ANNEXURE

THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO TITAGARH RAIL SYSTEM LTD ('THE COMPANY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible special tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

1. Special tax benefits available to the Company and its Shareholders under the Income Tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India:

   No special tax benefits are available to the Company and its shareholders.

2. Special tax benefits available to the Company and its Shareholders under the under the Indirect Tax laws applicable in India:

   No special Indirect tax benefits are available to the Company and its shareholders under the Indirect Tax laws applicable in India.

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, including those which arise in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes, criminal proceedings, regulatory actions and civil proceedings, which are pending before various adjudicating forums.

*For the purpose of identification of material litigation, pursuant to the terms of the approach approved by the QIP Committee in its meeting held on November 27, 2023, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable: (i) all outstanding criminal proceedings involving our Company, our Subsidiary, our Directors and our Promoters; (ii) all outstanding actions (including show cause notices) by any statutory or regulatory authorities against our Company our Subsidiary, our Directors and our Promoters; (iii) outstanding civil proceedings, including arbitration proceedings involving our Company and its Subsidiary, where the amount involved in such proceeding is equal to or exceeds ₹241.98 lakhs i.e., 5% of the average of absolute value of consolidated profit/ loss after tax of the Company as per our last three Audited Consolidated Financial Statements ("**Materiality Threshold**"); (iv) consolidated disclosure of all claims related to direct and indirect tax matters (including show cause notices) involving our Company, our Subsidiary, our Directors and our Promoters; (v) any other outstanding litigation involving our Company and our Subsidiary wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which, individually or in aggregate, could materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis, and (vi) any other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis.*

Further, except as disclosed below and in the other sections of this Preliminary Placement Document, as on the date of this Preliminary Placement Document, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or any previous companies law in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company or our Subsidiary, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or Subsidiary; (iii) there are no defaults by our Company (on a consolidated basis) in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon, or (d) any loan obtained from any bank or financial institution and interest thereon, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in the annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vii) neither of our Company, Promoters or Directors of the Company have been declared as a fugitive economic offenders, or a wilful defaulter or a fraudulent borrower; or (viii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this Issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiary, our Directors and/or our Promoters from third parties (excluding those notices issued by statutory / regulatory authorities) shall, unless otherwise decided by the Board of Directors, not be considered as material till such time that any of our Company, our Subsidiary, our Directors and/or our Promoters, are impleaded as defendants or respondents in litigation proceedings before any judicial or quasi-judicial forum including court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

I. Litigation involving our Company

(a) Criminal proceedings against our Company

Nil

(b) Criminal proceedings by our Company

1. Our Company filed a complaint in the year 2017, before the Third Judicial Magistrate, Bharatpur against M/s R.K. Krishiyantralay and Anr.("**Accused**") under Section 138 of the Negotiable Instruments Act, 1881. Two tractors were sold to the Accused for ₹ 1,060,800 including CST and the Accused had made part payment *vide* cheque for ₹ 262,928 to our Company. However, the cheque could not be encashed and was dishonoured due to unavailability of sufficient funds. The matter is currently under the cross-examination stage and is pending.

2. Our Company ("**Complainan**t") has filed an application dated September 20, 2023 before the court of Additional Chief Judicial Magistrate at Serampore against Soumen Majumdar ("**Accused No. 1**"), Pankaj Sharma ("**Accused No. 2**") and Amplus Logistics Private Limited ("**Accused No. 3**", and along collectively with Accused No. 1 and Accused No. 2, the "**Accused Parties**") under Section 156(3) of the Criminal Procedure Code, 1973 ("**Application**"). In the Complaint, it has been alleged that the Accused No. 1 (an ex-employee of the Complainant), in connivance with Accused No. 2 and Accused No. 3, have conspired to defraud the Complainant. During the course of his employment, Accused No. 1 had introduced Accused No. 3 to the Complainant, made false and frivolous representations pertaining to the competence, experience, integrity and goodwill of Accused No. 3 and prepared a cost comparison sheet with regard to the logistic companies wherein he projected Accused No. 3 to be the most viable option.

   Based on the representations and inducement of Accused No. 1, the Complainant decided to engage the services of Accused No. 3 and issued a work order on December 23, 2022. Accused No. 1 was the sole point of contact for the work carried out with Accused No. 3 and was responsible for ensuring that payment was duly made. Subsequently, Accused No. 1 absconded upon being asked to provide a report on the status of payment which was to be disbursed to Accused No. 3. The Complainant made several attempts to contact Accused No. 1 and issued warning letters dated April 6, 2023, April 11, 2023 and May 2, 2023 to him. Further, another work order was issued to Accused No. 3 for a period ranging between May 27, 2023 to June 12, 2023 pertaining to the second assignment. The second consignment had arrived at Kolkata Port on May 30, 2023. The Complainant received repeated reminders from the assigned custom house agent for collection of the consignment. When the Complainant contacted Accused No. 3 for delivery of the consignment, they arbitrarily refused stating that outstanding dues amounting to ₹ 2,90,000 which was purportedly intimated to Accused No.1 had not been cleared and as such no step was taken by the Complainant, in this regard. Additionally, Accused No. 3 wrongfully demanded advance payment amounting to ₹ 3,31,200 for the second consignment. Keeping in mind the daily detention charges which were being levied by the port authorities, the Complainant paid a sum of ₹ 5,31,200 to Accused No. 3 towards the alleged past dues and advance of the second consignment. Additionally, an amount of ₹ 13,00,000 had to be paid by the Complainant towards detention charges for a period ranging between June 13, 2023 to July 13, 2023. Eventually, the Complainant had to avail the services of another logistics company Avvashya CCI Logistics Private Limited in order to pay the charges to the authorities for no fault of the Complainant. Further, it has also been alleged by the Complainant that Accused No. 1 had illegally leaked confidential information for his undue personal advantage to Accused No. 2 and Accused No. 3. The Complainant handed over the complaint dated August 21, 2023 and made repeated requests for lodging of an FIR at Uttarpara Police Station; however, no action was taken. Therefore, the Complainant filed the present Application and prayed for passing of an order directing the inspector-in-charge at the Uttarpara Police Station to initiate investigation against the Accused Parties. The matter is currently pending.

3. Cimmco Limited ("**Petitioner**") (later amalgamated with our Company) has filed a criminal complaint in the year 2017 against Sheikh Varish Ali ("**Respondent**") before ACJM Bharatpur under Section 452 of the Companies Act, 2013 and under Sections 630 and 448 of Companies Act, 1956.

   Under the criminal complaint, the Petitioner has stated that the father of the Respondent was providing services to the petitioner and that before retirement, the father of the Respondent requested his son, the Respondent, be employed in the Petitioner's place. The Respondent's son also requested the Petitioner to keep him in his father's place. Accordingly, the Petitioner accepted the request of the Respondent.

The father of the Respondent was allotted a quarter by the Petitioner to reside during the course of his employment and later on, the same quarter was allotted to the Respondent for residing during the course of his employment. The Respondent was relieved from the services because of BIFR with effect from March 5, 2008.

As per the service conditions, the Respondent was supposed to vacate the quarter of the Petitioner with effect from March 5, 2008, as he was relieved from his services. The Respondent did not vacate the premises and is occupying the same illegally. The Respondent has not handed over the possession of the quarter despite several requests by the Petitioner.

The Petitioner has prayed that accused should be vacated from the quarters and the possession of the quarter be given back to the Petitioner along with imposition of fine.

4. Our Company had filed an FIR no. 339 in the year 2021against Girjesh Mishra, before Additional Chief Judicial Magistrate, Bharatpur. Our Company in the said FIR stated that Girjesh Mishra was appointed in the security department of Cimmco Limited the year 2000 and rejoined the Company in the year 2008, when our Company took over Cimmco Limited, based on forged marksheets and documents in connivance with the then general manager R.N. Tiwari. The accused had presented fabricated marksheet of graduation and was promoted as ex-chief security officer. On being enquired by our Company, it became known that the university mentioned in the marksheet is closed since 2005 whereas the marksheet was dated in the year 2011. The matter was last fixed on September 14, 2023 for protest petition to be filed by Girjesh Mishra, but the matter was adjourned.

5. Our Company ("**Complainant**") filed a complaint with the officer-in-charge, Anandapur Police Station against Cosmic Ferro Alloys Limited ("**Accused No. 1**"), Pramod Kumar Agarwal, Akash Agarwal, Nirmal Aggarwal and Sanjay Agarwal vide its letter dated August 11, 2023 under Sections 384, 385, 386, 387, 388, 389, 465, 467, 468. 469, 471, 477A, 503, 506, 120B, 34 of the Indian Penal Code, 1860. In the Complaint, it has been alleged that the Complainant had transactions with Accused No. 1's cold rolled forming division between 2019 and 2022, wherein the Complainant had agreed to supply steel to the Accused No. 1 and in turn, Accused No. 1 agreed to supply wagon parts and components back to the Complainant. The Complainant would be entitled to receive the price of the steel supplied by the Complainant, and such price would be set-off against the price of the parts and components. In the course of such transactions, the Complainant would place purchase orders with Accused No. 1 and raise invoices for the steel supplied to Accused No. 1. In January 2022, the Complainant was informed that a new company in the name of Cosmic CRF Limited ("**Cosmic CRF**") was being incorporated and the entire cold rolled forming division of Accused No. 1 was being transferred to Cosmic CRF. Cosmic CRF, vide its letter dated September 10, 2022, acknowledged that as on September 9, 2022, an amount of ₹ 68,560,852 was due and payable by Accused No. 1 to the Complainant and undertook all the liabilities owed by Accused No. 1 to the Complainant. Subsequently, Cosmic CRF vide its letter dated February 17, 2023 confirmed that an amount of ₹ 21,502,740 was due and payable to the Complainant on account of the transaction between the Complainant and Accused No. 1 prior to September 10, 2022 upon reconciliation of accounts and adjustment of all debit and credit notes issued and agreed upon. In July 2023, certain directors and officers of the Complainant received various phone calls from persons claiming to represent Accused No. 1, illegally demanding various sums of money, and threatening to initiate insolvency proceedings against the Complainant. Subsequently, the Complainant received a demand notice dated August 1, 2023 issued by Accused No. 1 under Section 8 of the Insolvency & Bankruptcy Code, 2016 alleging total dues of ₹ 32,541,879. The Complainant duly replied to the demand notice vide a letter dated August 9, 2023. Upon perusal of the purported demand notice, the Complainant found that the ledger enclosed with the demand notice had been tampered with, manually intervened with and fraudulently manipulated. Thus, the Complainant filed the Complaint, and subsequently a FIR dated August 17, 2023 was registered at the Anandapore Police Station. Accused No. 1 has filed an application before the Calcutta High Court to quash the FIR under Section 482 of the Criminal Procedure Code, 1973. Subsequently, a petition dated September 6, 2023 was filed before the National Company Law Tribunal, Kolkata Bench by the Accused under section 9 of the Insolvency and Bankruptcy Code, 2015 ("**IBC**") for initiation of corporate insolvency resolution process of the Complainant. It is alleged by the Accused that the last transaction took place between the Complainant and Accused on September 14, 2022 and the total debt as on September 14, 2022 excluding interest stood at ₹ 32,541,879. The Accused sent a demand notice to the Complainant on June 20, 2023 and July, 2023 for the unpaid invoices issued on August 27, 2022 and September 14, 2022.The matter is currently pending.

6. Our Company was given a land admeasuring 188 acres on lease through a lease deed dated August 12, 1966 by the Government of Rajasthan, for construction of industries and quarters for its employees. Nahar Singh ("**Accused**"), a resident of Bharatpur, illegally encroached on our Company's land in khasra no. 1041 and commenced the foundation work. Upon being stopped, the Accused assaulted and abused our Company's representatives, for which a FIR was filed by our Company against the Accused under Sections 420, 447, 471 and 504 of the Indian Penal Code, 1860, for criminal trespass and construction on the land at the Cimmco labor colony. The police did not take any action against the Accused, however, submitted a final report in the Court. The matter is currently pending.

(c) Actions and proceedings initiated by statutory or regulatory authorities involving our Company

1. Our Company by its letter(s) to BSE and NSE had informed that it had already submitted letters to SEBI and the Stock Exchanges for extension of time for submission of the financial results for the quarter ended March 2020 and June 2020, respectively, on the grounds interalia that the order sanctioning the scheme of amalgamation of Cimmco Limited and Titagarh Capital Private Limited with our Company was expected within a short time and will enable giving effect to the merger of subsidiaries in the accounts of our Company from the appointed date i.e. April 1, 2019 thereby facilitating reflection of correct financial position of our Company on standalone and consolidated basis; and the extension of time for submission of the results after giving effect to the amalgamation therein will facilitate publication of financials such that there will be no confusion in the minds of the shareholders and other stakeholders regarding financial position of the Company. Further, while considering our Company's application for the extension of time for submission of the aforesaid financial results, the concerned officer of SEBI had advised that considering the facts of the case, should the stock exchange(s) were to demand fine/penalty for delay in submission of the financial results, then our Company should submit response to the said stock exchange requesting for waiver of fine/penalty and that SEBI would advise the stock exchange to waive the fine/penalty and not take any consequential action.. In view of the same, our Company requested BSE and NSE not to take any consequential action in that regard. The aforesaid scheme of amalgamation was sanctioned on September 30, 2020 and our Company submitted the results for the year ended March 31, 2020 to the Stock Exchanges on October 8, 2020. BSE by an email dated July 27, 2021 informed our Company was that it was liable to pay a basic fine of ₹3,35,000 plus GST@18% for the delayed submission of results for the year ended March 31 2020, however our Company's representation for waiver of fine was placed before its relevant committee and after considering the facts of the case and the written submissions made by our company, the committee decided to partially accede to the request for waiver of fines and advised our Company to pay a basic fine of ₹. 40,000/- plus GST@18%, which was paid by our Company. NSE *vide* its letter dated September 13, 2023 informed our Company that the waiver was considered and duly placed before the relevant authorities of NSE. Further, NSE *vide* letter dated September 15, 2023 asked our Company for bank particulars to process the refund, which were duly provided by our Company to the NSE. NSE is yet to process the refund and respond to our Company's request for waiver of fine on the subject. The matter is currently pending.

2. Due to delay in passing of the final order by the National Company Law Tribunal sanctioning the scheme of amalgamation of two subsidiaries with our Company, our Company submitted the results for the year ended March 31, 2020 and the quarter ended June 30, 2020 to the Stock Exchanges on October 8, 2020 and October 14, 2020 respectively. BSE by an email dated July 27, 2021 informed that our Company was liable to a basic fine of ₹ 1,45,000 plus GST@18% for the delayed submission of results for the quarter ended June 30, 2020, however, our Company's representation for waiver of fine was placed before its relevant committee and after considering the facts of the case and the written submissions made by our Company, the committee decided to partially accede to our request for waiver of fines and advised our Company to pay a basic fine of ₹70,000 plus GST@18%, which was paid by our Company. On March 19, 2021, our Company received a letter from NSE which mentioned that our Company's representations for waiver of fine for delay in submission of financial results for the quarter ended June 30, 2020 was placed before the relevant authority of the Stock Exchange and our Company's request for waiver of fine was not considered favourably and therefore demanded fine. Our Company paid the said fine to NSE on May 10, 2021 and informed NSE by its letter dated May 11, 2021 that although our Company had stated favorable/ genuine grounds to waive off the fines but to avoid any stricter action of NSE, our Company has paid the stated amount 'under protest' and requested to waive off the fines levied & refund the amount paid to our Company at the earliest. The response from NSE is still awaited. The matter is currently pending.

(d) Material civil litigation filed by our Company

1. Our Company ("**Plaintiff**") has instituted a suit against Alok Bhanuka (sole proprietor of Bhanuka Enterprises) ("**Defendant**") on August 4, 2014 before the High Court of Calcutta for a decree of ₹ 259,960,000, payment of interim interest and interest upon judgement at 24% p.a., and costs, amongst other reliefs, for the loss and damage suffered due to the repeated failure of the Defendant to repair the ARC furnace transformer installed at the Plaintiff's plant. Pursuant to an offer letter dated July 12, 2012, issued by the Defendant to the Plaintiff for repairing the transformer, the transformer was dismantled at the Plaintiff's factory and the main coil, reactor coil and core winding set were moved from the factory to the workshop of the Defendant. Thereafter, the Defendant claimed to have repaired the transformer and delivered it to the Plaintiff on September 28, 2012 and installed and commissioned it in the factory in October 2012. However, the transformer was not functional, and the Defendant had once again taken the parts of the transformer for repair and claimed to have repaired it when called upon for joint inspection.

   Despite multiple attempts at repairing the transformer until December 29, 2012, cold testing and heat testing at joint inspections conducted at the factory, the transformer did not function properly, and it was established that the Defendant had failed to fulfil his obligations resulting in a fundamental breach of contract. The Plaintiff suffered losses and damages to the extent of ₹ 259,960,000. The Defendant failed to pay the amount and subsequently instituted a winding up proceeding against the Defendant, which was dismissed by the High Court of Calcutta.

   The Plaintiff received the tax invoice of ₹ 943,099 for the services provided by the Defendant on January 6, 2013 and alleged that the amount was not paid by the Plaintiff despite several reminders *vide* e-mails dated March 12, 2013, September 23, 2023, September 25, 2013, October 28, 2013, November 12, 2013, November 26, 2013 and letters dated June 1, 2013, July 23, 2013 and August 8, 2013. Subsequently, the Defendant received a letter dated December 2, 2013 from the Plaintiff alleging that the transformer was running inefficiently. The Defendant stated that he had duly discharged his obligations as per the purchase order dated September 3, 2012 and directed the Plaintiff to pay a sum of ₹ 3,181,794 for the services, including interest of 39% p.a. The matter is currently dormant and pending.

2. Our Company ("**Plaintiff**") filed a civil suit on February 15, 2016 before the High Court of Calcutta against Babatunde Fagbemi ("**Defendant No.1**"), Spring Fountain Infrastructure Limited, Maevis Limited, Nigerian Railway Corporation and Anchor Insurance Company Limited (collectively "**Defendants**") for perpetual injunction restraining the Defendants and the persons to whom the power of attorney dated June 8, 2014 ("**POA**") was given, annulment of the contract dated May 24, 2015 with Spring Fountain Infrastructure Limited, damages amounting to ₹ 969,428,250 and perpetual injunction from using the name 'Titagarh', and such other costs, on grounds of fraud and misrepresentation by the Defendants. The Plaintiff had executed the POA in favor of the Defendant No.1 in order to participate in a pre-qualification of contractors for Nigerian Railway Corporation. The Plaintiff alleged that based on the POA, the Defendant No.1 committed fraud by incorporating a special purpose vehicle company in Nigeria similar to Plaintiff's name and entering into four contracts as the managing director of the Plaintiff without consent and advanced money to the Defendant without authorization. The Hon'ble Court had issued summons to the Defendant by way of publishing in daily newspapers for circulation in Nigeria. The matter is currently pending.

3. Our Company ("**Plaintiff**") has filed a civil suit on October 17, 2012 before the Hight Court of Calcutta against Pacific International Lines (PTE) Limited ("**Defendant No. 1**"), Pacific International Lines (China) Limited ("**Defendant No. 2**") and Pacific International Lines (India) Limited ("**Defendant No. 3**"), Balmer Lawrie & Co Limited ("**Defendant No. 4**") (collectively referred to as the "**Defendants**"), for *inter alia* detaining the imported cargo and charging detention at penal rates. Due to local law and order unrest at the Plaintiff's plant at Hind Motor at Uttarpara, it was prevented from taking delivery of 32 containers and paid customs duty in respect of the goods shipped. The Plaintiff requested the Defendants on several instances to increase the free period which allowed extension of the time period to take delivery of the materials, however the same was denied.

   The Defendants failed to fulfil the obligations to de-stuff the 32 containers containing Plaintiff's cargo of 250 bogies shipped by Jinan Railway Vehicles Equipment Co. Limited and deliver the cargo to the

Plaintiff, in terms of the bill of lading post the unrest, thereby breaching their obligation to mitigate loss and damage on detention of the containers. The Plaintiff has assessed and valued its relief and cost of 250 bogies as ₹ 127,070,625 and requested for a mandatory and perpetual injunction directing the Defendants to de-stuff the containers and forthwith deliver the cargo to the Plaintiff. The Plaintiff had submitted a bank guarantee of ₹ 1,86,00,000 for de-stuffing of the containers and further paid an amount of ₹ 35,15,224 as detention charges which, over a period of time accumulated to approximately ₹ 2,47,70,473. A petition was filed by the Plaintiff seeking release of goods. The matter is currently pending.

4. Our Company ("**Claimant**") has invoked arbitration proceedings against Odisha Power Generation Corporation Limited ("**Respondent**") and issued a notice of arbitration dated March 6, 2021 under Section 21 of the Arbitration and Conciliation Act, 1996 on the grounds of alleged withholding of payments and imposing of liquidated damages by the Respondent. The Claimant entered into a contract dated September 26, 2016 with the Respondent for supply of 110 Open Coal Hooper wagon, 3 brake vans and specified spares and tools with a total contract price of ₹455,700,000 ("**Contract**"). As per the terms of the Contract, the delivery of wagons was to be made in lots as per the delivery dates specified in the Contract and final acceptance of such lot will be made after the Respondent issues lot acceptance certificates. The Claimant claimed that due to unforeseen events not attributable to the Claimant, the goods could not be delivered on time, and therefore the Respondent extended the delivery period. Subsequently, the Claimant delivered the goods, and the Respondent successfully commissioned them without any objection, protest or demur and further issued a lot acceptance certificate. It was argued that the Respondent delayed the release of payment and while making the payment, and withheld an outstanding sum of ₹ 82,892,659 on account of liquidated damages due to purported delay in performance of Contract attributable to Claimant. As no part of the purported delay in performance is attributable to the Claimant, they are not liable to pay any liquidated damages and therefore, the dispute was referred to arbitration, and the Claimant has prayed for a total award of ₹ 117,707,576 including 18% interest p.a.(for the period from March 1, 2020 to June 30, 2022), pendente lite interest and post- award interest at the rate of 18% p.a., inquiry into damages suffered by the Claimant, injunction and other costs. On the other hand, the Respondent has contended that the delay is solely attributable to the Claimant's negligence and, therefore, the Respondent suffered a loss due to the deployment of its employees and payment of salaries to them. Subsequently, the Respondent has prayed for a total sum of ₹ 52,659,957 as relief. The matter is currently pending before the arbitration tribunal.

5. Our Company ("**Plaintiff**") filed a civil suit at the High Court of Calcutta ("**Suit**") against B.K. Enterprises ("**Defendant**") for damages on account of production loss, defamation and malicious prosecution. The Defendant supplies spare parts and welding consumables to the Plaintiff. The Plaintiff did not make payment for the materials provided by the Defendant on grounds that they were fake and substandard spares of defective quality, which led to frequent breakdowns in plant and machinery and therefore, rejected them. Subsequently, a police complaint was filed by the Defendant for non-payment of ₹ 5,751,184 for the goods supplied. The Plaintiff *vide* its letter dated March 21, 2014 communicated to the Defendant that no money was owed since the goods supplied were fake and against the specifications. Subsequently, the Plaintiff filed a Suit at the High Court of Calcutta and prayed for a sum of ₹ 125,000,000 with 18% interest per annum, and a decree for declaration that the defendant is not entitled to realise the principal sum of ₹ 5,751,184. A counter claim was filed by the Defendant for dismissal of the Suit on grounds that they had duly acted in terms of the purchase order. The Defendant prayed for a total sum of ₹ 8,957,981.27 which includes the interest of 24% levied upon until realization of the outstanding amount. The matter is currently pending.

6. Our Company ("**Plaintiff**") has filed a title suit before the Court of 3rd Civil Judge (Senior Division) at Barasat, West Bengal against Umakant Mishra, Proprietor, Shree Sai Puja Enterprise ("**Defendant**"). In the Suit, it has been argued that the Plaintiff in the usual course of its business would issue purchase and/or work orders in favour of the Defendant for execution of various civil construction and site-specific work in respect of projects being undertaken by the Plaintiff for *inter alia* the Indian Air Force and the Indian Railways in favour of the Defendant. The Plaintiff had made payments to the Defendant from time to time, including advance payments aggregating to ₹8,50,95,838. In 2021, the Defendant completed part of the work of an aggregate value of ₹8,35,90,000 and abandoned the work midway and consequently committed breach of the terms of the work orders and caused loss and injury to the Plaintiff. Thus, the Plaintiff had made excess payment of ₹1,45,39,367 to the Defendant in respect of work orders. The Defendant has failed to refund excess payment received from the Plaintiff and has

made false and defamatory representations of amounts due and owed for work done to the Plaintiff's business associates, customers, certain authorities and to its vendors and contractors. The Plaintiff has prayed for *inter alia* the recovery of the amount of ₹1,89,84,828 due to the Plaintiff, damages of ₹1,00,00,00,000 for defamation, a declaration that the Plaintiff is not liable to pay to the Defendant any further sum of money in respect of and/or arising out of the work orders and a perpetual injunction restraining the Defendant from claiming any sum of money against the Plaintiff and making and publishing any defamatory matter against the Plaintiff. Subsequently, an application for temporary injunction was filed by the Plaintiff on April 19, 2023 before the same court. Due to delay in proceedings in the Court of 3rd Civil Judge (Senior Division), the Plaintiff filed an appeal on May 19, 2023 before the High Court of Calcutta for grant of temporary injunction to prevent the Defendant from making or publishing any further false and defamatory information against the Plaintiff and grant ad-interim order in favour of the Plaintiff. The matter is currently pending.

7. Our Company ("**Petitioner**") has filed an application before the Calcutta High Court against Texmaco Rail & Engineering Limited ("**Respondent**") under Section 34 of the Arbitration & Conciliation Act, 1996 ("**Application**") to set aside an arbitral award dated June 20, 2022 ("**Award**"). In the Application, it has been argued that the Petitioner had entered into a memorandum of understanding dated October 5, 2001 ("**MoU**"), for a sub-license of design and technical information of the main body work of a non-pressurised bulk powder cement wagon from Metalair Limited of UK by the Petitioner to the Respondent. The Respondent was granted a temporary right to use, on sub-license basis, the design and technical information available with the Petitioner for manufacturing of specified wagons. The sub-license was on payment of royalty and for a period of five years. However, the Respondent allegedly continued using the technical know-how post the expiry of the tenure of the MoU, without the consent or knowledge of the Petitioner. Subsequently, an arbitration application was filed by the Petitioner under section 9 of the Arbitration and Conciliation Act, 1996 against the Respondent. The dispute was amicably resolved by the parties on February 4, 2010 and the matter was disposed off without imposing any cost by the Calcutta High Court.

   Subsequently, our Company by a letter dated April 26, 2012 claimed a sum of ₹ 2,646.25 lakhs on account of loss of profit due to termination of the MoU. The Respondent *vide* its letter dated May 1, 2012replied contending that no dispute survived after the Settlement Order. The Petitioner filed an application under section 11 of the Arbitration & Conciliation Act, 1996 before the Calcutta High Court for appointment of sole arbitrator on August 23, 2012 and the same was contested by the Respondent. The said application was allowed by appointing a sole arbitrator ("**Sole Arbitrator**") to adjudicate upon the disputes between the parties, by an order dated March 3, 2014 passed by the Calcutta High Court ("**Appointment Order**").

   On April 7, 2014, the Respondent filed a special leave petition ("**SLP**") before the Supreme Court of India against the Appointment Order. Pursuant to an interim order dated May 5, 2014, the arbitration proceedings were stayed and the SLP was dismissed *vide* order dated December 13, 2017. Pursuant to the dismissal of the SLP, the arbitration proceedings commenced before the Sole Arbitrator.

   The Petitioner filed the statement of claim on January 25, 2018, claiming an amount of ₹3,479.35 lakhs (excluding interest) for damages, technical consultancy fees, etc., in relation to the termination of the MoU to which the Respondent filed a counter statement of facts dated March 14, 2018. The arguments concluded on November 28, 2019 and the award was reserved. The Sole Arbitrator expired before publishing such award and a new arbitrator ("**New Sole Arbitrator**") was appointed as per the order of the Calcutta High Court dated December 8, 2020. The New Sole Arbitrator, on June 20, 2022, passed the Award wherein the Respondent was liable to pay ₹1,021.75 lakhs (excluding interest) to the Petitioner for the alleged unauthorized manufacture of wagons after December 2013 along with ₹ 10 lakhs in *lieu* of additional costs and restrained the Respondent from manufacturing the specified wagons. Subsequently, the Respondent has filed an appeal challenging the Award and requested for setting aside the Award. Simultaneously, the Petitioner has filed an execution petition for an amount of ₹ 1,877.30 lakhs for which the Respondent has deposited ₹1,500.00 lakhs and the Petitioner has withdrawn ₹1,500.00 lakhs pursuant to an Order passed by the Calcutta High Court on March 2, 2023. A stay order was passed on November 16, 2022 by the Calcutta High Court on the execution petition. The Petitioner filed the present Application to set aside the Award on account of miscalculation and requested for recalculation of the amount of the Award. In the Application, it has been contended that the arbitral tribunal has only considered the wagons manufactured after December 2013, whereas the MoU expired in July 2008. The Petitioner has sought for a total compensation aggregating to ₹ 1,819.01

lakhs for the unauthorised wagons manufactured by the Respondent between July 2008 to December 2013. The matter is currently pending.

8. Our Company ("**Applicant**") filed a mediation application on July 27, 2023 before the District Legal Services Authority, District Civil and Sessions Court, South 24 Parganas, Alipore against Siena Engineering Private Limited ("**Respondent**") under section 12A of the Commercial Courts Act, 2015 ("**Application**") in relation to an alleged breach of purchase order dated October 22, 2022 issued by the Applicant in favour of the Respondent for supply of 350 CASNUB bogies and allied parts and components ("**Goods**") at a per quantity base rate of ₹ 3,27,000 ("**Purchase Order**"). In the Application, it has been stated that in terms of the Purchase Order, the supply of the Goods was to be made by the Respondent between November 12, 2022 and January 12, 2023 as per the delivery schedule communicated by the supply chain team of the Applicant. Delivery beyond the stipulated delivery period would attract liquidated damages at 0.5% per month or part thereof for the portion executed/ delivered beyond agreed delivery period subject to a maximum of 5% of the total value of the Purchase Order. However, by February 2023, the Respondent had delivered only 162 units of the Goods and had therefore committed a breach of the Purchase Order. Subsequently, the Applicant issued a letter dated March 28, 2023 imposing liquidated damages and called upon the Respondent to immediately dispatch 40 units of the Goods and to complete the delivery of the remaining 148 quantities of the Goods by April 30, 2023. On account of no response by the Respondent, the Applicant issued a letter dated March 31, 2023 to the Respondent reiterating its stand. Despite receipt of the letters, the Respondent failed to make delivery of any further goods. Thus, the Applicant subsequently issued a letter dated April 13, 2023 cancelling and terminating the Purchase Order and intimated the Respondent of its intention to procure the remaining Goods on risk purchase and by way of substituted performance from third parties while holding the Respondent liable for the difference of price as well as expenses and charges incurred in the process. Through the present Application, the Petitioner has claimed a sum of ₹ 4,56,640, an interest of ₹ 10,69,349.84 at the rate of 18% per annum and ₹ 2,00,00,000 for the loss of opportunity and loss of goodwill and reputation caused as a result of the Applicant defaulting in its delivery commitments as a result of the partly delayed and non-supply of the Goods by the Respondent. The matter is currently pending.

9. Our Company ("**Applicant**") has filed an arbitration application dated February 14, 2023, pursuant to an order dated September 15, 2022 by the High Court at Calcutta before the sole arbitrator, High Court at Calcutta ("**Application**") against the Union of India, represented by the General Manager, Eastern Railways ("**Respondent**"). In the Application, it has been argued that the Applicant received a letter dated March 6, 2018 from the Senior Divisional Engineer/I, Eastern Railway, Sealdah, demanding of a sum of ₹ 205,853,008 towards alleged arrear license fees with effect from April 2004, for a railway land being used by the Applicant since November 17, 1994. The Senior Divisional Engineer/III issued a letter dated September 11, 2018 to the Applicant informing the Applicant that a joint survey would be held on September 18, 2018. Upon the conduct of the joint survey, a number of discrepancies were found between the drawing originally prepared by the railway authorities and the actual position at the site. Subsequently, *vide* its letter dated September 30, 2019, the Divisional Engineer/HQ, Eastern Railway, Sealdah, issued a letter enclosing demand notices and invoices towards the purported license fee and recalculated the arrear license fees to ₹ 77,614,802 on the basis of the revised map for the period from 2004 to 2020. The Applicant, *vide* its letter dated November 5, 2019 to the Divisional Engineer/HQ, Eastern Railway, Sealdah, requested to be provided with a copy of the revised map and the circular on the basis of which, the demand had been calculated by the railway authorities. Further, on November 20, 2019, the Respondent issued a demand notice for payment of the land license fee for the period from April 1, 2004 to 2019-20 within a period of one month and threatened termination of the facilities in the event of non-payment. Subsequently, *vide* its letters dated November 22, 2019 and November 29, 2019, the Applicant reiterated that no arrear license fee was payable to the Respondents as no agreement for such land had been entered into between the Applicant and the Respondents and brought to the notice of the Respondents that in terms of the circular dated February 10, 2005 issued by the Ministry of Railways, the existence of an agreement was a pre-requisite for demand being raised. Subsequently, Division Railway Manager, Eastern Railway, Sealdah Division *vide* its letter dated October 8, 2021 indicated that unless the Applicant adhered and made payment of the purported demand of the Indian Railways for land license fee and all arrears from 2004 were cleared by November 30, 2021, the Respondent would cancel the siding and dismantle the track. Additionally, the Respondent vide letter dated October 22, 2021, demanded license fee for the period from April 1, 2021 to March 31, 2022. Subsequently the Applicant had filed a writ petition on November 25, 2021 before the High Court at Calcutta under Article 226 of the Constitution of India seeking direction to Respondent to ensure the Applicant's right to operate and access the railway siding situated on the railway land is not

hindered, cancellation of all demands contained in the correspondence between the Applicant and Respondent. As per the order dated February 17, 2022 the High Court recorded that during the course of the hearing, the counsel of the Respondent produced the copy of two agreements dated May 10, 1988 to demonstrate that the Applicant is obliged to pay rent in respect of the siding being enjoyed by them. Subsequently, the writ petition was disposed of vide order dated April 5, 2022 with the observation that the matter involved in said writ petition fell in the realm of a private contract between the parties. Subsequently, the Applicant received a communication purporting a demand of a sum of ₹ 94,622,167 towards land license fee for the period from 2004 to 2021-2022 and a letter dated June 16, 2022 from the Senior Divisional Engineer (HQ), Eastern Railway, Sealdah demanding a sum of ₹ 104,028,799 prior to July 15, 2022. Subsequently, the Applicant wrote a letter dated July 07, 2022 to the Respondent referring the dispute under the said agreements to arbitration. Thus, the Applicant filed the present Application and has prayed for for, *inter alia*, (i) an award declaring that the Respondent is only entitled to recover interest and maintenance charges from the Applicant in connection with the assisted railway siding; (ii) an award declaring that the Applicant is not obliged to pay and the Respondent is not entitled to receive payment of any purported land license fee in connection with the assisted railway siding; (iii) perpetual injunction restraining the Respondent from claiming or demanding any sum of money on account of any purported land license fee in connection with the assisted railway siding; and (iv) perpetual injunction restraining the Respondent from taking any steps in terms of the letter dated June 16, 2022. Our Company filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the High Court of Calcutta on account of illegal and unlawful acts of the Respondents in threatening to cancel and/or dismantle the siding being used and operated by the Applicant at their work site. The matter is currently pending.

10. Our Company ("**Applicant**") has invoked arbitration against the Ministry of Railways through The Director Railway Stores, Railway Board ("**Respondent**") under section 21 of the Arbitration and Conciliation Act, 1996 through a letter dated February 22, 2023. The Applicant entered into a contract with the Respondent for the manufacture and supply of wagons as per the contract dated December 12, 2017, the Applicant received an order from the Respondent for the manufacture and supply of 1191 mixed types of wagons out of which 201 were Bogie Pol Tank Wagon Type ("**BTPN**") wagons. The Applicant has argued that as per clause 12 of the contract, the Respondent through amendment V dated August 19, 2019 increased the order quantity of BTPN wagons from 201 wagons to 558 wagons. The applicant raised its concern regarding the increase in quantity through letter dated August 20, 2019. The applicant accepted the change and increase in quantity through letter dated November 8, 2019 keeping in mind the long standing relationship with the Respondent. Subsequently, the Applicant on May 31, 2022 sent a request for short closing of Contract due to the pandemic and other factors, without any default charges to the Respondent. However, the Respondent on October 11, 2022 decided to cancel the option contract and forfeited the Security deposit of Rs. 2,85,82,840. Pursuant to which, on February 22, 2023 the Applicant invoked arbitration proceedings as per para 2900 of the Indian Railway Standard Conditions of Contract. The Respondent vide letter dated September 19, 2023 appointed Ajeet Singh Yadav as the sole arbitrator in the matter. The matter is currently pending

11. Our Company ("**Plaintiff**") has filed a suit for recovery on February 29, 2012 before the High Court of Delhi against the Comptroller and Auditor General of India ("**Defendant No. 1**"), The Government of India, through the Secretary, Department of Commerce, FT (LAC) Division, Ministry of Commerce ("**Defendant No. 2**") and Export Credit Guarantee Corporation of India Limited through the Executive Director ("**Defendant No. 3**", and collectively with Defendant No. 1, Defendant No. 2 and Defendant No. 3, the "**Defendants**") for the recovery of amount ₹ 35,217,413 along with interest at 15% p.a. with effect from March 1, 2009 together with interest pendente lite. In the suit, it has been argued that the Plaintiff made a number of exports from time to time to Cuba as per the guidelines of the Government of India from 1989 to 1997, however, it did not receive substantial amounts for the said exports from the Government of Cuba. Many other exporters were also victims of such non-payment by the Government of Cuba. Defendant No. 2 along with the Cabinet Committee on Economic Affairs approved the proposal wherein the outstanding dues payable to the Indian exporters would be waived and the same will be reimbursed by the Government of India. The reimbursements will be channeled through Defendant No. 3 who had paid certain claim amounts to the exporters including the Plaintiff at the time of shipment. Accordingly, the Plaintiff raised a claim for ₹ 323,131,995 to Defendant No. 2 vide its letter dated January 5, 2008 pursuant to discussions held by the Plaintiff with Defendant No. 2 and Defendant No. 3. Subsequently, the Plaintiff vide its letter dated April 3, 2008 intimated Defendant No. 2 that the Plaintiff would not raise further claim if the claim of ₹ 323,131,995 was settled within 30 days of issuance of the letter. The aforesaid claim of the Plaintiff was acknowledged by Defendant

No. 2 vide its letter dated May 14, 2008, wherein Defendant No. 2 agreed to reimburse a total of ₹ 1,280,000,000 to Indian exporters who had waived their outstanding dues to the Government of Cuba. However, the reimbursement was subject to an audit to be carried out by Defendant No. 1. Based on the audit carried out by Defendant No. 1, it was recommended that an amount of ₹ 259,203,183 was payable to the plaintiff. Further, Defendant No. 1 gave its recommendation without providing any justification to the exporters, including the Plaintiff, and no opportunity was granted to be heard on the matter before making a recommendation. The Plaintiff vide its letter dated December 17, 2008 gave its acknowledgement to receive the sum of ₹ 259,203,183, subject to Defendant No. 1 furnishing reasons for the deduction of ₹ 63,928,812. Thereafter, the Plaintiff received a cheque of ₹ 259,203,183 from Defendant No. 3 as reimbursement of dues waived by the Plaintiff. It was alleged that Defendant No. 3 has wrongly realized 70% of the short term dues amounting to ₹ 88,027,714 thereby unduly enriching itself by ₹ 35,217,413. Subsequently, Defendant No. 3 *vide* its letter dated January 8, 2010 informed the Plaintiff that the amount was deducted as per short term policy no. 43653 of Defendant No. 3 wherein it was entitled to 70% share of the principal dues. However, the Plaintiff alleged that Defendant No.3 was entitled only to the principal amount along with interest and any excess amount due to parity rate fluctuations was to accrue to the Plaintiff's account. The Plaintiff issued a legal notice to Defendant No, 3 to pay back the excess amount of ₹35,217,413 along with interest. The plaintiff had filed a Writ Petition before the Delhi High Court which was withdrawn on December 19, 2011 with liberty to pursue civil claims. In this Suit, the Plaintiff has prayed for, inter alia, a decree of ₹ 35,217,413 along with interest @ 15% per annum with effect from March 1, 2009 and further along with pendente lite interest @ 18% per annum and future interest till payment against Defendant No. 3; and cost of the suit to be awarded in favour of the Plaintiff and against the Defendant. The matter is currently pending.

12. M/s Cimmco Birla Limited (which was later merged with our Company) ("**Appellant**") filed an appeal dated February 2005 in the High Court of Allahabad against Betwa River Board ("**Respondent**") challenging the judgement passed by Civil Judge, Jhansi dated November 9. 2004 and confirming the award dated January 6, 1995. The Petitioner and Respondent entered into a contract dated October 24, 1988 for the design, fabrication, supply and erection of 18 radial crest gate for the Rajghat Dam ("**Dam**") across river Betwa. The time period for completion of work was 3 years from the date of contract. The dispute arose when there were unpaid dues to be paid by the Respondent to the Appellant. On May 10, 1993, the Appellant submitted its claim to the superintending engineer. It is stated that the superintending engineer failed to decide the claim within 30 days and the Appellant submitted a detailed claim of ₹ 4,03,23,625 to the chief engineer through a letter dated June 24, 1993. It is stated that the chief engineer rejected the claim through a letter dated August 9, 1993. The Appellant invoked the arbitration clause of the agreement. The sole arbitrator appointed passed a favourable order dated January 6, 1995 and awarded a sum of ₹ 2,36,31,870 along with interest @ 15 % with effect from September 27, 1993 to be paid to the Appellant. The Appellant filed an application for execution of the arbitral award in the Hon'ble Civil Judge, Jhansi and the Respondent also filed its objections under section 33 of the erstwhile Arbitration Act, 1940. The Hon'ble Civil Judge, Jhansi in its judgement dated November 9, 2004 set aside the arbitral award. The Appellant has filed an appeal in the Allahabad High Court against the judgement of the Civil Judge, Jhansi. The matter is currently pending.

13. Our Company ("**Appellant**") filed an appeal before Principal Secretary, Micro Small and Medium Industries Bhopal, MP against General Manager, District and Trade Industry Center, Gwalior ("**Respondent**") under rule 44(1) of M.P. MSME Industrial Land and Building Management Rules, 2021. The appeal is filed challenging the order dated April 28, 2023 passed by the General Manager, District Trade and Industry Center, Gwalior and order dated October 9, 2023 passed by the Commissioner of Micro Small and Medium Enterprises. The Appellant was leased land administering 36 Bighas and 6 Biswa in village Gospura, Gwalior for a term of 99 years as per lease agreement dated November 8, 1963. As per the appeal filed before the Principal Secretary Cimmco Birla Limited (later amalgamated with our Company) operated the factory on the above land however the unit was declared as a sick unit under Sick Industrial Companies (Special Provisions) Act, 1985 ("**SICA**"). The factory was recommended to the Board for Industrial and Financial Reconstruction ("**BIFR**") in the year 2000 under section 22 of SICA and BIFR has approved the revival plan in respect of our Company. It is further stated that the Appellant was restrained from starting business on the designated land because, as per the land records, the leasehold is not in the name of the Appellant. It is stated in the Appeal that having proper land records is a precondition to the reinstating of factory services at the premises as connection for water and electricity cannot be obtained by the Appellant without the appropriate land records in its name. By an order dated November 2, 2022 the Nazul officer allotted the land to a different entity, MITS College. The Appellant filed a writ petition against the order of the Nazul officer wherein the order of the Nazul officer was quashed by order dated July 31, 2009 in writ petition no.

1103/2003 and it was directed that the possession of the Company cannot be interfered with. MITS College filed a writ appeal in the High Court of Madhya Pradesh challenging the order dated July 31, 2009. The High Court of Madhya Pradesh dismissed the appeal. Thereafter, MITS College filed a special leave petition before the Supreme Court of India challenging the order of the High Court of Madhya Pradesh. The Supreme Court of India affirmed the order of the High Court of Madhya Pradesh dated July 31, 2009 in special leave petition no. 27993/2013 and 34225-34226/2014. In order to register the land in the Appellants' name, the Appellant made an application to the Tehsildar, Gwalior to register the land in its name. The Tehsildar passed an order to register the land in the name of the Industries Department. The Appellant filed an appeal against the order of the Tehsildar with the Sub-Divisional Officer which was dismissed by order dated May 9, 2023. The Appellant has filed the second appeal against the order of the Sub-Divisional officer with the Divisional Commissioner. The matter is currently pending. Further, the District General Manager, Gwalior passed an order dated April 28, 2023 cancelling the leasehold rights of the Appellant on the grounds that there was no plan to restart the factory. The aforementioned order was challenged by way of an appeal to the Commissioner of Micro Small and Medium Enterprises which was dismissed by an order dated October 9, 2023. The Appellant has filed an appeal before Principal Secretary, Micro Small and Medium Industries Bhopal, MP against the aforementioned orders. The matter is currently pending.

(e) Material civil litigation filed against our Company

1. Pursuant to a contract dated March 30, 1998 was entered between the Paradip Port Trust ("**Petitioner**") and Cimmco Limited (later amalgamated with our Company) ("**Respondent**") for the design, manufacture, supply, erection and commissioning of one stacker-cum-reclaimer. It is alleged that the contract entered between the parties was a time bound contract and the completion of work was expected to happen by June 25, 2000. A dispute arose among the parties when the Petitioner terminated the contract for non-performance of 0.005% of the balance work due to force majeure conditions and forfeited the performance security of ₹ 8,230,000. The Petitioner alleges that the work was not completed by the Respondent despite multiple extensions. The Respondent invoked arbitration proceedings and an award dated March 14, 2012 was passed in favour of the Respondent by the arbitration tribunal directing the Petitioner to make payment of ₹ 19,582,160 to the Respondent. The Respondent filed a case for execution of the arbitral award in the Court of District Judge, Cuttack. Aggrieved by the Award passed by the arbitral tribunal, the Petitioner challenged the same by way of an application dated June 18, 2012 before the Court of the District Judge, Jagatsinghpur under section 34 of the Arbitration and Conciliation Act, 1996. The application was dismissed by the District Judge, Jagatsinghpur on September 16, 2015. Thereafter, the Petitioner filed an appeal dated December 19, 2015 in the High Court of Orissa, Cuttack under section 37 of the Arbitration and Conciliation Act, 1996. The High Court of Orissa, Cuttack by an order dated March 03, 2022, dismissed the appeal filed by the Petitioners and confirmed the order of the District Judge, Jagatsinghpur on merit. The Petitioner has filed a Special Leave Petition dated August 18, 2022 in the Supreme Court of India against the Respondent. The order passed by the High Court of Orissa, Cuttack has been challenged by the Petitioner via a Special Leave Petition dated August 18, 2022. The Supreme Court of India has directed the parties to maintain the status-quo. The matter is currently pending.

II. Litigation involving our Subsidiary

(a) Criminal proceedings against our Subsidiary

Nil

(b) Criminal proceedings by our Subsidiary

Nil

(c) Proceedings initiated by statutory or regulatory authorities involving our Subsidiary

Nil

(d) Material civil litigation filed against our Subsidiary

Nil

(e) Material civil litigation filed by our Subsidiary

Nil

III. Litigation involving our Directors

(a) Criminal proceedings against our Directors

1. Kalyan Das (Proprietor of Multy Tech Enterprises) ("**Complainant**") filed a petition before the Court of the Additional Chief Judicial Magistrate, Alipore, South 24 Paraganas for registering a written compliant as a First Information Report ("**FIR**"). The Court vide order dated February 8, 2023 directed the Anandapsur police station to treat the written complaint as an FIR and lodged the said FIR on February 11, 2023 against Umesh Chowdhury, Saket Kandoi and Abhyudaya Bajoria ("**Respondents**") under Section 154 of the Code of Criminal Procedure, 1973 and Sections 120B, 420, 406 and 506 of the Indian Penal Code, 1860 on grounds of criminal conspiracy and failure to pay an amount of ₹ 21,42,000 for additional construction work of the exide foot bridge. The Complainant alleged that they had performed additional works as verbally instructed by the Respondents, apart from the principal job mentioned in the letter of intent dated January 15, 2019, for which the invoices were not paid by the Respondents and filed a petition on grounds of criminal conspiracy.

   A notice of appearance before the police officer dated February 24, 2023, under Section 41A of the Code of Criminal Procedure, 1860 was sent to the Respondents, for the purpose of investigation for the petition filed by the Complainants. The police investigation is currently pending. The Respondents have filed a revisional application before the High Court of Calcutta and the High Court, through its order dated August 28, 2023, directed that application is required to be heard out on merits and that the investigation of the matter shall proceed but no coercive steps be taken against the Petitioner till further orders. An application before the High Court of Calcutta was filed for quashing of the order dated February 8, 2023 and the FIR, under Section 482 of the Code of Criminal Procedure, 1973. The matter is currently pending.

(b) Criminal proceedings by our Directors

Nil

(c) Proceedings initiated by statutory or regulatory authorities involving our Directors

Nil

IV. Litigation involving our Promoters

(a) ***Criminal proceedings against our Promoters***

Nil

(b) ***Criminal proceedings by our Promoters***

1. Our Promoter, Titagarh Capital Management Services Private Limited, **(**"**TCMSPL**") filed a complaint bearing petition number CN88714 of 2016 under section 138 of the Negotiable Instruments Act, 1881 against Motijuge Agencies Ltd. & Ors. ("**Accused**") in the Metropolitan Court, Kolkata ("**Court**"). The Accused had issued an account payee cheque, bearing cheque no. 341919 dated April 6, 2016 for an amount of ₹ 5,000,000 drawn on Allahabad Bank, in favor of TCMSPL. Further, the cheque was issued towards admitted liability. TCMSPL duly deposited the above-mentioned cheque through its banker for encashment, but the cheque was dishonored and returned vide cheque return memo issued by the banker. In the hearing held on November 24, 2023, TCMSPL informed the Court that they wanted to withdraw the case and the Court is in the process of retrieving the records of the matter. This matter is currently pending.

(c) ***Proceedings initiated by statutory or regulatory authorities involving our Promoters***

Nil

V. Tax proceedings

We have set out below claims relating to direct and indirect taxes involving our Company, our Subsidiary, our Directors, and our Promoters in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)*
Company		
Direct Tax	14	4,84,5.72
Indirect Tax	66	17,492.96
Subsidiary		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoters		
Direct Tax	9	299.70
Indirect Tax	Nil	Nil
Directors		
Direct Tax	5	56.08
Indirect Tax	Nil	Nil

**To the extent quantifiable*

VI. Other outstanding litigation involving our Company and our Subsidiary, wherein the amount involved cannot be determined or is below the Material Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company or its Subsidiary

Nil

VII. Other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company and our Subsidiary

Nil

VIII. Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

IX. Significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

X. Defaults by our Company (on a consolidated basis) in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon as of the date of this Preliminary Placement Document

Nil

XI. Defaults in the annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

Nil

XII. Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and directions, if any, issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

Nil

XIII. Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company or our Subsidiary

Nil

XIV. Fugitive Economic Offenders, or a Wilful Defaulter or a Fraudulent Borrower

Neither our Company, Promoters or Directors of our Company have been declared as a Fugitive Economic Offenders, or a Wilful defaulter or a Fraudulent Borrower.

XV. Any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or Subsidiary

Nil

XVI. Reservations, qualifications or adverse remarks of auditors in last five Fiscals immediately preceding the year of this Issue

There are no reservations, qualifications or adverse remarks of our auditors in last five Fiscals immediately preceding the year of this Issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks, emphasis of matter as mentioned in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reservations, qualifications, or adverse remarks of our auditors in the last five fiscals immediately preceding the year of this Preliminary Placement Document*" on page 200.

OUR STATUTORY AUDITORS

In accordance with Section 139 of the Companies Act, Price Waterhouse & Co Chartered Accountants LLP and M/s. Salarpuria & Partners, Chartered Accountants, have been appointed as our Joint Statutory Auditors. Price Waterhouse & Co Chartered Accountants LLP was appointed pursuant to a board resolution dated August 13, 2022 and a shareholders resolution dated September 15, 2022 and M/s. Salarpuria & Partners, Chartered Accountants was appointed pursuant to a board resolution dated September 4, 2023 and a shareholders resolution dated September 29, 2023, each for a period of 5 years.

Price Waterhouse & Co Chartered Accountants LLP has audited our Consolidated Financial Statements as at and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 which are included in this Preliminary Placement Document in "*Financial Statements*" on page 305.

Our statutory auditors, Price Waterhouse & Co Chartered Accountants LLP have reviewed our Unaudited Consolidated Financial Results for the quarter ended September 30, 2022 and as at and year to date results for the period April 1, 2022 to September 30, 2022 and have issued review report dated November 14, 2022, on such financial results and our Joint Statutory Auditors have reviewed our Unaudited Consolidated Financial Results for the quarter ended September 30, 2023 and as at and year to date results for the period April 1, 2023 to September 30, 2023, and have issued review report dated October 18, 2023, on such financial results, which are included in this Preliminary Placement Document in "*Financial Statements*" on page 305.

Our Joint Statutory Auditors have reviewed our Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months period ended September 30, 2023 and have issued review report dated December 7, 2023, on such financial statements.

Price Waterhouse & Co Chartered Accountants LLP and M/s. Salarpuria & Partners, Chartered Accountants, each hold a valid certificate issued by the peer review board of the ICAI.

GENERAL INFORMATION

1. Our Company was originally incorporated as 'Titagarh Wagons Limited', a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated July 3, 1997 issued by the RoC. Subsequently, the name of our Company was changed to *"Titagarh Rail Systems Limited"* pursuant to a special resolution passed by the Shareholders of our Company on April 27, 2023and a fresh certificate of incorporation pursuant to such name change was issued by the RoC on May 19, 2023.

2. The Registered Office of our Company is situated at Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India. The Corporate Office of our Company is situated at Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India.

3. The CIN of our Company is L27320WB1997PLC084819.

4. The Issue was approved by the Board of Directors in their meeting held on November 8, 2023. Subsequently, our Shareholders, *vide* a special resolution passed at the Extraordinary General Meeting, approved the Issue on December 2, 2023.

5. The authorised share capital of our Company is ₹ 3,851,000,000 comprising 1,290,500,000 Equity Shares of face value of ₹ 2 each and 127,000,000 Preference Shares of face value of ₹ 10 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 254,342,178 comprising 127,171,089 Equity Shares of face value of ₹ 2 each. For further information, see "*Capital Structure*" on page 99.

6. Our Equity Shares have been listed on BSE and NSE since April 21, 2008.

7. Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, from both BSE and NSE on December 7, 2023. We shall apply for final listing and trading approvals of such Equity Shares after Allotment of the Equity Shares pursuant to the Issue.

8. Copies of Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on all working days, except Saturdays and public holidays during the Bid/Issue Period at the Registered Office and Corporate Office.

9. Except as disclosed in the *"Risk Factors – We have incurred indebtedness and have breached certain financial covenants in past. Our inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, financial condition and cash flows. Further, five of our lenders have indicated merely in-principle approvals for the Issue by way of their respective letter and e-mail communications and have stated that the final consents would be subject to the approval of the competent authority of the respective lenders. We may not get such final consents in a timely manner or at all",* our Company has obtained necessary consents, approvals and authorisations required in connection with the Issue.

10. Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since the date of the audited financial statements filed with the Stock Exchanges in accordance with the requirements of the SEBI Listing Regulations.

11. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 287.

12. There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

13. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

14. No change in control in our Company will occur consequent to this Issue.

15. The Floor Price for the Equity Shares under the Issue is ₹ 976.10 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations and as certified by our Joint Statutory Auditors. Our Company may offer a discount of not more than 5% on the Floor Price accordance with the approval of the shareholders accorded through special resolution at their extraordinary general meeting on December 2, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

16. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency for monitoring the utilisation of the proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

17. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including the websites of our Company, our Subsidiary, or any other website linked (directly or indirectly) to the websites of our Company and our Subsidiary, would be doing it at his or her own risk.

18. Dinesh Arya is the Company Secretary and Chief Compliance Officer of our Company. His contact details are as follows:

Dinesh Arya
Company Secretary and Chief Compliance Officer
Titagarh Towers
756 Anandapur E M Bypass
Kolkata – 700 107
West Bengal, India
Tel: +33 4019 0800
E-mail: dinesh.arya@titagarh.in

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of the Equity Shares pursuant to this Issue shall be made by the Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

S. No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*^#
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
	Total	**[●]**

**Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*

^ Based on beneficiary position as on [●], 2023 and adjusted for Equity Shares Allocated in the Issue.

 # The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

FINANCIAL STATEMENTS

S. No.	Financial Statements	Page no.
1.	Unaudited Interim Special Purpose Condensed Consolidated Financial Statements	F - 1
2.	Unaudited Consolidated Financial Results for the six months period ended September 30, 2023	F - 42
3.	Unaudited Consolidated Financial Results for the six months period ended September 30, 2022	F - 49
4.	Audited Consolidated Financial Statements for Fiscal 2023 along with audit report issued	F - 57
5.	Audited Consolidated Financial Statements for Fiscal 2022 along with audit report issued	F - 115
6.	Audited Consolidated Financial Statements for Fiscal 2021 along with audit report issued	F - 177

Price Waterhouse & Co Chartered Accountants LLP
56 & 57, Block DN, Ground Floor
'A' Wing, Sector V, Salt Lake
Kolkata 700 091

Salarpuria & Partners
Chartered Accountants
7, C.R. Avenue, Kolkata- 700 072

The Board of Directors

Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited)
756, Anandapur
E M Bypass
Kolkata 700 107

1. This report is issued in accordance with the terms of our agreement dated December 5, 2023.

2. We have reviewed the accompanying unaudited interim special purpose condensed consolidated financial statements of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its associate company and joint ventures (refer Note 1(a) to the Unaudited interim special purpose condensed consolidated financial statements) comprising its Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet as at September 30, 2023, and the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), Unaudited Interim Special Purpose Condensed Consolidated Statement of Changes in Equity, Unaudited Interim Special Purpose Condensed Consolidated Cash Flow Statement and selected explanatory notes for the six months period then ended (herein after referred to as the "Unaudited interim special purpose condensed consolidated financial statements") prepared by the Management of the Holding Company for the purpose of proposed Qualified Institutional Placement of the equity shares of the Holding Company. We have signed the attached Unaudited interim special purpose condensed consolidated financial statements for identification purposes only.

Management's Responsibilities for the Unaudited interim special purpose condensed consolidated financial statements.

3. The preparation of the Unaudited interim special purpose condensed consolidated financial statements in accordance with Indian Accounting Standard 34, "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, is the responsibility of the Management of the Holding Company, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Unaudited interim special purpose condensed consolidated financial statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibilities

4. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity - issued by the Institute of Chartered Accountants of India.

5. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

6. We draw attention to Note 2.1 (i) to the Unaudited interim special purpose condensed consolidated financial statements in respect of non-disclosure of comparative financial information, which comprise the Unaudited Special Purpose Condensed Consolidated Balance Sheet as at March 31, 2023, and the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Unaudited Interim Special Purpose Condensed Consolidated Statement of Changes in Equity and Unaudited Interim Special Purpose Condensed Consolidated Cash Flow Statement and selected explanatory notes for the six month period ended September 30, 2022, which is not in compliance with the requirements of Ind AS 34, "Interim Financial Reporting".

Qualified Conclusion

7. Based on our review conducted as above, except for the non disclosure of the comparative financial information as described in the Basis for Qualified Conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying Unaudited interim special purpose condensed consolidated financial statements has not been prepared, in all material respects, in accordance with the Ind AS 34, "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

Emphasis of Matter Paragraph – Basis of Preparation

8. We draw attention to Note 2.1 (i) to the Unaudited interim special purpose condensed consolidated financial statements, which describes the Basis of Preparation of the financial information for the six month period ended September 30, 2023. These Unaudited interim special purpose condensed consolidated financial statements are not intended to, and do not, comply with all the disclosure provisions applicable to financial statements prepared under the Companies Act, 2013, as those are not considered relevant by the Management and the intended users of the Unaudited interim special purpose condensed consolidated financial statements for the purposes for which those have been prepared. Our conclusion is not modified in respect of this matter.

Other Matter

9. We did not review the unaudited interim special purpose condensed financial statements of (i) one subsidiary prepared on liquidation basis considered in the preparation of the Unaudited interim special purpose condensed consolidated financial statements which reflect total assets of Rs. 890.28 lacs and net assets of Rs 890.28 lacs as at September 30, 2023, net profit after tax from discontinued operations of Rs 19.00 lacs and total comprehensive income from discontinued operations of Rs 15.91 lacs and net cash flows amounting to Rs. 1,196.63 lacs for the six month period ended September 30, 2023; and (ii) one associate company and three joint ventures included in these unaudited interim special purpose condensed consolidated financial statements, which reflect net loss after tax of Rs 49.15 lacs for the six month period ended September 30, 2023. These unaudited interim special purpose condensed financial statements have been provided to us by the management, and our conclusion on the unaudited interim special purpose condensed consolidated financial statements to the extent they relate to the subsidiary, associate company and joint ventures is based solely on such unaudited interim special purpose condensed financial statements/ financial information as furnished to us. According to the information and explanations given to us by the Management, these unaudited interim special purpose condensed financial statements/ financial information are not material to the Group. Our conclusion is not modified in respect of the above matter.

10. The consolidated financial results for the quarter ended September 30, 2023 and year to date results for the period April 1, 2023 to September 30, 2023 had been prepared by the Holding Company under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on which we had expressed an unmodified conclusion vide our review report dated October 18, 2023.

Restriction on use

10. Our obligations in respect of this review report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as joint auditors of the Company or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as joint auditors of any financial statements of the Company.

11. The review report on the Unaudited interim special purpose condensed consolidated financial statements as at September 30, 2023 is addressed to and provided to the Board of Directors of the Holding Company and has been prepared for and only for the purposes of including it in the Preliminary Placement Document ('PPD') and Placement Document ('PD'), to be filed by the Holding Company with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of Companies in Kolkata, as applicable, in connection with the proposed Qualified Institutional Placement of the equity shares of the Holding Company. Accordingly, our report should not be distributed or otherwise made available to any other person or used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Pramit Agrawal
Partner
Membership Number 099903
UDIN: 23099903BGWLRP1204
Place: Kolkata
Date: December 7, 2023

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Anand Prakash
Partner
Membership Number 056485
UDIN:
Place: Kolkata
Date: December 7, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Unaudited interim Special Purpose Condensed Consolidated Balance Sheet as at September 30, 2023

	Notes	As at September 30, 2023 Rs. In Lacs
I. ASSETS		
Non-current Assets		
a) Property, Plant and Equipment	3.1	61 410 20
b) Right-of-Use Assets	3 5	9 630 84
c) Capital Work-in-progress	3.4	5 849 92
d) Investment Properties	3.3	821 24
e) Intangible Assets (Other than Goodwill)	3 2	122 05
f) Equity Accounted Investments	4.2	5 85
g) **Financial Assets**		
i) Investments	4.1	3 179 81
ii) Other Financial Assets	6	5,710 44
h) Non-current Tax Assets (Net)	7	2 868 68
i) Other Non-current Assets	9	5 942 66
Total Non-current Assets		**95,541.69**
Current Assets		
a) **Inventories**	10	40,342 47
b) **Financial Assets**		
i) **Trade Receivables**	5	61 958 22
ii) **Cash and Cash Equivalents**	11.1	9,668 02
iii) Bank Balances other than (ii) above	11.2	7,350 76
iv) Other Financial Assets	6	3,848 65
c) **Contract Assets**	8	26,203 46
d) Other Current Assets	9	25,806 94
Total Current Assets		**177,178.52**
Assets held for sale	3.6	71 13
TOTAL - ASSETS		**272,791.34**
II EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share Capital	12	2,543 42
b) Other Equity	13	135,917.39
Total Equity Attributable to Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		**138,460.81**
LIABILITIES		
Non-current Liabilities		
a) **Financial Liabilities**		
i) Borrowings	14	4,355 53
ii) Lease Liabilities	3.5	9,667 51
b) Contract Liabilities	20	14,228 16
c) Provisions	16	356 01
d) Deferred Tax Liabilities (Net)	18	1,068 98
Total Non-current Liabilities		**29,676.19**
Current Liabilities		
a) **Financial Liabilities**		
i) Borrowings	14	21,883 67
ii) Lease Liabilities	3.5	509 01
iii) Trade Payables	19	
a) Total Outstanding dues of Micro Enterprise and Small Enterprises		1,459 45
b) Total Outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises		24,720 18
iv) Other Financial Liabilities	15	3,046 58
b) Contract Liabilities	20	49,480.73
c) Other Current Liabilities	21	342 83
d) Provisions	16	748 15
e) Current Tax Liabilities (Net)	17	2,584 24
Total Current Liabilities		**104,674.84**
Liabilities held for sale	3.6	79 50
TOTAL - LIABILITIES		**134,330.53**
TOTAL - EQUITY AND LIABILITIES		**272,791.34**
Summary of Significant Accounting Policies	2	

The above Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying notes

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

Pramit Agrawal
Partner
Membership No. 059903
Place: Kolkata
Date : December 7, 2023

Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Anand Prakash
Partner
Membership No. 056485
Place: Kolkata
Date : December 7, 2023

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited)

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date : December 7, 2023

Prithish Chowdhary
Director (Marketing and Business Development)
DIN: 08509158
Place: Kolkata
Date : December 7, 2023

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Date : December 7, 2023

Saurav Singhania
Jt. Chief Financial Officer and Group Finance Controller
Place: Kolkata
Date : December 7, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : December 7, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)

Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss for the six months ended September 30, 2023

	Notes	For the six months ended September 30, 2023 Rs. In Lacs
Income		
Revenue from Operations	22	184,621 04
Other Income	23	1,065 93
Total Income		185,686 97
Expenses		
Cost of Raw Materials and Components Consumed	24	140,633 17
Changes in Inventories of Finished Goods Work-in-progress and Saleable Scrap	25	2,716 55
Employee Benefits Expense	26	3,308 09
Finance Costs	27	3,938 55
Depreciation and Amortisation Expense	28	1,332 30
Other Expenses	29	15,843 91
Total Expenses		167,772.57
Profit before Share of Net Loss of Joint Venture and Associate Accounted for Using the Equity Method, Exceptional Items and Tax		17,914 40
Share of Net Loss of Joint Venture and Associate Accounted for Using the Equity Method		(49 15)
Profit before Exceptional Items and Tax		17,865.25
Exceptional Items		-
Profit before Tax from continuing operations		17,865.25
Tax Expense	30	
Current Tax		4,944 25
Deferred Tax		(297 12)
Total Tax Expense		4,647.13
Profit for the period after Tax from continuing operations		13,218.12
Discontinued operations	40	
Profit from discontinued operations before tax		19.00
Tax expense of discontinued operations		-
Profit for the Period after Tax from discontinued operations		19.00
Profit for the period after Tax		13,237.12
Other Comprehensive Income		
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:		
Remeasurement Gain / (Losses) on Defined Benefit Plans		(0 93)
Tax on above		0 24
Item that will be Reclassified to Profit or Loss in Subsequent Periods:		
Exchange differences on Translation of Foreign Operations		(3 09)
Fair value change of cash flow hedges		79 24
Tax on above		(19 94)
Other Comprehensive Income for the period (Net of Tax)		55.52
Total Comprehensive Income for the period		13,292.64
Arising from:		
Continuing operations		13,276 73
Discontinued operations		15 91
Earnings per Equity Share	31	
[Nominal Value per Share Rs. 2/-]		
For continuing operations		
Basic (In Rs)		10 74
Diluted (In Rs)		10 74
For discontinued operations		
Basic (In Rs)		0 02
Diluted (In Rs)		0 02
For continuing and discontinued operations		
Basic (In Rs)		10.76
Diluted (In Rs.)		10.76
Summary of Significant Accounting Policies	2	

The above Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes

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

Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited)

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date : December 7, 2023

Anand Prakash
Partner
Membership No 056485
Place: Kolkata
Date : December 7, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date : December 7, 2023

Prithish Chowdhary
Director (Marketing and Business Development)
DIN: 08509158
Place: Kolkata
Date : December 7, 2023

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Date : December 7, 2023

Saurav Singhania
Jt. Chief Financial Officer and Group Finance Controller
Place: Kolkata
Date : December 7, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : December 7, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Unaudited Interim Special Purpose Condensed Consolidated Cash Flow Statement for the six months ended September 30, 2023

	For the six months ended September 30, 2023 Rs. In Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before Tax from:	
Continuing Operations	17,865.25
Discontinued Operations	19.00
Profit before Tax	17,884.25
Adjustments for:	
Depreciation and Amortisation Expense	1,332.30
Finance Cost	3,938.55
Provision for Doubtful Debts and Advances	452.31
Unrealised Foreign Exchange Fluctuations Loss	169.23
Share of Loss of a Joint Venture	49.15
Unspent Liabilities / Provisions No Longer Required Written Back	(2.61)
Interest Income	(553.04)
Discontinued operations - non cash portion	(19.00)
Operating Profit before Changes in Operating Assets and Liabilities	23,251.14
Decrease in Trade Payables	(6,109.28)
Increase in Contract Liabilities	7,018.31
Increase in other Non-current and Current Financial and Non-financial Liabilities and Provisions	1,781.81
Increase in Trade Receivables	(34,630.96)
Decrease in Inventories	4,785.66
Increase in Contract Assets	(1,035.43)
Increase in Non-current and Current Financial and Non-financial Assets	(6,917.62)
Cash Generated From Operations	(11,856.37)
Income Taxes Paid (net of Refund)	(2,887.62)
Net Cash Used in Operating Activities	(14,743.99)
B. CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(5,846.40)
Fixed Deposits Made	(5,634.66)
Fixed Deposits Matured	3,184.43
Investment in a Joint venture	(55.00)
Interest Received	405.37
Net Cash Used in Investing Activities	(7,946.26)
C. CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of Share Capital	152.00
Receipts of Securities Premium	28,728.00
Share Issue Expenses	(67.00)
Repayment of Long-term Borrowings	(2,365.00)
Payment of Lease Liabilities	(673.87)
Receipts of Short-term Borrowings (Net)	3,404.66
Finance Costs Paid	(2,365.55)
Dividend Paid (including Dividend Distribution Tax) of earlier years	(3.88)
Net Cash From Financing Activities	26,809.36
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	8.36
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	4,127.47
Cash and Cash Equivalents - Opening Balance	5,540.55
Cash and Cash Equivalents - Closing Balance (Refer Note 11.1)	9,668.02
E. The above Cash flow includes following related to discontinued operation	
Net Cash Used in Operating Activities	-
Net Cash Used in Investing Activities	(625.59)
Net Cash Generated from Financing Activities	(579.40)
	(1,204.99)

(a) The above Unaudited Interim Special Purpose Condensed Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The above Unaudited Interim Special Purpose Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

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

Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

For and on behalf of the Board of Directors of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date : December 7, 2023

Anand Prakash
Partner
Membership No. 056485
Place: Kolkata
Date : December 7, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date : December 7, 2023

Prithish Chowdhary
Director (Marketing and Business Development)
DIN: 08509158
Place: Kolkata
Date : December 7, 2023

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Date : December 7, 2023

Saurav Singhania
Jt. Chief Financial Officer and Group Finance Controller
Place: Kolkata
Date : December 7, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : December 7, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Unaudited Interim Special Purpose Condensed Consolidated Statement of Changes in Equity for the six months ended September 30, 2023

A) Equity Share Capital (Refer Note 12)

(Rs in Lacs)

Particulars	Number in Lacs	Amount
Balance as at March 31, 2023	1,195.71	2,391.42
Changes in Equity Share Capital	76.00	152.00
Balance as at September 30, 2023	1,271.71	2,543.42

B) Other Equity

(Rs. in Lacs)

Particulars	Reserves and Surplus (Refer Note 13)				Other Reserve (Refer Note 13)		Total Other Equity	Total
	Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Hedge Reserve Account		
Balance as at March 31, 2023	41,064.37	5,411.39	7,442.50	39,182.40	891.44	(28.35)	93,963.75	93,963.75
Profit for the Period	-	-	-	13,237.12	-	-	13,237.12	13,237.12
Other Comprehensive Income (Net of Tax)								
-Remeasurement Losses on Defined Benefit Plans & Exchange Difference and Fair value change of cash flow hedges	-	-	-	(0.69)	(3.09)	59.30	55.52	55.52
Total Comprehensive Income for the year	-	-	-	13,236.43	(3.09)	59.30	13,292.64	13,292.64
Share Issue Expenses	-	-	-	(67.00)	-	-	(67.00)	(67.00)
Premium on Issue of Equity Shares Pursuant to Preferential allotment	28,728.00	-	-	-	-	-	28,728.00	28,728.00
Balance as at September 30, 2023	69,792.37	5,411.39	7,442.50	52,351.83	888.35	30.95	135,917.39	135,917.39

The above Unaudited Interim Special Purpose Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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

Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited)

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date : December 7, 2023

Anand Prakash
Partner
Membership No. 056485
Place: Kolkata
Date : December 7, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date : December 7, 2023

Prithish Chowdhary
Director (Marketing and Business Development)
DIN: 08509158
Place: Kolkata
Date : December 7, 2023

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Date : December 7, 2023

Saurav Singhania
Jt. Chief Financial Officer and Group Finance Controller
Place: Kolkata
Date : December 7, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : December 7, 2023

1 Group Background

Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited) (the 'Parent Company') is a public limited company incorporated and domiciled in India. The registered office of the Parent Company is located at Poddar Point, 113 Park Street, 10th Floor, Kolkata - 700016 and its manufacturing facilities are located in West Bengal and Rajasthan. The equity shares of the Parent Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Parent Company, its subsidiaries (collectively referred to as 'the Group'), its associate and joint ventures are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipment's & Bridges, Ships, etc. as detailed under segment information in Note 35.

The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on December 7, 2023.

(a) The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements comprise the Unaudited Interim Special Purpose Condensed Financial Statements of the Parent Company, its subsidiary company, its associate and a joint venture as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest as on September 30, 2023	Principal Business Activities
Titagarh Singapore Pte. Limited (TSPL) [Refer Note 40(a)]	Singapore	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA) *	France	100%	Engaged in manufacture of freight wagons

* The Parent Company holds 100% equity in TWA together with TSPL.
On 4th June 2019, the commercial court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent company was no longer in control of TWA, under French Law. The commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder an ordered for liquidation of TWA. Currently TWA is under Liquidation. Also refer Note 4.1 (b).

Name of the Associate	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest as on September 30, 2023	Principal Business Activities
Titagarh Firema S.p.A (TFA)	Italy	49.70%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest as on September 30, 2023	Principal Business Activities
Titagarh Mermec Private Limited	India	50%	Engaged in development and manufacture of cost effective diagnostic solutions for signaling and safety
Ramkrishna Titagarh Rail Wheels Limited	India	49%	Engaged in the business of Manufacturing, testing and supply of wheels Discs of different types of Indian Railway Rolling Stock including machining and assembly of wheels and axles.
Titagarh Firema Engineering Services Private Limited	India	49%	Engaged in the business of research, engineering and design related services to support transit and propulsion business.

2 Material Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements have been prepared to be included in the Preliminary Placement Document ('PPD') and Placement Document ('PD') (hereinafter collectively referred to as the "Offer documents"), to be filed by the Parent Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and the Registrar of Companies (the "ROC') in Kolkata, as applicable, in connection with proposed Qualified Institutional Placement of the equity shares of the Parent Company ("Offering").

These Unaudited Interim Special Purpose Condensed Consolidated Financial Statements comprising of the Unaudited Special Purpose Condensed Consolidated Balance Sheet as at September 30, 2023, the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss, the Unaudited Interim Special Purpose Condensed Consolidated Statement of Changes in Equity and the Unaudited Interim Special Purpose Condensed Consolidated Cash Flow Statement for the six months period ended September 30, 2023 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Unaudited Interim Special Purpose Condensed Consolidated Financial Statements") have been prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time other than comparative financial information which has not been presented.

The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements as those are not considered relevant by the Management and the intended users of the Unaudited interim special purpose condensed consolidated financial statements for the purposes for which it has been prepared and should be read in conjunction with the Parent Company's annual Ind AS financial statements.

The accounting policies adopted in the preparation of the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the annual Ind AS financial statements for the year ended March 31, 2023. Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual financial statements.

All amounts included in these Unaudited Interim Special Purpose Condensed Consolidated Financial Statements are reported in lakhs of Indian rupees (Rs. In Lacs) unless stated otherwise.

(ii) Historical Cost Convention

The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

(iii) Current versus Non-current Classification

The Group presents assets and liabilities in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
b) held primarily for the purpose of trading,
c) expected to be realised within twelve months after the reporting period, or
d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period, or
d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Unaudited Interim Special Purpose Condensed Consolidated Financial Statement of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, if any in the results and equity of subsidiaries are shown separately in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss, Unaudited Interim Special Purpose Condensed Consolidated Statement of Changes in Equity and Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet respectively.

(ii) Changes in Ownership Interests
The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation
Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(iv) Joint Arrangements:
Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has four joint ventures and one associate

Associate
Interests in Associate are accounted for using the equity method, after initially being recognised at cost in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet.

Joint Venture
Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet.

(v) Equity Method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in 2.6 below.

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

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

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

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

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

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

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The management believes that the assigned useful lives and residual value are reasonable.
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

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

2.4 Intangible Assets

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

Computer Software

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

Brand and Design and Drawings

The Group had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies

Prototype

The Group had developed prototype for tractors which was capitalised.

Research and Development

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

Amortisation Method and Period

Computer Software and Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years.
Prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).
Amortisation method and useful lives are reviewed periodically including at each financial year end.
The management believes that the assigned useful lives and residual value are reasonable.

2.5 Investment Properties

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

2.6 Impairment of Non-financial Assets

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

2.7 Inventories

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

2.8 Leases

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-
a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.
b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
c) Amount expected to be paid by the Group as under residual value guarantees.
d) Exercise price of a purchase option if the Group is reasonably certain to exercise that option.
e) Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

To determine the incremental borrowing rate, the Group:
a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received.
b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by the companies in the group, which does not have recent third party financing.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-
i) the amount of the initial measurement of lease liability
ii) any lease payment made at or before the commencement date less any lease incentive received
iii) any initial direct cost and
iv) restoration costs.

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

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss. Short term leases are leases with a lease term of less than 12 months or less.

As a Lessor
Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.9 Investments (other than Investments in Associate and Joint Venture) and Other Financial Assets

(i) Classification
The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.
The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

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

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

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

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

•**Amortised Cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss when the asset is derecognised or impaired.

•**Fair Value through Other Comprehensive Income (FVOCI)**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.

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

Equity Instruments
The Group subsequently measures all equity investments (other than investments in joint ventures and associate) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Gain / (Losses)' in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss.

(iii) Impairment of Financial Assets
The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

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

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss as part of other income.

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

Dividends

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

(vii) Fair Value of Financial Instruments

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

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.11 Trade and Other Payables

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

2.12 Borrowings

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

Borrowings are removed from the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

2.13 Other Financial Liabilities

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

2.14 Derivative Instruments

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

2.15 Offsetting Financial Instruments

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

2.16 Financial Guarantee Contracts

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

2.17 Cash and Cash Equivalents

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

2.18 Borrowing Costs

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

2.19 Revenue Recognition

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

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

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

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

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

Sale of Products

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

Revenue from sale of specialized products

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

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

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

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

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

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

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

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

Sale of Services

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

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

Other Operating Revenues

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

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Unaudited Interim Special Purpose Condensed Consolidated Financial Statements are presented in Indian Rupee (Rupees or Rs.), which is the Parent Company's and a subsidiary's functional and the Group's presentation currency.

(ii) Transactions and Balances

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

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

2.21 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.24 Provisions

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

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

Warranties

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

Liquidated Damages

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

Litigations, Claims and Contingencies

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

Onerous Contract

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

2.25 Contingencies

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

2.26 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

· the profit / (loss) attributable to owners of the Parent Company

· by the weighted average number of equity shares outstanding during the period.

(ii) Diluted Earnings Per Equity Share

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

· the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

· the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.27 Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company. Refer Note 35 for segment information presented.

2.28 Business Combinations

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

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

2.29 Government Grants

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

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

2.30 Dividends

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

2.31 Exceptional items

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

2.32 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

2.33 Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:
- If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss in the same period in which the hedged item affects the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss.

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

2.34 Critical Estimates and Judgements

The preparation of Unaudited Interim Special Purpose Condensed Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these Unaudited Interim Special Purpose Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses for the period presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

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

The areas involving critical estimates or judgements are:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21

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

· Impairment of Trade and Other Receivables — Notes 2.9(iii) and 38(a)

The risk of uncollectibility of trade receivables and other receivables is primarily estimated based on prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history etc. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically. The Group uses specific identification method in determining the allowance for credit losses of trade receivable considering historical credit loss experience and is adjusted for forward looking information. Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Further, the Group has also applied the simplified approach for expected credit loss on trade receivable and contract assets.

· Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets— Notes 2.3, 2.4, 2.8, 3.1, 3.2 and 3.5

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

· Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time- Notes 2.19 and 22

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

· Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 34
Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with their legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

· Valuation of Deferred Tax Assets — Notes 2.23 and 18
Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

· Warranties and Liquidated Damages— Notes 2.24 and 16
The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the period end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

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

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

· Fair Value Measurements — Notes 2.9(vii) and 37
When the fair values of financial assets and financial liabilities recorded in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

2.35 Business Combinations

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

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

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

Acquisition-related costs are expensed as incurred.
The excess of the:
- consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

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

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

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

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

2.36 Assets (or disposal groups) held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

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

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet.

New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.
The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

2.37 Changes in accounting policies and disclosures

(i) Amendments to Ind AS

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 1, 2023. However, these amendments does not have an impact on the unaudited interim special purpose condensed consolidated financial statements including material accounting policy information.

(a) Ind AS 1 - Disclosure of material accounting policies

The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific". This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

(b) Ind AS 8 - Definition of accounting estimates

The amendement will help entities to distinguish between accounting policies and accounting estimates. The definition of a 'change in accounting estimate' has been replaced with a definition of 'accounting estimates'. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

(c) Ind AS 12 - Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind Ass, a first-time adopter shall recognise a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with: a) right-of-use assets and lease liabilities. b) decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the realised asset. Therefore, if a Group has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognise on gross basis based on the carrying amount of right-of-use assets and lease liabilities.

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)

Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

3.1 Property, Plant and Equipment

(Rs in Lacs)

	Freehold Land	Leasehold Land	Leasehold Improvement	Buildings	Plant and Equipments	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2023	23,417.80	20,873.78	70.94	10,730.03	13,680.81	405.99	772.42	402.67	243.06	516.20	387.76	71,501.46
Additions	-	-	-	-	91.96	-	-	0.57	2.26	1.66	33.46	129.91
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at September 30, 2023	23,417.80	20,873.78	70.94	10,730.03	13,772.77	405.99	772.42	403.24	245.32	517.86	421.22	71,631.37
Accumulated Depreciation												
As at March 31, 2023	-	1,338.19	70.61	1,702.88	5,184.33	20.87	174.10	284.41	156.96	382.71	186.01	9,501.07
Charge for the period	-	87.93	-	145.77	376.30	-	18.75	19.27	14.22	33.42	22.08	717.74
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at September 30, 2023	-	1,426.12	70.61	1,848.65	5,560.63	20.87	192.85	303.68	171.18	416.13	208.09	10,218.81
Impairment												
As at March 31, 2023	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the period	-	-	-	-	-	-	-	-	-	-	-	-
As at September 30, 2023	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Net Carrying Amount												
As at September 30, 2023	23,417.80	19,447.66	0.33	8,881.38	8,209.78	385.12	579.57	99.56	74.14	101.73	213.13	61,410.20

a) Refer Note 33 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.

b) Refer Note 14 for information on Property, Plant and Equipment pledged as security by the Group.

c) Assets pledged as security for term loans availed by an associate:

The Parent Company has provided pari pasu security of its land at Bharatpur (Gross book value of Rs. 16,964.87 Lacs) against a term loan of Euro 50 million and overdraft facility of Euro 30 million sanctioned by Bank of Baroda in earlier years to Titagarh Firema S.p.A., an Associate of the Parent Company.

d) In respect of a leasehold land parcel having a written down value of Rs. 2,409.17 lakhs, measuring 36 Bigha 6 Biswa at Goshpura, Gwalior, the Company approached the Hon'ble High Court, Gwalior for restoration of the Company's name in the record of rights and complete the mutation proceedings in a time bound manner, since its application for the aforesaid was pending for long time with concerned authority. The Hon'ble High Court, Gwalior vide its Order dated May 2, 2023 directed the concerned authority to decide on the Company's representation within a period of four weeks. Pending action on the aforesaid Order, the Company received a notice issued by District Industry Centre (DIC), Gwalior cancelling the said lease without giving the Company an opportunity of hearing. Subsequently, the Company filed an appeal before the Commissioner Industries, MSME, Bhopal, who dismissed the said appeal on October 9, 2023. The Company has preferred an appeal against same on November 6, 2023 before Principal Secretary, Bhopal which is pending. The Company continues to be in possession of the said leasehold land, and basis legal advice the Company believes that the above matter does not have any material impact on the financial statements.

Represents 368 Railway Wagons sub leased to Indian Railways. As per Arbitration Award dated July 3, 2019, use of said wagons have been restricted by Indian Railway and Indian Railway has been instructed to give the possession back to the Parent Company, being the sole and beneficial owner of said wagons. The realisable value of 368 wagons as per management estimate is estimated to be more than the book value of Rs. 385.12 Lacs.

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

3.2 Intangible Assets

(Rs in Lacs)

	Other Intangible Assets				
	Computer Software	Brand	Design and Drawings	Prototype	Total
Gross Carrying Amount					
As at March 31, 2023	729.50	227.79	1,587.65	880.39	3,425.33
Additions	-	-	11.39	-	11.39
As at September 30, 2023	729.50	227.79	1,599.04	880.39	3,436.72
Accumulated Amortisation					
As at March 31, 2023	585.58	227.79	1,544.94	396.17	2,754.48
Charge for the period	44.04	-	9.39	-	53.43
As at September 30, 2023	629.62	227.79	1,554.33	396.17	2,807.91
Impairment					
As at March 31, 2023	22.54	-	-	484.22	506.76
Charge for the period	-	-	-	-	-
As at September 30, 2023	22.54	-	-	484.22	506.76
Net Carrying Amount					
As at September 30, 2023	77.34	-	44.71	-	122.05

3.3 Investment Properties

	(Rs in Lacs) Freehold Land
Carrying Amount as at March 31, 2023	821.24
Additions/(Deletion)	-
Carrying Amount as at September 30, 2023	821.24

Information regarding Investment Properties

The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at September 30, 2023, fair valuation of the two properties is estimated to be Rs. 1,180.98 Lacs. These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at September 30, 2023 is as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Market Rate for Land owned by the Group	5% Increase (Decrease) in the Market Rate would result in Increase (Decrease) in fair value by Rs. 59.05 Lacs.

3.4 Capital Work-in-Progress

(i) Movement in Capital work in progress

	As at September 30, 2023
Balance at the beginning of the period	1,227.91
Additions during the period	4,622.01
Balance at the end of the period	5,849.92

Capital work in progress primarily comprises of construction of new office and sheds and ongoing installation of new machineries etc. in the factories located in West Bengal and Bharatpur (Rajasthan) of the Parent Company.

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)

Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

3.5 Right-of-use assets and leases (Rs in Lacs)

The Group leasing arrangement includes land having a fixed lease term of 10 years.

(i) Amount recognised in balance sheet

	Land	Total
Gross Carrying Amount		
As at March 31, 2023	11,146.82	11,146.82
Additions	-	-
As at September 30, 2023	11,146.82	11,146.82
		-
Accumulated Depreciation & Impairment		-
As at March 31, 2023	954.85	954.85
Charge for the period	561.13	561.13
As at September 30, 2023	1,515.98	1,515.98
Net Carrying Amount		
As at September 30, 2023	9,630.84	9,630.84

Lease liabilities	Non-current	Current	Total
September 30, 2023	9,667.51	509.01	10,176.52

(ii) Amount recognised in Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss for the six months ended September 30, 2023

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

Lease liabilities	For the six months ended September 30, 2023
Depreciation charge of right of use assets (Refer Note no 28)	561.13
Expenses relating to short term leases (included in other expenses, Refer Note 29)	110.41
Interest expense (included in finance costs) (Refer Note 27)	456.78
Total	1,128.32

(iii) The total cash outflow for leases for the period was Rs. 673.87 Lacs.

(iv) Extension and termination options:

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

3.6 Asset held for sale

	As at September 30, 2023
Office space at Hyderabad	71.13
Total	71.13

Liabilities held for sale

	As at September 30, 2023
Office space at Hyderabad	79.50
Total	79.50

Note:

Titagarh Firema Engineering Services Private Limited ("TFESPL"), a Joint Venture, has been incorporated on September 16, 2023 having Titagarh Rail Systems Limited ("TRSL") and Titagarh Firema SPA ("Firema") as Joint Venturers. TFESPL will acquire the Parent Company's design centre in Hyderabad and will carry on the business of research, engineering and design related services to support passenger rail segment business of the Group. The above business arrangement is effective from October 1, 2023.

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

4.1 Investments (Non-current)

	No of Shares / Units As at September 30, 2023	Face value per share/unit (Rs.)	As at September 30, 2023 Rs. In Lacs
Investments in Equity Shares			
In Others (Quoted) (at FVTPL) (a)			
Orissa Sponge Iron & Steel Limited #	550	10	0.05
In Others (Unquoted) (at FVTPL) * (a)			
Titagarh Enterprises Limited	4,932,960	10	3,140.55
Titagarh Industries Limited	56,850	10	39.00
National Savings Certificate (at Amortised Cost) (Unquoted) @			0.21
Total			**3,179.81**
Aggregate book value of quoted investments			0.05
Aggregate book value of unquoted investments			3,179.76
Market value of quoted investments			0.05

\# Quotation not available since suspended due to penal reason
* Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Parent company (Also refer note 14(b)(i)(A)) :

Name of Investments	No. of Shares/Units As at September 30, 2023	Face value per share/unit (Rs.)	Amount Pledged September 30, 2023 Rs. In Lacs
Titagarh Enterprises Limited	4,932,960	10	493.29
Titagarh Industries Limited	56,850	10	5.69
			498.98

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit
(a) Refer Note 37 for determination of fair values
(b) The Parent Company has investment of 7,000,500 equity shares of Titagarh Wagons AFR, a subsidiary of the Parent Company which is under liquidation and not under control of the Parent, hence not consolidated. Refer Note 1(a)

4.2. Equity Accounted Investments

	No of Shares / Units As at September 30, 2023	Face value per share/unit (Rs.)	As at September 30, 2023 Rs. In Lacs
Titagarh Firema S p.A. (Refer Note (a) below)	16,400,000	EURO 1	1,272.63
Less: Share of loss of Associate			(1,272.63)
Titagarh Mermec Private Limited	5,000	10.00	0.50
Less: Share of loss of Joint Venture			(0.50)
Ramkrishna Titagarh Rail Wheels Limited			55.00
Less: Share of loss of Joint Venture			(49.15)
Titagarh Firema Engineering Services Private Limited			*
Less: Share of loss of Joint Venture			-
			5.86

* Below rounding off norm
(a) Includes 3 million equity shares pledged by the Parent Company for the loan taken by TFA from Bank of Baroda U K Branch

5. Trade Receivables (At Amortised Cost)
(Unsecured, Considered Good unless stated otherwise)

	Non-Current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Trade Receivables		
Trade receivables from contract with customers	-	62,237.62
Trade receivables from contract with customers – related parties (Refer Note 38)	-	1,290.07
Less: Loss allowance	-	554.54
Less: Liquidated Damages [Refer note 38(b)]	-	1,014.93
Total receivables	-	**61,958.22**
Break-up of security details		
Trade receivables considered good – secured	-	63,527.69
Trade receivables considered good – unsecured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total	-	**63,527.69**
Less: Loss Allowances	-	554.54
Less: Liquidated Damages [Refer note 38(b)]	-	1,014.93
Total trade receivables	-	**61,958.22**

a) Liquidated damages has been adjusted with trade receivable in accordance with the requirement of IND AS 115
b) Refer Note 14 for Information on Trade Receivables pledged as security by the Group.
c) There are no outstanding receivables due from directors or other officers of the Parent Company.

6 Other Financial Assets
(Unsecured, Considered Good unless stated otherwise)

	Non-Current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Security Deposits*	381 05	182 50
Measured at Fair Value through OCI #		
Derivative Assets	-	358 37
Measured at Amortised Cost		
Bank Deposits with Remaining Maturity of More than Twelve Months @	4 926 64	-
Interest Accrued on:		
Fixed Deposits with Banks	402 75	327 80
Other Receivable	-	85 34
Charges Recoverable	-	2,894 64
Total	**5,710.44**	**3,848 65**

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

* Includes security deposit given to related parties Rs 294 63 Lacs

Derivative instruments used by the Parent Company are in the nature of forward exchange contracts These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" The Parent Company does not hold or issue derivative financial instruments for trading purposes All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities All the instruments are hedge effective for the six months period ended September 30, 2023

7. Tax Assets (Net)

	Non-Current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Advance Tax (Including Tax Deducted at Source) (Net of provision for tax Rs 23,541 63 Lacs)	2,868 68	-
	2,868.68	**-**

8 Contract Assets

	Non-Current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Retention money held by Customers	-	160 51
Contract assets relating to unbilled revenue	-	28,042 95
	-	**28,203.46**

9. Other Assets
(Unsecured, Considered Good unless stated otherwise)

	Non-current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Capital Advances	4,788 82	-
Security Deposits	484 30	-
Advances Recoverable in Cash or Kind		
Considered Good - Related Parties [Refer (a) below]	-	196 63
Considered Good - Others	-	19,453 69
Considered Doubtful - Others	-	200.71
	-	**19,861.03**
Less: Provision for Doubtful Advances - To Others	-	200.71
	-	**19,660.32**
Balances with Government Authorities	-	4,897 09
Prepaid Expenses	669 54	1,259 53
Total	**5,942.66**	**25,806.84**

a) Represents Rs 166 63 Lacs recoverable from associate company and Rs 30 00 Lacs recoverable from Directors of the Parent Company. Also Refer Note 36

10. Inventories

(Valued at Lower of Cost and Net Realisable Value)	As at September 30, 2023 Rs. In Lacs
Raw materials and components (Includes Goods in transit Rs. 2,800.43 lacs)	32,950 93
Work-in-progress	4,943 79
Saleable Scrap	403 21
Stores and Spares	2,044 54
Total	**40,342.47**

(a) Refer Note 14 for information on inventories pledged as security by the Group
(b) Work in progress includes project work in progress of Rs 1,278 10 Lacs
(c) Value of inventories above is stated after provisions (net of reversal) Rs 671 04 Lacs for write-downs to net realisable value and provision for slow-moving and obsolete items of raw materials and stores and spares, resulting in net charge of Rs 229 40 lacs during the period

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

11 Cash and Bank Balances

	As at September 30, 2023 Rs. In Lacs
11.1 Cash and Cash Equivalents	
Balances with Banks	
On Current Accounts	4,309.94
Deposits with Original Maturity of Less Than Three Months @	5,341.67
Cash on hand (including Cheques in hand of Rs. Nil)	16.41
	9,668.02
11.2 Other Bank Balances	
Balances with Banks:	
On Unpaid Dividend Accounts	8.29
On Unpaid Fractional Share Entitlement Accounts	8.59
Bank deposits with maturity of more than three months but less than twelve months @	7,333.88
	7,350.76
Total	17,018.78

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

12 Equity Share Capital

	As At September 30, 2023	
	No. of shares in lacs	Rs. In Lacs
Authorised Shares		
Equity Shares of Rs. 2/- each	12,905.00	25,810.00
Preference shares of Rs. 10/- each	1,270.00	12,700.00
		38,510.00
Issued, Subscribed and Paid-up Shares		
Equity Shares of Rs. 2/- each, fully paid-up	1,271.71	2,543.42
	1,271.71	2,543.42

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

	For the six months ended	
	No. of shares in lacs	Rs. In Lacs
Equity Shares		
Outstanding at the beginning of the period	1,195.71	2,391.42
Shares issued during the period (Refer note (i) below)	76.00	152.00
Outstanding at the end of the period	1,271.71	2,543.42

(i) Pursuant to approval by the Board of Directors and the Shareholders of the Parent Company in their meetings held on June 10, 2023 and on July 4, 2023 respectively, and approval of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), the Audit Committee as authorised by the Board of Directors, allotted 76,00,000 Equity Shares on Preferential basis to Smallcap World Fund Inc, a SEBI Registered FPI, at a price of Rs 380 per share (Face Value: Rs. 2 each fully paid up) including premium of Rs 378 per share. The Parent Company received listing approval from BSE and NSE on July 19, 2023 and July 20, 2023 respectively and trading approval on July 25, 2023. These allotted equity shares shall be under lock in for six months from the date of trading approval as per existing regulations

b) Terms and rights attached to Equity Shares

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

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

(c) Details of Shareholders holding more than 5% shares in the Parent Company

Name of the Shareholders	As at September 30, 2023	
	No. of shares	% holding
Equity shares of Rs 2 each fully paid		
Titagarh Capital Management Services Private Limited	24,071,588	18.93%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	14.31%
Rashmi Chowdhary	12,816,105	10.08%
HDFC Large and Midcap Fund	7,142,025	5.62%
Smallcap World Fund, INC	7,600,000	5.98%

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

(d) Details of Shareholding of Promoters

Promoter Name	As at September 30, 2023 No. of shares	% of total shares
Titagarh Capital Management Services Private Limited	24,071,588	18.93%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	14.31%
Jagdish Prasad Chowdhary	70,700	0.06%
Umesh Chowdhary	77,530	0.06%
Rashmi Chowdhary	12,816,105	10.08%
Sumita Kandoi	5,751	0.00%
Vinita Bajoria	32,051	0.03%
Bimla Devi Kajaria	2,000	0.00%
Titagarh Logistics Infrastructures Private Limited	1,908,487	1.50%

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
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13. Other Equity
-Reserves and Surplus

		As at September 30, 2023 Rs. In Lacs
A.	**Securities Premium Account**	
	Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act	
	Balance at the beginning of the period	41,064.37
	Premium on Issue of Equity Shares Pursuant to Preferential allotment [Refer Note 12(a)(i)]	28,728.00
	Balance at the end of the period	**69,792.37**
B.	**General Reserve (Refer Note 13.1)**	
	Balance at the beginning of the period	5,411.39
	Movement during the period	-
	Balance at the end of the period	**5,411.39**
C.	**Capital Reserve**	
	Balance at the beginning of the period	7,442.50
	Movement during the period	-
	Balance at the end of the period	**7,442.50**
D.	**Retained Earnings**	
	Balance at the beginning of the period	39,182.40
	Profit for the Period	13,237.12
	Add: Appropriations	
	Item of Other Comprehensive Income recognised directly in Retained Earnings	
	-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(0.69)
	Share Issue Expenses	(87.00)
	Net surplus in the statement of profit and loss	**52,351.83**
	- Other Reserves	
E.	**Foreign Currency Translation Reserve (FCTR)**	
	Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2.20(ii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment	
	Balance at the beginning of the period	891.44
	Exchange Differences on Translation of Foreign Operations during the period	(3.09)
	Balance at the end of the period	**888.35**
F.	**Cash Flow Hedge Reserve (Refer Note 13.2 and 13.3)**	
	Balance at the beginning of the period	(28.35)
	Changes in fair value recognised during the period	79.24
	Tax impact on above	(19.94)
	Balance at the end of the period	**30.95**
	Total Other Equity (A+B+C+D+E+F)	**135,917.39**

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

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

13.3 During the period, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to Rs. Nil
The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the consolidated statement of profit and loss as below:
- within the next one year: gain Rs. 59.30 Lacs
- later than one year: gain Rs. Nil Lacs

14. Borrowings

	Non-current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Secured		
Term Loan from Banks [Refer (a) below]	4,355.53	1,551.64
Cash Credits & Working Capital Demand Loan from Banks [Refer (b) below]		14,792.03
Buyers Credit	-	5,340.00
Total	**4,355.53**	**21,683.67**

Secured Borrowings

a) Term Loan from Banks

i) In case of Parent Company:

(A) Term Loan of Rs 4,967.95 Lacs carrying interest @ 9.02% to 9.05% p.a. linked to 1 year MCLR has been availed during the previous financial year and is repayable in 16 equal quarterly installments from April 2024 to January 2028. Above term loan was secured by way of first charge over land at Gwalior district, Madhya Pradesh owned by the Parent Company. Charge is yet to be created over such land.

(B) Term Loan of Rs. 939.22 lacs carries interest @ 8.92% to 9.07% p.a. linked to 1 year MCLR and is repayable in 7 quarterly installments starting from June 2022 to December 2023. Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Parent Company's Bharatpur Plant. The loan is further secured by the second charge on the Parent Company's current assets relating to Bharatpur Plant.

b) Cash Credits, Working Capital Demand Loan and Buyers Credit from Banks:

i) In case of Parent Company:

(A) Cash Credits, Working Capital Demand Loans and Buyers Credit of Rs. 20,132.03 Lacs are secured by first charge on the Company's current assets, movable fixed asset both present and future and further creating charge on immovable properties of the Parent company by deposit of title deeds except immovable properties at Bharatpur, Rajasthan, Gwalior and Bhind district, Madhya Pradesh. The above facilities are also secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari-passu with consortium member banks.

B) Cash Credits is repayable on demand and carry an interest rate ranging between 8.45% to 11.50% p.a. linked with MCLR.

C) Working Capital Demand Loans carry interest ranging from 5.75% to 11.50% p.a. and are repayable on demand.

D) Buyers Credit carry an interest rate of 5.87% to 6.24% p.a. and is linked to Secured Overnight Financing Rate (SOFR). The same is repayable from October 3, 2023 to April 19, 2024.

15. Other Financial Liablilities

	Current As at September 30, 2023 Rs. In Lacs
Measured at Amortised Cost	
Interest accrued and not due on Borrowings	118.25
Investor Education and Protection Fund will be credited by following amounts (as and when due)	
Unpaid Dividends	8.29
Unpaid fractional share	8.59
Others	
Employee Related Liabilities	794.08
Payable for Purchase of Property, Plant and Equipment	617.37
Other Liabilities *	1,500.00
Total	**3,046.58**

* Arbitration was invoked following the dispute between Cimmco Limited (since merged into the Parent Company) and Texmaco Rail Engineering Limited (Texmaco) in respect of breach of the agreement authorising Texmaco to use the designs for main body work and integral frame of non-pressurized bulk powder cement wagons (BCCW Wagons) for a fixed term. The arbitration result was awarded in favour of the Parent Company dated June 20, 2022. Texmaco filed a petition for stay, challenging the said award before the High Court at Calcutta. An order of interim stay of execution of the award has been made, upon Texmaco depositing a sum of Rs. 1,500.00 Lacs with the Registrar. The Parent Company filed an application for withdrawing the said sum deposited by Texmaco in lieu of bank guarantee furnished by it and received the amount of Rs. 1,500.00 Lacs on June 15, 2023.

16 Provisions

	Non-Current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Provisions for Employee Benefits:		
Gratuity	356 01	129 94
Leave Benefits	-	132 99
	356.01	**262.93**
Other Provisions:		
Warranties [Refer (a) below for movement]	-	258 02
Litigation, Claims and Contingencies [Refer (a) below for movement] & [34 (i)]	-	227 20
	-	485 22
Total	**356.01**	**748.15**

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

	Warranties For the six months ended September 30, 2023 Rs. In Lacs	Litigations, Claims and Contingencies For the six months ended September 30, 2023 Rs. In Lacs
At the Beginning of the period	283 40	227 20
Made during the period	106 92	-
Unused amounts reversed/ utilized during the period (Net)	(132.30)	-
At the End of the period	**258.02**	**227.20**

Information about individual provisions and significant estimates:

Warranties

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

Litigation, claims and contingencies

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

17. Current Tax Liabilities

	As at September 30, 2023 Rs. In Lacs
Provision for Income Tax (Net of Advance tax and TDS Rs 7,688 40 Lacs)	2,584 24
Total	**2,584.24**

18. Deferred Tax (Assets)/Liabilities

		As at September 30, 2023 Rs. In Lacs
Deferred Tax Liabilities		
Arising out of temporary differences in depreciable assets and non-depreciable assets		8 670 07
Unrealised Gain on securities - Fair value through Profit & Loss (FVTPL)		396 63
Fair valuation of Derivative Assets		90 20
Gross Deferred Tax Liabilities	(A)	**9,156.90**
Deferred Tax Assets		
Provision for fall in value of Investments		4,798 55
Provision for Doubtful Debts, Advances and Claims Receivable		284.69
Provision for Warranties and Liquidated Damages		255 44
Provision for Litigations, Claims and Contingencies		57 18
Provision for Employee Benefits		204 99
Lease Liabilities		2,487 07
Gross Deferred Tax Assets	(B)	**8,087.92**
Net Deferred Tax Liabilities	(A-B)	**1,068.98**

The movement in deferred tax assets and liabilities during the six months ended September 30, 2023:

	As at April 01, 2023 Deferred tax Asset / (Liability)	(Credit) / Charge in Statement of Profit and Loss #	As at September 30, 2023 Deferred tax Asset / (Liability)
Arising out of temporary differences in depreciable assets and non-depreciable assets	(9,006 28)	336.21	(8,670 07)
Unrealised Gain on FVTPL Securities	(404 91)	8.28	(396 63)
Fair valuation of Derivative Assets	-	(90 20)	(90 20)
Total Deferred Tax Liabilities	**(9,411.19)**	**254.29**	**(9,156.90)**
Provision for fall in value of Investments	4,967 00	(168.45)	4,798 55
Provision for Doubtful Debts and Advances	170.85	113 84	284 69
Provision for Warranties & Liquidated Damages	40 45	214 99	255 44
Provision for Litigation, Claims & Contingencies	57 18	-	57 18
Provision for Employee Benefits	183 95	21 04	204 99
Lease Liabilities	2,635 87	(148 80)	2,487 07
Fair valuation of derivative assets	9.53	(9.53)	-
Total Deferred Tax Assets	**8,064.83**	**23.09**	**8,087.92**
Deferred Tax Asset / (Liabilities) (Net)	**(1,346.36)**	**277.38**	**(1,068.98)**

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs 0 24 Lacs and Income tax impact on Fair value change of cash flow hedges amounting to Rs 19 94 Lacs included in Other Comprehensive Income and income tax impact on exchange difference on consolidation of Rs Nil included in foreign currency translation reserve

Deferred tax asset against capital loss for provision for fall in value of Investment has been recognised to the extent of identifiable capital gains against which corresponding deferred tax liability is recognised

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
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19. Trade Payables (At Amortised Cost)

	Current As at September 30, 2023 Rs. In Lacs
Trade Payables	
Total outstanding dues of Micro Enterprises and Small Enterprises	1,459.45
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	24,720.18
Total	26,179.63

(a) Trade Payables include dues to related parties of Rs. 84.95 Lacs. Refer Note 36 for details

20. Contract Liabilities

	Non-Current As at September 30, 2023 Rs. In Lacs	Current As at September 30, 2023 Rs. In Lacs
Advance from Customers	14,228.16	49,390.21
Revenue in Excess of Billing	-	90.52
	14,228.16	49,480.73

21. Other Liabilities

	Current As at September 30, 2023 Rs. In Lacs
Statutory Dues	342.83
	342.83

22. Revenue from Operations

	For the six months ended September 30, 2023 Rs. In Lacs
Revenue from Contract with Customers:-	
Sale of Products	
Finished Goods	178,833.60
Raw Materials and Components	3,452.66
Other Operating Revenues	
Scrap Sales	2,107.29
Others	227.49
Total	184,621.04

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 182,286.26 Lacs. The details of which are given below:-

	For the six months ended September 30, 2023 Rs. In Lacs
Revenue recognised at a point in time	150,458.82
Revenue recognised over time	31,827.44
	182,286.26

Reconciliation of revenue recognised with contract price:

	For the six months ended September 30, 2023 Rs. In Lacs
Contract price	175,938.26
Adjustment for:	
Liquidated Damages	(913.75)
Escalation	7,261.75
Revenue from operation	182,286.26

23. Other Income

	For the six months ended September 30, 2023 Rs. In Lacs
23.1 Interest Income	
From Financial Assets at Amortised Cost	
Bank Deposits	400.92
Others ##	152.12
	553.04
23.2 Others	
Net Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges #	378.72
Unspent Liabilities / Provisions No Longer Required Written Back	2.61
Other Non-operating Income*	131.56
	512.89
Total	1,065.93

* Mainly comprises of Rs. 109.84 lacs recovery from customer against dues charged off in earlier periods
# Foreign Exchange Fluctuations includes Rs. 280.57 Lacs on account of cancellation of forward contracts during the period
Interest Income - Others for the current period mainly represents interest income from supplier for early payment of related outstandings.

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

24. Cost of Raw Materials and Components Consumed

	For the six months ended September 30, 2023 Rs. In Lacs
Inventories at the Beginning of the period	36,488.73
Add: Purchases	137,095.37
	173,584.10
Less: Inventories at the End of the Period	32,950.93
Cost of Raw Materials and Components Consumed	140,633.17

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

		For the six months ended September 30, 2023 Rs. In Lacs
Inventories at the end of the period		
Finished Goods		-
Work-in-Progress		4,943.79
Saleable Scrap		403.21
	(A)	5,347.00
Inventories at the beginning of the period		
Finished Goods		-
Work-in-Progress		6,996.43
Saleable Scrap		1,067.12
	(B)	8,063.55
(Increase) / Decrease	(B-A)	2,716.55

29. Employee Benefits Expense

	For the six months ended September 30, 2023 Rs. In Lacs
Salaries, Wages and Bonus	2,990.05
Contribution to Provident & Other Funds	150.70
Gratuity Expense	38.58
Staff Welfare Expenses	128.76
Total	3,308.09

27. Finance Costs

	For the six months ended September 30, 2023 Rs. In Lacs
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc	2,656.69
Interest & Finance Charge on Leases	456.78
Other Borrowing Costs (Bank Charges, etc.)	825.08
Total	3,938.55

Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs. 1,009.00 Lacs representing cost of financing component @ 9% against long term advance from customer

28. Depreciation and Amortisation Expense

	For the six months ended September 30, 2023 Rs. In Lacs
Depreciation of Property, Plant and Equipments (Refer Note 3.1)	717.74
Depreciation of Right-of-use Assets (Refer Note 3.5)	561.13
Amortisation of Intangible Assets (Refer Note 3.2)	53.43
Total	1,332.30

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Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

29. Other Expenses

		For the six months ended September 30, 2023 Rs. In Lacs
Consumption of Stores and Spares		5,135.32
Job Processing and Other Machining Charges (including Contract Labour Charges)		4,768.18
Power and Fuel		2,479.08
Design and Development Expenses		42.77
Repairs		
Plant and Machinery		82.29
Buildings		95.42
Others		48.85
Rent and Hire Charges		110.41
Rates and Taxes		90.20
Insurance		131.00
Security Services		204.68
Advertising and Sales Promotion		45.93
Brokerage and Commission		139.79
Travelling and Conveyance		519.33
Legal and Professional Fees		435.13
Commission to non-whole time directors		12.50
Directors Sitting Fees		23.00
Payment to Auditors		55.91
Warranty Claims (net)	239.22	
Less: Adjusted with Provision	(132.30)	106.92
Provision for Doubtful Debts and Advances		452.32
Corporate Social Responsibility Expenses		10.13
Miscellaneous Expenses		854.57
Total		15,843.91

30. Income Tax Expense / (Benefit)

	For the six months ended September 30, 2023 Rs. In Lacs
(A) Amount Recognised in the Statement of Profit and Loss	
Current Tax	4,944.25
Deferred Tax	(297.12)
Total Income Tax Expense Recognised in Profit and Loss	4,647.13
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable	
Accounting Profit /(Loss) before Tax	17,884.25
At India's Statutory Income Tax Rate of 25.168%	4,501.11
Adjustments:	
Non-deductible Income / (Expenses) for Tax Purposes	
Expenses not allowed as deductions	21.80
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	16.84
Impact of dividend received from subsidiary	158.19
Impact of Discontinued Operations	(4.78)
Others	(46.03)
	4,647.13

31 Earnings/(Loss) Per Equity Share

	For the six months ended September 30, 2023
(A) Basic and Diluted	
(i) Number of Equity Shares at the Beginning of the period	119,571,089
(ii) Number of Equity Shares at the End of the period	127,171,089
(iii) Weighted Average Number of Equity Shares Outstanding during the period	123,142,674
(iv) Face Value of Each Equity Share (Rs)	2.00
(v) Profit after Tax Available for Equity Shareholders of the Parent Company (Rs. In Lacs):	
From Continuing Operation (Rs.in Lacs)	13,218.12
From Discontinuing Operation (Rs.in Lacs)	19.00
From Continuing and Discontinuing Operation (Rs.in Lacs)	13,237.12
(vi) Basic and Diluted Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)]	
From Continuing Operation	10.74
From Discontinuing Operation	0.02
From Continuing and Discontinuing Operation	10.76

32 There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties.

33 Commitments	As at September 30, 2023 Rs.in Lacs
Estimated amount of contracts remaining to be executed on capital accounts and not provided for [net of advances Rs. Nil]	4,235.86

34 Contingent Liabilities	As at September 30, 2023 Rs.in Lacs
(i) **Claims against the Group not acknowledged as debt**	
Disputed claims contested by the Group and pending at various courts/arbitration*	3,826.58
Matters under appeal with:	
Sales tax authorities	2,510.17
Income tax authorities	4,845.72
Customs and Excise Authorities	13,610.73
Goods and service tax Authorities	181.52
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54
	26,165.26

* Includes Rs.1,360.45 Lacs which in terms of BIFR order, even if decided against the Group, would stand at Rs.136.04 Lacs only.

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

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

(ii) Further:

(a) Erstwhile Cimmco Limited (Since merged with the Parent Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of Rs. 1,128.95 lacs on erstwhile Cimmco Limited (since merged with the Parent Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Parent Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Parent Company believes that there would not be any liability that would crystallise on account of the above.

35 Segment Information

The Operating segment based on the Group's products has been identified as "Freight Rail Systems" (which includes shipbuilding, bridges and defence) and "Passenger Rail Systems".
a) Freight Rail Systems - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment's for Defence, Bridge Girders etc.
b) Passenger Rail Systems - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements. Also, the Group's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss.
Segment Assets and Liabilities are measured in the same way as in the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet.
These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information about Operating Segments

For the six months ended September 30, 2023

(Rs. in Lacs)

	Freight Rail Systems	Passenger Rail Systems	Total
Revenue from Operations			
Segment Revenue (External)	154,694.01	29,927.03	184,621.04
Segment Profit/(Loss) (a)	20,489.63	997.35	21,486.98
Unallocated (Income) / Expenses			
Finance Costs			2,436.04
Interest Income			(403.74)
Interest Expense - Net (b)			2,032.30
Depreciation and Amortisation Expense			136.42
Other Corporate Income			(433.55)
Other Corporate Expenses			1,886.56
Unallocable expenditure net of income (c)			1,589.43
Profit before Taxes (a-b-c)			17,865.25
Tax Expenses /(Credit)			4,647.13
Profit for the period			13,218.12
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	1,008.62	187.26	1,195.88
Unspent Liabilities / Provisions No Longer Required Written Back	2.61	-	2.61
Segment Assets	148,582.50	76,289.54	224,872.04
Unallocated Assets			
Investments			3,185.66
Cash and Cash Equivalents			9,668.02
Other Bank Balances			7,350.76
Non-current / Current Tax Assets (Net)			2,868.68
Other Unallocated Assets			24,846.18
Total Assets			272,791.34
Segment Liabilities	67,590.50	33,576.31	101,166.81
Unallocated Liabilities			
Borrowings			26,039.20
Current Tax Liabilities (Net)			2,584.24
Deferred Tax Liabilities (Net)			1,068.98
Other Unallocated Liabilities			3,471.30
Total Liabilities			134,330.53

Entity-wide Disclosures:-

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

	For the six months ended September 30, 2023 Rs.in Lacs
India	184,519.99
Rest of the World	101.05
Total	**184,621.04**

(b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

	For the six months ended September 30, 2023 Rs.in Lacs
India	86,651.44
Rest of the World	-
Total	**86,651.44**

(c) Total revenue from external customers which represents more than 10% of the total revenue from external customers of the Group includes sales to Indian Railways of Rs. 86,263.27 Lacs, Rungta Sons Private Limited of Rs. 34,599.72 Lacs and Maharashtra Metro Railway Corporation Rs 28,534.95 Lacs.

36 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related parties:

Associate Company:	Titagarh Firema S.p.A, Italy
Joint Venture Companies:	Titagarh Mermec Private Limited
	Titagarh Firema Engineering Services Private Limited ("TFESPL") (w.e.f September 16, 2023)
	Ramkrishna Titagarh Rail Wheels Limited ("RTRWL") (w.e.f June 09, 2023)

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

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman
	Mr. Umesh Chowdhary – Vice Chairman & Managing Director
	Mr. Anil Kumar Agarwal - Director (Finance), Chief Business & Risk Officer and Chief Financial Officer
	Mr. Saurav Singhania- Joint Chief Financial Officer & Group Finance Controller
	Mr. Saket Kandoi - Director (Whole-Time Director)
	Mrs. Rashmi Chowdhary - Non-Executive Director
	Mr. Prithish Chowdhary - Director (Marketing & Business Development)
	Mr. Manoj Mohanka - Independent Director
	Mr. Atul Ravishanker Joshi - Independent Director
	Mr. Sunirmal Talukdar - Independent Director
	Mr. Sushil Kumar Roongta - Independent Director
	Mr. Krishan Kumar Jalan - Independent Director
	Ms. Nayantara Palchoudhuri - Independent Director
	Mr. Dinesh Arya - Company Secretary
	Mr. B. Prasada Rao - Independent Director (w.e.f September 04, 2023)
	Mr. Debanjan Mandal - Independent Director (w.e.f September 04, 2023)
Close Family Members of the KMPs:	Mrs. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary
	Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary
	Mrs. Sumita Kandoi, Daughter of Mr. J P Chowdhary
Enterprises over which KMP/ Shareholders/ Close Family Members have significant influence:	Titagarh Capital Management Services Private Limited
	Titagarh Enterprises Limited
	Titagarh Industries Limited
	Shivaliks Mercantile Private Limited
	Nicco Eastern Private Limited

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

(Rs. in Lacs)

Nature of transactions	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss					
Sale of Products					
Titagarh Firema S.p.A	101.05	-	-	-	101.05
Purchase of Raw Materials and Components					
Titagarh Firema S.p.A	1,397.36	-	-	-	1,397.36
Nicco Eastern Private Limited	-	190.21	-	-	190.21
Payment for Lease Rental					
Titagarh Enterprises Limited	-	673.87	-	-	673.87

(Rs. in Lacs)

Nature of transactions	KMPs	Total
In relation to the Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss		
Remuneration [Refer (b) below]		
Mr. J P Chowdhary	134.64	134.64
Mr. Umesh Chowdhary	134.64	134.64
Mr. Prithish Chowdhary	28.57	28.57
Mr. Saket Kandoi	35.02	35.02
Mr. Anil Agarwal	48.88	48.88
Mr. Dinesh Arya	19.95	19.95
Mr. Saurav Singhania	32.44	32.44
Commission to non-whole time directors		
Mr. Sunirmal Talukdar	2.09	2.09
Mr. Manoj Mohanka	2.08	2.08
Mr. Atul Ravishanker Joshi	2.09	2.09
Mr. Sushil Kumar Roongta	2.09	2.09
Ms. Nayantara Palchoudhri	2.09	2.09
Mr. Krishan Kumar Jalan	2.08	2.08
Sitting Fees to Directors		
Mr. Manoj Mohanka	4.80	4.80
Mr. Atul Ravishanker Joshi	4.20	4.20
Mrs. Rashmi Chowdhary	2.00	2.00
Mr. Sunirmal Talukdar	5.00	5.00
Ms. Nayantara Palchoudhuri	2.00	2.00
Mr. Krishan Kumar Jalan	2.00	2.00
Mr. Sushil Kumar Roongta	3.00	3.00

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Unaudited Interim Special Purpose Condensed Consolidated Financial Statements as at and for the six months ended September 30, 2023

36 Related Party Disclosures

Nature of transactions	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Unaudited Interim Special Purpose Condensed Consolidated Balance Sheet						
Investments						
Ramkrishna Titagarh Rail Wheels Limited	55.00	-	-	-	-	55.00
Balances Outstanding as at the period end						
Trade Receivables						
Titagarh Firema S p.A	-	1,290.07	-	-	-	1,290.07
Trade Payables						
Nicco Eastern Private Limited	-	-	84.95	-	-	84.95
Capital Advance						
Titagarh Firema S p A	-	2,387.31	-	-	-	2,387.31
Advances Recoverable in Cash or Kind						
Mr. Anil Kumar Agarwal	-	-	-	30.00	-	30.00
Titagarh Firema S p.A	-	166.63	-	-	-	166.63
Other Financial Liabilities						
Titagarh Firema Engineering Services Private Limited	*	-	-	-	-	*
Commission payable to non whole time directors						
Mr. Sunirmal Talukdar	-	-	-	2.09	-	2.09
Mr. Manoj Mohanka	-	-	-	2.08	-	2.08
Mr. Atul Ravishanker Joshi	-	-	-	2.09	-	2.09
Mr. Sushil Kumar Roongta	-	-	-	2.09	-	2.09
Ms. Nayantara Palchoudhri	-	-	-	2.09	-	2.09
Mr. Krishan Kumar Jalan	-	-	-	2.08	-	2.08
Investments						
Titagarh Firema S.p A (Net of Loss: Rs 1,272.63 Lacs)	-	-	-	-	-	-
Titagarh Mermec Private Limited (Net of Loss: Rs.0.50 Lacs)	-	-	-	-	-	-
Ramkrishna Titagarh Rail Wheels Limited (Net of Loss: Rs 49.15 Lacs)	5.85	-	-	-	-	5.85
Titagarh Firema Engineering Services Private Limited (Net of Loss: Rs. Nil Lacs)	*	-	-	-	-	*
Security Deposit						
Titagarh Enterprises Limited	-		294.63	-	-	294.63

* below rounding off norm
Also refer Note 3.1 (c) and Note 4.2 (a) for asset and shares pledged respectively against loan taken by Titagarh Firema S p A

Notes :

a) **Terms and Conditions of Transactions with Related Parties**
Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales/services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest-free and settlement occurs in cash.

b)

Compensation of Key Managerial Personnel	For the six months ended September 30, 2023
Short-term employee benefits	409.53
Contribution to provident and other funds	24.61
	434.14

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

37 Fair Values

(i) Fair value hierarchy

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

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

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

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

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the six months ended September 30, 2023

The following table provides the fair value measurement hierarchy of the Group's assets:

(Rs. in Lacs)

Quantitative disclosures Fair Value Measurement hierarchy for Assets:	Date of Valuation	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:					
Investments	September 30, 2023	-	-	3,179.60	3,179.60
Derivative financial Assets	September 30, 2023	-	358.37	-	358.37
Total Financial Assets	September 30, 2023	-	358.37	3,179.60	3,537.97

(ii) **Fair value measurement using significant unobservable inputs (Level 3)**

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value heirarchy - (FVTPL assets in unquoted equity shares / units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at September 30, 2023 is as shown below:

	(Rs. In Lacs)
Significant Unobservable Input - Weighted Average Cost of Capital / Discounting Rate *	**September 30, 2023**
Impact of 1% Increase	(319.00)
Impact of 1% Decrease	434.68
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company #	**September 30, 2023**
Impact of 5% Increase	57.86
Impact of 5% Decrease	(57.86)

* For FVTPL assets in unquoted equity shares
\# For FVTPL assets in unquoted equity shares

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

(Rs. In Lacs)

	Investment in equity shares
Closing Balance as on March 31, 2023	3,179.60
Re-measurement recognised in Unaudited Interim Special Purpose Condensed Consolidated Statement of Profit and Loss	-
Closing Balance as on September 30, 2023	3,179.60

(iv) **Fair value of financial assets and liabilities**

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2023.

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

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

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

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

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

38 (a) **Reconciliation of Impairment Provision**

(Rs. In lacs)

	Trade Receivables	Other Financial Assets
Opening Balance as at March 31, 2023	102.22	-
Provision made during the period	452.32	-
Closing Balance as at September 30, 2023	554.54	-

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

(b) **Movement of Liquidated Damages:**

Particulars	(Rs. In Lacs)
Opening Balance as at March 31, 2023	160.73
Provision made during the period	913.75
Provision utilized / reversed during the period	(59.55)
Closing Balance as at September 30, 2023	1,014.93

38.1 The Group does not have any material foreseeable losses on long term contracts. Further the net losses on derivative contracts during the period have been recognised in the financial statements in keeping with Group's accounting policy.

39 **Revenue recognised in relation to contract liability**

	As at September 30, 2023 (Rs. in Lacs)
Revenue recognised that was included in the contract liability balance at the beginning of the period	15,729.79

The aggregate amount of the transaction price allocated to the remaining performance obligation, which are partially or fully unsatisfied as at period end is Rs. 2,841,711.38 Lacs and the entity will recognise this revenue as the contract is completed and / or executed, which is expected to occur over the next 12-30 months.

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

40 Discontinued Operations:

(a) The voluntary winding up of TSPL at Singapore has already been initiated in the previous year ended March 31, 2023 in accordance with local laws and the same is expected to be completed in the current year. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) and has been disclosed as discontinuing

(b) The results of discontinued operations (without elimination) in respect of TSPL are set out below:

Rs. in lacs

Particulars	Period Ended September 30, 2023 Titagarh Singapore Pte Ltd
Income	
Other Income	20.52
Total Income	20.52
Expenses	
Finance Costs	0.24
Other Expenses	1.28
Total Expenses	1.52
Profit before exceptional items & tax from discontinued operation	19.00
Exceptional Items	-
Profit before Tax	19.00
Tax Expense:	
Current Tax	-
Deferred Tax	-
Total Tax Expense	-
Profit after tax from discontinued operations	19.00
Other Comprehensive Income	
Item that will be Reclassified to Profit or Loss in Subsequent Periods:	
Exchange Differences on Translation of Foreign Operations	(3.09)
Income tax relating to above	-
Other Comprehensive Income for the Year (Net of Tax)	(3.09)
Total Comprehensive Income for the Year from discontinued operations	15.91

(c) Discontinued operations comprises the following:

	Period Ended September 30, 2023
Profit from Discontinued operations after tax pertaining to TSPL (Refer Note (a) above)	19.00
	19.00

41 The Parent Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the

42 The name of the Company has been changed from Titagarh Wagons Limited to Titagarh Rail Systems Limited w.e.f May 19, 2023 after obtaining the necessary approvals.

43 Subsequent to September 30, 2023, the Company has made additional investment in its joint venture, Ramkrishna Titagarh Wheels Limited of Rs. 4,655.00 lakhs.

44 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Parent Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

45 The Parent Company and ABB India Limited (ABB) have formed a strategic partnership to work together for supply of propulsion systems for Metro projects in India. The Parent Company will purchase ABB propulsion systems including traction converters, auxiliary converters, traction motors and TCMS software. The agreement between the parties also include the Parent Company securing the manufacturing rights and production license for traction motors along with the complete transfer of technology of the GoA 4 (Driverless Metro) TCMS software from ABB as part of the Government's Make in India initiative.

46 The Board of Parent Company had at its meeting held on November 8, 2023 constituted a Committee of three directors to identify the strategy for future growth of the Shipbuilding, Bridges & Defence business (SBD) including inter alia identification of a strategic/ joint venture partner for the same.

47 The Parent Company had prepared separate Statement of Consolidated Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2023, the Consolidated Unaudited Statement of Assets and Liabilities as on that date and the Consolidated Unaudited Statement of Cash Flows for the half-year ended on that date (together referred to as the "Statement"), in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting". The said Statement was submitted by the Parent Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

48 For enhancing the future growth of the Parent Company and such objects as shall form part of the placement document(s) in this regard, the Board of Parent Company at its meeting held on November 8, 2023 decided to raise fund upto Rs.700 crore by issue of equity shares by way of QIP to the eligible qualified institutional buyers subject to necessary approvals. An extra general meeting of the members has been scheduled on December 2, 2023 for passing of a special resolution as required by the provisions of law including the Companies Act, 2013, SEBI ICDR Regulations etc. applicable thereto.

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

Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

For and on behalf of the Board of Directors of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date : December 7, 2023

Anand Prakash
Partner
Membership No. 056485
Place: Kolkata
Date : December 7, 2023

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date : December 7, 2023

Prithish Chowdhary
Director (Marketing and Business Development)
DIN: 08509158
Place: Kolkata
Date : December 7, 2023

Anil Kumar Agarwal
Director (Finance) and Chief Financial Office
DIN: 01501767
Place: Kolkata
Date : December 7, 2023

Saurav Singhania
Jt. Chief Financial Officer and Group Finance Controller
Place: Kolkata
Date : December 7, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : December 7, 2023

Price Waterhouse & Co Chartered Accountants LLP
56 & 57, Block DN, Ground Floor
'A' Wing, Sector V, Salt Lake
Kolkata 700 091

Salarpuria & Partners
Chartered Accountants
7, C.R. Avenue, Kolkata- 700 072

Review Report

To

The Board of Directors
Titagarh Rail Systems Limited,
Poddar Point, 10th Floor,
113 Park Street, Kolkata-700016

1. We have reviewed the consolidated unaudited financial results of Titagarh Rail Systems Limited (Formely known as Titagarh Wagons Limited) (the "Parent"), its subsidiary (the parent and its subsidiary hereinafter referred to as the "Group"), and its share of the net loss after tax and total comprehensive loss of its joint ventures and associate company (refer Note 1 on the Statement) for the quarter ended September 30, 2023 and the year to date results for the period April 1, 2023 to September 30, 2023 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2023', the Consolidated Unaudited Statement of Assets and Liabilities as on that date and the Consolidated Unaudited Statement of Cash Flows for the half-year ended on that date (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

SALARPURIA & PARTNERS
Chartered Accountants
Kolkata

Price Waterhouse & Co Chartered Accountants LLP
56 & 57, Block DN, Ground Floor
'A' Wing, Sector V, Salt Lake
Kolkata 700 091

Salarpuria & Partners
Chartered Accountants
7, C.R. Avenue, Kolkata- 700 072

4. The Statement includes the results of the following entities:

1.	Titagarh Rail Systems Limited (Formely known as Titagarh Wagons Limited)
Subsidiary	
2.	Titagarh Singapore Pte Ltd
Joint Ventures	
3.	Titagarh Mermec Private Limited
4.	Ramkrishana Titagarh Rail Wheels Limited
5.	Titagarh Firema Engineering Services Private Limited
Associate	
6.	Titagarh Firema S.p.A

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated unaudited financial results includes the interim financial information of one subsidiary prepared on liquidation basis [refer note 2(c)] which has not been reviewed by their auditor, whose interim financial information reflect total assets of Rs. 890.28 Lacs and net assets of Rs. 890.28 Lacs as at September 30, 2023 and total net profit after tax from discontinued operations of Rs. 19.12 Lacs and Rs. 19.00 Lacs and total comprehensive income from discontinued operations of Rs. 7.05 Lacs and Rs. 15.91 Lacs for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, and cash flows (net) of Rs. 1,196.63 Lacs for the period from April 1, 2023 to September 30, 2023, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 49.15 Lacs and Rs. 49.15 Lacs and total comprehensive loss of Rs. 49.15 Lacs and Rs. 49.15 Lacs for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023, respectively, as considered in the consolidated unaudited financial results, in respect of one associate and three joint ventures, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

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

Pramit Agrawal
Partner
Membership Number 099903
UDIN: 23099903BGWLQT2795
Place: Kolkata
Date: October 18, 2023

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Anand Prakash
Partner
Membership Number 056485
UDIN: 23056485BGZEJH8140
Place: Kolkata
Date: October 18, 2023

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

SALARPURIA & PARTNERS
Chartered Accountants
Kolkata

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
CIN NO:- L27320WB1997PLC084819
REGISTERED OFFICE - 10TH FLOOR, PODDAR POINT, 113 PARK STREET, KOLKATA-700016
TEL: 033-4019 0800/FAX: 033-4019 0823, WEB SITE: WWW.TITAGARH.IN, EMAIL: CORP@TITAGARH.IN

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in Lacs)

SL. NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30,2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	93,545.17	91,075.87	60,711.53	184,621.04	103,897.21	277,959.04
2	Other Income	677.06	388.87	1,622.39	1,065.93	2,515.58	4,258.30
3	**Total Income**	**94,222.23**	**91,464.74**	**62,333.92**	**185,686.97**	**106,412.79**	**282,217.34**
4	**Expenses**						
	a) Cost of Raw Materials & Components Consumed	67,063.01	72,660.26	46,772.52	140,633.17	83,097.07	216,530.39
	b) Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	4,181.78	(1,465.23)	532.29	2,716.55	(3,484.61)	(1,536.56)
	c) Employee Benefits Expense	1,727.95	1,580.14	1,302.89	3,308.09	2,545.79	5,652.64
	d) Finance Costs	2,028.28	1,910.27	1,989.86	3,938.55	3,545.61	8,074.67
	e) Depreciation and Amortisation Expense	668.81	663.49	530.75	1,332.30	1,070.98	2,250.35
	f) Other Expenses	8,162.87	7,681.04	6,594.84	15,843.91	12,206.57	30,963.52
5	**Total Expenses (a to f)**	**84,733.60**	**83,038.97**	**57,723.15**	**167,772.57**	**98,981.41**	**261,935.01**
6	**Profit before Share of Loss of Joint Ventures or Associates, Exceptional Items and Tax (3-5)**	**9,488.63**	**8,425.77**	**4,610.77**	**17,914.40**	**7,431.38**	**20,282.33**
7	Share of Loss of Joint Ventures or Associate	(49.15)	-	(165.64)	(49.15)	(165.64)	(1,272.63)
8	**Profit before Exceptional Items and Tax (6-7)**	**9,439.48**	**8,425.77**	**4,445.13**	**17,865.25**	**7,265.74**	**19,009.70**
9	Exceptional Items	-	-	-	-	-	-
10	**Profit before Tax from continuing operations (8-9)**	**9,439.48**	**8,425.77**	**4,445.13**	**17,865.25**	**7,265.74**	**19,009.70**
11	**Tax Expense**						
	a) Current tax	2,595.81	2,348.44	1,135.07	4,944.25	1,931.40	5,305.50
	b) Deferred Tax -Charge/(Credit)	(196.58)	(100.54)	43.40	(297.12)	(143.49)	240.87
	Total Tax Expense	**2,399.23**	**2,247.90**	**1,178.47**	**4,647.13**	**1,787.91**	**5,546.37**
12	**Profit for the Period / Year from continuing operations (10-11)**	**7,040.25**	**6,177.87**	**3,266.66**	**13,218.12**	**5,477.83**	**13,463.33**
13	Profit / (Loss) from discontinued operations (Refer Note 2 below)	19.12	(0.12)	1,232.55	19.00	(985.08)	(891.70)
14	Tax expense of discontinued operations	-	-	-	-	-	-
15	**Profit / (Loss) for the Period / Year from discontinued operations (13+14)**	**19.12**	**(0.12)**	**1,232.55**	**19.00**	**(985.08)**	**(891.70)**
16	**Profit for the Period / Year (12+15)**	**7,059.37**	**6,177.75**	**4,499.21**	**13,237.12**	**4,492.75**	**12,571.63**
	Attributable to:						
	Shareholders of the Company	7,059.37	6,177.75	4,821.30	13,237.12	4,941.49	13,020.37
	Non-Controlling Interest	-	-	(322.09)	-	(448.74)	(448.74)
17	**Other Comprehensive Income**						
	a) Items that will be reclassified to profit or loss:						
	i) Net Gain/(Loss) on Foreign Currency Translation Differences	(12.07)	8.98	76.05	(3.09)	8.93	20.42
	ii) Fair value change of cash flow hedges	(58.36)	137.60	(954.50)	79.24	(1,161.39)	(1,361.11)
	iii) Tax expenses on above	14.69	(34.63)	240.23	(19.94)	292.30	342.56
	b) Items that will not be reclassified to profit or loss:						
	i) Remeasurement gains/(losses) on defined benefit plans	(0.46)	(0.47)	4.87	(0.93)	9.75	(2.10)
	ii) Tax expenses on above	0.12	0.12	(1.22)	0.24	(2.45)	0.53
	Total Other Comprehensive Income	**(56.08)**	**111.60**	**(634.57)**	**55.52**	**(852.86)**	**(999.70)**
	Attributable to:						
	Continuing Operations	(44.01)	102.62	(710.62)	58.61	(861.79)	(1,020.12)
	Discontinued Operations	(12.07)	8.98	76.05	(3.09)	8.93	20.42
18	**Total Comprehensive Income for the Period / Year (16+17)**	**7,003.29**	**6,289.35**	**3,864.64**	**13,292.64**	**3,639.89**	**11,571.93**
	Attributable to:						
	Continuing Operations	6,996.24	6,280.49	2,556.04	13,276.73	4,616.04	12,443.21
	Discontinued Operations	7.05	8.86	1,308.60	15.01	(976.15)	(871.28)
	Attributable to:						
	Shareholders of the Company	7,003.29	6,289.35	4,186.73	13,292.64	4,088.63	12,020.67
	Non-Controlling Interest	-	-	(322.09)	-	(448.74)	(448.74)
19	Paid-up Equity Share Capital (Face value Rs. 2/- each)	2,543.42	2,391.42	2,391.42	2,543.42	2,391.42	2,391.42
	Other Equity						93,963.75
20	**Earnings/(Loss) Per Equity Share (of Rs. 2/- each)** (Not Annualised except for March 31, 2023)						
	For Continuing Operations						
	- Basic (Rs.)	5.56	5.17	3.00	10.74	4.96	11.63
	- Diluted (Rs.)	5.56	5.17	3.00	10.74	4.96	11.63
	For Discontinued Operations						
	- Basic (Rs.)	0.02	(0.00)	1.03	0.02	(0.82)	(0.75)
	- Diluted (Rs.)	0.02	(0.00)	1.03	0.02	(0.82)	(0.75)
	For Continuing and Discontinued Operations						
	- Basic (Rs.)	5.58	5.17	4.03	10.76	4.14	10.89
	- Diluted (Rs.)	5.58	5.17	4.03	10.76	4.14	10.89

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

SALARPURIA & PARTNERS Chartered Accountants Kolkata

TITAGARH WAGONS LIMITED Kolkata 700 107

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
CIN NO:- L27320WB1997PLC084819
REGISTERED OFFICE - 10TH FLOOR, PODDAR POINT, 113 PARK STREET, KOLKATA-700016
TEL: 033-4019 0800/FAX: 033-4019 0823, WEB SITE: WWW.TITAGARH.IN, EMAIL: CORP@TITAGARH.IN
UNAUDITED CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lacs)

SL. NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30,2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**						
	a) Freight Rail Systems	80,086.07	74,607.94	48,094.47	154,694.01	83,130.12	225,093.47
	b) Passenger Rail Systems	13,459.10	16,467.93	12,617.06	29,927.03	20,767.09	52,865.57
	Revenue from operation/ Income from Operations	**93,545.17**	**91,075.87**	**60,711.53**	**184,621.04**	**103,897.21**	**277,959.04**
2	**Segment Results [Profit before Tax]**						
	a) Freight Rail Systems	10,770.00	9,719.63	5,174.08	20,489.63	8,755.22	23,570.94
	b) Passenger Rail Systems	359.28	638.07	432.21	997.35	685.47	2,198.13
	Total	**11,129.28**	**10,357.70**	**5,606.29**	**21,486.98**	**9,440.69**	**25,769.07**
	Less :						
	i Interest Expense - Net	957.37	1,074.93	973.96	2,032.30	1,877.50	4,579.70
	ii Unallocable expenditure net of income	732.43	857.00	187.20	1,589.43	297.45	2,179.67
	Total Profit before Tax	**9,439.48**	**8,425.77**	**4,445.13**	**17,865.25**	**7,265.74**	**19,009.70**
	Less: Tax Expenses	2,399.23	2,247.90	1,178.47	4,647.13	1,787.91	5,546.37
	Total Profit after Tax from continuing operations	**7,040.25**	**6,177.87**	**3,266.66**	**13,218.12**	**5,477.83**	**13,463.33**
	Profit / (Loss) from discontinued operations (Refer Note 2 below)	19.12	(0.12)	1,232.55	19.00	(985.08)	(891.70)
	Tax expense of discontinued operations	-	-	-	-	-	-
	Total Profit / (Loss) after Tax from discontinued operations	**19.12**	**(0.12)**	**1,232.55**	**19.00**	**(985.08)**	**(891.70)**
	Total Profit / (Loss) after Tax	**7,059.37**	**6,177.75**	**4,499.21**	**13,237.12**	**4,492.75**	**12,571.63**
3	**Segment Assets**						
	a) Freight Rail Systems	148,582.50	126,922.65	100,131.64	148,582.50	100,131.64	117,946.10
	b) Passenger Rail Systems	76,289.54	70,282.34	49,448.33	76,289.54	49,448.33	61,689.58
	c) Unallocable	47,919.30	46,500.78	53,732.38	47,919.30	53,732.38	45,171.40
	Total	**272,791.34**	**243,705.77**	**203,312.35**	**272,791.34**	**203,312.35**	**224,807.08**
4	**Segment Liabilities**						
	a) Freight Rail Systems	67,590.50	55,324.53	50,917.02	67,590.50	50,917.02	63,270.33
	b) Passenger Rail Systems	33,576.31	33,910.88	31,820.79	33,576.31	31,820.79	36,407.46
	c) Unallocable	33,163.72	51,825.84	32,287.50	33,163.72	32,287.50	28,774.12
	Total	**134,330.53**	**141,061.25**	**115,025.31**	**134,330.53**	**115,025.31**	**128,451.91**
5	**Geographical Segment Revenue**						
	a) India	93,444.12	91,075.87	60,711.53	184,519.99	103,897.21	277,655.71
	b) Rest of the World	101.05	-	-	101.05	-	303.33
	Total	**93,545.17**	**91,075.87**	**60,711.53**	**184,621.04**	**103,897.21**	**277,959.04**

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

SALARPURIA & PARTNERS Chartered Accountants Kolkata

TITAGARH WAGONS LIMITED Kolkata 700 107

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
CIN NO:- L27320WB1997PLC084819
REGISTERED OFFICE - 10TH FLOOR, PODDAR POINT, 113 PARK STREET, KOLKATA-700016
TEL: 033-4019 0800/FAX: 033-4019 0823, WEB SITE: WWW.TITAGARH.IN, EMAIL: CORP@TITAGARH.IN

CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lacs)

SL No	PARTICULARS	September 30, 2023 Unaudited	March 31, 2023 Audited
	ASSETS		
1	**Non-current Assets**		
	a) Property, Plant and Equipment	61,410.20	61,998.03
	b) Right-of-use Assets	9,630.84	10,191.97
	c) Investment Property	821.24	821.24
	d) Capital Work-in-progress	5,849.92	1,227.91
	e) Intangible Assets (Other than Goodwill)	122.05	164.09
	f) Equity Accounted Investments	5.85	-
	g) Financial Assets		
	(i) Investments	3,179.81	3,179.80
	(ii) Others Financial Assets	5,710.44	6,060.15
	h) Non-current Tax Assets (Net)	2,868.68	2,868.68
	i) Contract Assets	-	87.38
	j) Other Non-current Assets	5,942.66	3,991.71
	Sub total - Non-current Assets	**95,541.69**	**90,590.96**
2	**Current Assets**		
	a) Inventories	40,342.47	46,137.13
	b) Financial Assets		
	(i) Trade Receivables	61,958.22	27,914.49
	(ii) Cash and Cash Equivalents	9,668.02	5,540.55
	(iii) Bank Balances other than (ii) above	7,350.76	4,457.79
	(iv) Others Financial Assets	3,848.65	634.22
	c) Contract Assets	28,203.46	27,080.65
	d) Other Current Assets	25,806.94	22,380.16
	Sub total - Current Assets	**177,178.52**	**134,144.99**
3	**Asset held for sale**	71.13	71.13
	TOTAL - ASSETS	**272,791.34**	**224,807.08**
	EQUITY AND LIABILITIES		
	EQUITY		
	a) Share Capital	2,543.42	2,391.42
	b) Other Equity	135,917.39	93,963.75
	Total Equity - Attributable to Owners of Titagarh Wagons Ltd	**138,460.81**	**96,355.17**
	Non - Controlling Interest	-	-
	Total Equity	**138,460.81**	**96,355.17**
	LIABILITIES		
1	**Non-current Liabilities**		
	a) Financial Liabilities		
	(i) Borrowings	4,355.53	4,962.50
	(ii) Lease Liabilities	9,667.51	9,945.92
	b) Contract Liabilities	14,228.16	2,826.72
	c) Provisions	356.01	343.64
	d) Deferred Tax Liabilities (Net)	1,068.98	1,346.36
	Sub total - Non-current Liabilities	**29,676.19**	**19,425.14**
2	**Current Liabilities**		
	a) Financial Liabilities		
	(i) Borrowings	21,683.67	19,969.91
	(ii) Lease Liabilities	509.01	447.69
	(iii) Trade Payables		
	a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	1,459.45	574.92
	b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	24,720.18	31,733.41
	(iv) Other Financial Liabilities	3,046.58	751.13
	b) Contract Liabilities	49,480.73	53,863.86
	c) Other Current Liabilities	342.83	306.62
	d) Provisions	748.15	772.12
	e) Current Tax Liability (Net)	2,584.24	527.61
	Sub total - Current Liabilities	**104,574.84**	**108,947.27**
3	**Liabilities Held for sale**	79.50	79.50
	TOTAL - LIABILITIES	**134,330.53**	**128,451.91**
	TOTAL - EQUITY AND LIABILITIES	**272,791.34**	**224,807.08**

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

SALARPURIA & PARTNERS Chartered Accountants Kolkata

TITAGARH WAGONS LIMITED Kolkata 700 107

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
CIN NO:- L27320WB1997PLC084819
REGISTERED OFFICE - 10TH FLOOR, PODDAR POINT, 113 PARK STREET, KOLKATA-700016
TEL: 033-4019 0800/FAX: 033-4019 0823, WEB SITE: WWW.TITAGARH.IN, EMAIL: CORP@TITAGARH.IN
CONSOLIDATED STATEMENT OF CASH FLOW

(Rs. in Lacs)

SL No.	PARTICULARS	HALF YEAR ENDED		YEAR ENDED
		September 30, 2023	September 30, 2022	March 31, 2023
		Unaudited	Unaudited	Audited
1	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit/(Loss) before Tax from:			
	Continuing Operations	17,865.25	7,265.74	19,009.70
	Discontinued Operations	19.00	(985.08)	(891.70)
	Profit/(Loss) before Tax	17,884.25	6,280.66	18,118.00
	Adjustments for:			
	Depreciation and Amortisation Expense	1,332.30	1,721.70	2,250.35
	Finance Cost	3,938.55	5,239.80	8,074.67
	Unrealised Foreign Exchange Fluctuations (Gain)/Loss	169.23	(590.68)	(1,464.85)
	Irrecoverable Debts/ Advances Written Off (net)	-	111.93	2,526.81
	Provision for Doubtful Debts and Advances	452.31	-	-
	Net Gain on Disposal of Property, Plant and Equipment	-	(0.47)	(17.95)
	Fair Value (Gain)/Loss on Investment in Equity Securities at FVTPL	-	-	(164.55)
	Share of Loss of Associates	-	165.64	1,272.63
	Share of Loss of Joint Venture	49.15	-	-
	Unspent Liabilities / Provisions No Longer Required Written Back	(2.61)	(239.73)	(335.99)
	Other Income for Security Deposit of Leases	-	(7.40)	(16.55)
	Interest Income	(553.04)	(276.10)	(759.41)
	Discontiuned operations - non cash portion	(19.00)	(3,481.51)	(3,481.51)
	Operating Profit before Changes in Operating Assets and Liabilities	**23,251.14**	**8,923.84**	**26,001.65**
	Increase in Trade Payables	(6,109.28)	17,392.86	12,910.09
	Increase in Contract Liabilities	7,018.31	6,797.91	22,899.69
	Increase / (Decrease) in other Non-current and Current Financial and Non-financial Liabilities and Provisions	1,781.81	(78.83)	2,276.08
	Increase in Trade Receivables	(34,630.96)	2,360.56	(10,280.68)
	Increase in Inventories	4,785.66	(13,894.13)	(17,277.43)
	Increase in Contract Assets	(1,035.43)	(12,884.93)	(17,296.90)
	(Increase) / Decrease in other Non-current and Current Financial and Non-financial Assets	(6,917.62)	(6,147.22)	(8,545.57)
	Cash Generated From Operations	**(11,856.37)**	**2,470.06**	**10,686.93**
	Income Taxes Paid (Net of Refund)	(2,887.62)	(2,000.84)	(6,595.25)
	Net Cash From Operating Activities	**(14,743.99)**	**469.22**	**4,091.68**
2	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(5,846.40)	(665.49)	(3,674.09)
	Proceeds from Disposal of Property, Plant and Equipment	-	2.50	23.18
	Fixed Deposits Made	(5,634.66)	(1,884.21)	(7,125.07)
	Fixed Deposits Matured	3,184.43	543.97	4,053.43
	Investment in a Joint venture	(55.00)	-	-
	Interest Received	405.37	102.28	587.38
	Net Cash Used in Investing Activities	**(7,946.26)**	**(1,900.95)**	**(6,135.17)**
3	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Transactions with Non-controlling Interests	-	1,656.84	1,656.84
	Proceeds from issue of Share Capital	152.00	-	-
	Receipts of Securities Premium	28,728.00	-	-
	Share Issue Expenses	(67.00)	-	-
	Proceeds from Long-term Borrowings	-	16.73	4,962.50
	Repayment of Loan from Related Parties	-	-	(2,000.00)
	Repayment of Long-term Borrowings	(2,365.00)		(2,705.02)
	Payment of Lease Liabilities	(673.87)	(381.34)	(864.83)
	Receipts/(Payments) of Short-term Borrowings (Net)	3,404.66	15,966.93	10,798.89
	Finance Costs Paid	(2,365.55)	(3,769.14)	(5,193.50)
	Dividend Paid (including Dividend Distribution Tax) for earlier years	(3.88)	-	(2.28)
	Net Cash From / (Used in) Financing Activities	**26,809.36**	**13,490.02**	**6,652.60**
4	**Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents**	8.36	(113.26)	35.59
	Net Increase / (Decrease) in Cash and Cash Equivalents (1+2+3+4)	**4,127.47**	**11,945.03**	**4,644.70**
	Cash and Cash Equivalents - Opening Balance	5,540.55	895.85	895.85
	Cash and Cash Equivalents - Closing Balance	**9,668.02**	**12,840.88**	**5,540.55**
5	**The above Cash flow includes following related to discontinued operation**			
	Net Cash Used in Operating Activities	-	(2,661.91)	4,061.48
	Net Cash Used in Investing Activities	(625.59)	(175.93)	(1,506.92)
	Net Cash Generated from Financing Activities	(579.40)	(910.19)	12,649.17
		(1,204.99)	**(3,748.03)**	**15,203.74**

Note:
Non cash transaction arising on loss of control in subsidiary in resulting such investment of Rs 1,272.63 lacs being classified as associate have been excluded from the above Statement of Cash Flows for the year ended March 31, 2023

Price Waterhouse & Co. Chartered Accountants LLP, LLPIN AAC-4362, Chartered Accountants, FRN 304026E/E-300009, Kolkata

SALARPURIA & PARTNERS, Chartered Accountants, Kolkata

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

Notes:

1 The consolidated financial results of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited) (hereinafter referred to as "the Parent Company") include results of its subsidiary Titagarh Singapore Pte Limited (TSPL), collectively referred to as "the Group", one associate namely Titagarh Firema S.p.A (TFA) and three joint ventures namely Titagarh Mermec Private Limited, Ramkrishna Titagarh Rail Wheels Limited (w.e.f June 09, 2023) and Titagarh Firema Engineering Services Private Limited (w.e.f September 16, 2023) .

2 Discontinued operations for the reported period includes following - **(Rs. in Lacs)**

Particulars	Quarter ended			Half yearly ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30,2022	March 31, 2023
Loss from Discontinued operations after tax pertaining to TFA (Refer Note a below)	-	-	(1,524.96)	-	(3,748.08)	(3,748.08)
Profit from Discontinued operations after tax pertaining to Titagarh Wagons AFR, France (Refer Note b below)	-	-	2,761.78	-	2,761.78	2,761.78
Profit / (Loss) from Discontinued operations after tax pertaining to TSPL (Refer Note c below)	19.12	(0.12)	(4.27)	19.00	1.22	94.60
Profit / (Loss) from discontinued operations after tax	**19.12**	**(0.12)**	**1,232.55**	**19.00**	**(985.08)**	**(891.70)**

(a) As a result of loss of contol over TFA w.e.f September 9, 2022 the results of TFA has been disclosed as discontined operations. The results for the quarter ended September 30, 2023, June 30, 2023 and for the period September 9, 2022 to March 31, 2023 have been considered based on management accounts.

(b) Represents amounts awarded in favour of the Parent Company and its subsidiary amounting to Rs 1,158.02 lacs by the Commercial Court of Paris with respect to its claims relating to Titagarh Wagons AFR (France) and also reversal of provisions amounting to Rs 1,603.76 lacs relating to the same entity (disclosed as discontinued operations in earlier years) which are no longer deemed necessary.

(c) The voluntary winding up of TSPL at Singapore has already been initiated in the previous year in accordance with local laws and the same is expected to be completed in the current year. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) and the results for all the period reported has been disclosed as discontinuing operations.

3 In case of Parent Company, majority of the orders in the passenger rail segment i.e. Vande Bharat trainsets order (in consortium with BHEL), metro coaches order for Surat and Ahmedabad from GMRCL has been awarded recently and is currently under design and developmental phase, whose delivery schdule as per the contractual terms will commence from second half of next year onwards.

4 The Operating segment based on the Group's products has been identified as "Freight Rail Systems" (which includes shipbuiding, bridges and defence) and "Passenger Rail Systems".

5 Pursuant to approval by the Board of Directors and the Shareholders of the Parent Company in their meetings held on June 10, 2023 on July 4, 2023 respectively, and approval of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), the Audit Committee as authorised by the Board of Directors, allotted 76,00,000 Equity Shares on Preferential basis to Smallcap World Fund Inc, a SEBI Registered FPI, at a price of Rs.380 per share (Face Value: Rs. 2 each fully paid up) including premium of Rs.378 per share. The Parent Company received listing approval from BSE and NSE on July 19, 2023 and July 20, 2023 respectively and trading approval on July 25, 2023. These allotted equity shares shall be under lock in for six months from the date of trading approval as per existing regulations.

6 A Joint Venture named Titagarh Firema Engineering Services Private Limited ("TFESPL") has been incorporated on September 16, 2023 having Titagarh Rail Systems Limited ("TRSL") and Titagarh Firema SPA ("Firema") as Joint Venturers. TFESPL will acquire the Parent Company's design centre in Hyderabad and will carry on the business of research, engineering and design related services to support passenger rail segment business of the Group. The above business arrangement will be effective from October 1, 2023.

7 The above consolidated financial results for the quarter ended September 30, 2023, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 18, 2023.

For and on behalf of the Board of Directors

ANIL KUMAR AGARWAL
Director Finance and Chief Financial Officer

Place: Kolkata
Date: October 18, 2023

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 FRN 304026E/E-300009 Kolkata

SALARPURIA & PARTNERS Chartered Accountants Kolkata

TITAGARH WAGONS LIMITED Kolkata 700 107

Price Waterhouse & Co Chartered Accountants LLP

Review Report

To

The Board of Directors
Titagarh Wagons Limited
756, Anandapur
E M Bypass
Kolkata 700 107

1. We have reviewed the consolidated unaudited financial results of Titagarh Wagons Limited (the "Parent"), its subsidiary (the parent and its subsidiary hereinafter referred to as the "Group"), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its joint venture and associate company (refer Note 1 on the Statement) for the quarter ended September 30, 2022 and the year to date results for the period April 1, 2022 to September 30, 2022 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2022', the Consolidated Statement of Assets and Liabilities as on that date and the Consolidated Statement of Cash Flows for the half-year ended on that date (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

4. The Statement includes the results of the following entities:

1.	Titagarh Wagons Limited
Subsidiaries	
2.	Titagarh Singapore Pte Ltd
3.	Titagarh Firema S.p.A upto September 8, 2022
Joint Venture	
4.	Titagarh Mermec Private Limited
Associate	
5.	Titagarh Firema S.p.A with effect from September 8, 2022 (refer note 3 of the Statement)

5. The Statement includes the financial information of Titagarh Firema Spa (TFA) for the quarter ended September 30, 2022, which has been consolidated by the Parent Company based on Management Accounts of TFA, as approved by their Board of Directors and for reasons stated in Note 3 to the Statement. TFA was a subsidiary of the Parent Company up to September 8, 2022, subsequent to which it became as associate. Accordingly, the Statement reflects loss from discontinued operations of Rs. 1,524.96 lakhs for the period July 1 to September 8, 2022 and share of loss of Rs. 165.64 lakhs for the period September 9, 2022 to September 30, 2022 as considered in the consolidated unaudited financial results. As the financial information of TFA has not been audited or reviewed by us or any other auditors, the consequential impact, if any, on the Statement is presently not ascertainable.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the indeterminate effect of the matter stated in paragraph 5 above, and based on the consideration of the review report of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We did not review the interim financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial information reflects total assets of Rs.1,362.98 lakhs and net assets of Rs. 1,342.53 lakhs as at September 30, 2022 and total revenues of Rs. Nil and Rs. Nil, total net profit after tax of Rs. 2,433.97 lakhs and Rs. 2,306.82 lakhs and total comprehensive income of Rs. 2,427.59 lakhs and Rs. 2,372.66 lakhs, for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, and cash flows (net) of Rs. 415.36 lakhs for the period from April 1, 2022 to September 30, 2022, as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by another auditor and his report dated November 11, 2022, vide which he has issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.

We did not review the interim financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 9,947.84 lakhs, total net loss after tax of Rs. 2,313.03 lakhs and total comprehensive income of Rs. (2,395.46) lakhs, for the quarter ended June 30, 2022, as considered in the consolidated unaudited financial

results. These interim financial information have been reviewed by the other auditor and his report dated August 10, 2022, vide which he has issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

8. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. Nil and Rs. Nil and total comprehensive income / loss of Rs. Nil and Rs. Nil for the quarter ended September 30, 2022 and for the period from April 1, 2022 to September 30, 2022, respectively, as considered in the consolidated unaudited financial results, in respect of one joint ventures, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the matters stated in paragraphs 7 and 8 above.

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

Pramit Agrawal
Partner
Membership Number 099903
UDIN: 22099903BDBIFP9759
Place: Kolkata
Date: November 14, 2022

TITAGARH WAGONS LIMITED
CIN NO:- L27320WB1997PLC084819
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STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Lacs)

SL. NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		September 30, 2022	June 30, 2022	September 30,2021	September 30, 2022	September 30,2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	60,711.53	43,165.68	34,210.31	103,897.21	66,586.52	146,750.42
2	Other Income	1,622.33	897.95	640.73	2,520.28	1,211.24	1,772.84
3	**Total Income**	**62,333.86**	**44,063.63**	**34,851.04**	**106,417.49**	**67,797.76**	**148,523.26**
4	**Expenses**						
	a) Cost of Raw Materials & Components Consumed	46,772.52	36,324.55	23,166.75	83,097.07	45,132.48	103,725.80
	b) Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	532.29	(4,016.90)	898.78	(3,484.61)	2,451.17	1,032.25
	c) Employee Benefits Expense	1,302.89	1,242.90	1,078.53	2,545.79	2,014.36	4,542.08
	d) Finance Costs	1,990.49	1,555.76	1,348.16	3,546.25	2,495.51	5,728.22
	e) Depreciation and Amortisation Expense	530.75	540.23	380.75	1,070.98	787.77	1,838.34
	f) Other Expenses	6,598.42	5,610.99	5,239.48	12,209.41	9,398.73	20,977.59
5	**Total Expenses (a to f)**	**57,727.36**	**41,257.53**	**32,112.45**	**98,984.89**	**62,280.02**	**137,844.28**
6	**Profit before Share of Loss of Joint Ventures or Associates, Exceptional Items and Tax (3-5)**	**4,606.50**	**2,826.10**	**2,738.59**	**7,432.60**	**5,517.74**	**10,678.98**
7	Share Loss of Joint Ventures or Associate	(165.64)	-	-	(165.64)	-	-
8	**Profit before Exceptional Items and Tax (6-7)**	**4,440.86**	**2,826.10**	**2,738.59**	**7,266.96**	**5,517.74**	**10,678.98**
9	Exceptional Items	-	-	-	-	-	-
10	**Profit before Tax from continuing operations (8-9)**	**4,440.86**	**2,826.10**	**2,738.59**	**7,266.96**	**5,517.74**	**10,678.98**
11	**Tax Expense**						
	a) Current tax	1,135.07	796.33	789.66	1,931.40	1,673.02	2,632.45
	b) Deferred Tax -Charge/(Credit)	43.40	(186.89)	(28.13)	(143.49)	(120.79)	286.88
	Total Tax Expense	**1,178.47**	**609.44**	**761.53**	**1,787.91**	**1,552.23**	**2,919.33**
12	**Profit for the Period from continuing operations (10-11)**	**3,262.39**	**2,216.66**	**1,977.06**	**5,479.05**	**3,965.51**	**7,759.65**
13	Profit / (Loss) from discontinued operations (Refer Note 3 and 4 below)	1,236.82	(2,223.12)	(1,498.85)	(986.30)	(1,747.88)	(7,783.46)
14	Tax expense of discontinued operations	-	-	97.27	-	97.27	(44.74)
15	**Profit / (Loss) for the Period from discontinued operations (13+14)**	**1,236.82**	**(2,223.12)**	**(1,401.58)**	**(986.30)**	**(1,650.61)**	**(7,828.20)**
16	**Profit / (Loss) for the period (12+15)**	**4,499.21**	**(6.46)**	**575.48**	**4,492.75**	**2,314.90**	**(68.55)**
	Attributable to:						
	Shareholders of the Company	4,821.30	120.19	575.48	4,941.49	2,314.90	(32.84)
	Non-Controlling Interest	(322.09)	(126.65)	-	(448.74)	-	(35.71)
17	**Other Comprehensive Income**						
	a) Items that will be reclassified to profit or loss:						
	i) Net Gain/(Loss) on Foreign Currency Translation Differences	76.05	(67.12)	(187.23)	8.93	12.60	1.89
	ii) Fair value change of cash flow hedges	(954.50)	(206.89)	205.35	(1,161.39)	230.27	743.00
	iii) Tax expenses on above	240.23	52.07	(51.69)	292.30	(57.96)	(187.00)
	b) Items that will not be reclassified to profit or loss:						
	i) Remeasurement gains/(losses) on defined benefit plans	4.87	4.88	10.47	9.75	20.95	19.50
	ii) Tax expenses on above	(1.22)	(1.23)	(2.64)	(2.45)	(5.28)	(4.91)
	Total Other Comprehensive Income	**(634.57)**	**(218.29)**	**(25.74)**	**(852.86)**	**200.58**	**572.48**
	Attributable to:						
	Continuing Operations	(717.00)	(135.86)	207.77	(852.86)	154.92	564.44
	Discontinued Operations	82.43	(82.43)	(233.51)	-	45.66	8.04
18	**Total Comprehensive Income for the Period (16+17)**	**3,864.64**	**(224.75)**	**549.74**	**3,639.89**	**2,515.48**	**503.93**
	Attributable to:						
	Continuing Operations	2,545.39	2,080.80	2,184.83	4,626.19	4,120.43	8,324.09
	Discontinued Operations	1,319.25	(2,305.55)	(1,635.09)	(986.30)	(1,604.95)	(7,820.16)
	Attributable to:						
	Shareholders of the Company	4,186.73	(98.10)	549.74	4,088.63	2,515.48	539.64
	Non-Controlling Interest	(322.09)	(126.65)	-	(448.74)	-	(35.71)
19	Paid-up Equity Share Capital (Face value Rs. 2/- each)	2,391.42	2,391.42	2,390.34	2,391.42	2,390.34	2,391.42
	Other Equity						81,821.40
20	**Earnings/(Loss) Per Equity Share (of Rs. 2/- each) (Not Annualised)**						
	For Continuing Operations						
	- Basic (Rs.)	3.00	1.96	1.86	4.96	3.32	6.52
	- Diluted (Rs.)	3.00	1.96	1.86	4.96	3.32	6.52
	For Discontinued Operations						
	- Basic (Rs.)	1.04	(1.86)	(1.17)	(0.83)	(1.38)	(6.55)
	- Diluted (Rs.)	1.04	(1.86)	(1.17)	(0.83)	(1.38)	(6.55)
	For Continuing and Discontinued Operations						
	- Basic (Rs.)	4.03	0.10	0.48	4.14	1.94	(0.03)
	- Diluted (Rs.)	4.03	0.10	0.48	4.14	1.94	(0.03)

Titagarh Wagons Ltd. Kolkata-700107 756, Anandapur, E. M. Bye Pass

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CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lacs)

SL. NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		September 30, 2022	June 30, 2022	September 30,2021	September 30, 2022	September 30,2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**						
	a) Freight Rolling Stock	47,170.20	32,455.69	24,661.87	79,625.89	56,394.19	121,436.40
	b) Passenger Rolling Stock	12,617.06	8,150.03	7,539.28	20,767.09	7,539.28	19,442.91
	c) Shipbuilding, Bridges and Defence	924.27	2,579.96	2,009.16	3,504.23	2,653.05	5,871.11
	Revenue from operation/ Income from Operations	**60,711.53**	**43,185.68**	**34,210.31**	**103,897.21**	**66,586.52**	**146,750.42**
2	**Segment Results [Profit / (Loss) before Tax]**						
	a) Freight Rolling Stock	5,024.06	3,186.98	3,641.39	8,211.04	8,062.76	15,781.12
	b) Passenger Rolling Stock	432.21	253.26	340.60	685.47	207.43	440.81
	c) Shipbuilding, Bridges and Defence	150.02	394.16	385.89	544.18	416.46	1,521.35
	Total	**5,606.29**	**3,834.40**	**4,367.88**	**9,440.69**	**8,686.65**	**17,743.28**
	Less :						
	i Interest Expense - Net	974.60	903.54	663.33	1,878.14	1,058.24	2,432.54
	ii Unallocable expenditure net of income	190.83	104.76	965.96	295.59	2,110.67	4,631.76
	Total Profit before Tax	**4,440.86**	**2,826.10**	**2,738.59**	**7,266.96**	**5,517.74**	**10,678.98**
	Less: Tax Expenses	1,178.47	609.44	761.53	1,787.91	1,552.23	2,919.33
	Total Profit / (Loss) after Tax from continuing operations	**3,262.39**	**2,216.66**	**1,977.06**	**5,479.05**	**3,965.51**	**7,759.65**
	Profit / (Loss) from discontinued operations (Refer Note 3 and 4 below)	1,236.82	(2,223.12)	(1,498.85)	(986.30)	(1,747.88)	(7,783.46)
	Tax expense of discontinued operations	-	-	97.27	-	97.27	(44.74)
	Total Profit / (Loss) after Tax from discontinued operations	**1,236.82**	**(2,223.12)**	**(1,401.58)**	**(986.30)**	**(1,650.61)**	**(7,828.20)**
	Total Profit / (Loss) after Tax	**4,499.21**	**(6.46)**	**575.48**	**4,492.75**	**2,314.90**	**(68.55)**
3	**Segment Assets**						
	a) Freight Rolling Stock	91,484.50	94,211.58	71,676.35	91,484.50	71,676.35	74,928.27
	b) Passenger Rolling Stock	49,448.33	154,183.76	139,849.53	49,448.33	139,849.53	146,729.78
	c) Shipbuilding, Bridges and Defence	8,647.14	9,595.45	8,601.20	8,647.14	8,601.20	6,801.60
	d) Unallocable	53,732.38	45,247.42	44,259.43	53,732.38	44,259.43	39,431.14
	Total	**203,312.35**	**303,238.21**	**264,386.51**	**203,312.35**	**264,386.51**	**267,890.79**
4	**Segment Liabilities**						
	a) Freight Rolling Stock	46,773.91	41,208.16	23,122.82	46,773.91	23,122.82	29,264.38
	b) Passenger Rolling Stock	31,820.79	71,698.90	59,406.77	31,820.79	59,406.77	57,868.53
	c) Shipbuilding, Bridges and Defence	4,143.11	4,673.07	3,181.88	4,143.11	3,181.88	3,876.40
	d) Unallocable	32,287.50	99,998.80	92,030.17	32,287.50	92,030.17	92,634.25
	Total	**115,025.31**	**217,578.93**	**177,741.64**	**115,025.31**	**177,741.64**	**183,663.56**
5	**Geographical Segment Revenue**						
	a) India	60,711.53	43,185.68	34,210.31	103,897.21	66,586.52	146,750.42
	b) Rest of the World	-	-	-	-	-	-
	Total	**60,711.53**	**43,185.68**	**34,210.31**	**103,897.21**	**66,586.52**	**146,750.42**

Waterhouse & Co. Chartered Accountants LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

Titagarh Wagons Ltd. Kolkata-700107 756, Anandapur, E. M. Bye Pass

TITAGARH WAGONS LIMITED
CIN NO:- L27320WB1997PLC084819
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
TEL: 033-4019 0800/FAX: 033-4019 0823, WEB SITE: WWW.TITAGARH.IN, EMAIL: CORP@TITAGARH.IN
CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES

(Rs. in Lacs)

SL No	PARTICULARS	September 30, 2022 Unaudited	March 31, 2022 Audited
	ASSETS		
1	**Non-current Assets**		
	a) Property, Plant and Equipment	61,046.31	87,901.56
	b) Right-of-use Assets	5,661.40	5,991.81
	c) Investment Property	821.24	821.24
	d) Capital Work-in-progress	458.58	1,518.05
	e) Intangible Assets (Other than Goodwill)	190.99	1,869.40
	f) Intangible Assets under Development	-	4,592.93
	g) Investments Accounted for Using the Equity Method	1,106.99	-
	h) Financial Assets		
	(i) Investments	3,015.25	3,015.26
	(ii) Others Financial Assets	4,650.95	3,818.44
	i) Deferred Tax Assets (Net)	-	3,792.36
	j) Non-current Tax Assets (Net)	2,894.46	2,640.77
	k) Other Non-current Assets	3,969.83	1,762.08
	Sub total - Non-current Assets	83,816.00	117,723.90
2	**Current Assets**		
	a) Inventories	43,986.86	50,385.63
	b) Financial Assets		
	(i) Trade Receivables	35,602.75	65,907.58
	(ii) Cash and Cash Equivalents	12,840.88	895.85
	(iii) Bank Balances other than (ii) above	3,940.88	3,309.76
	(iv) Others Financial Assets	4,319.61	8,736.86
	c) Other Current Assets	18,805.37	20,931.21
	Sub total - Current Assets	119,496.35	150,166.89
	TOTAL - ASSETS	203,312.35	267,890.79
	EQUITY AND LIABILITIES		
	EQUITY		
	a) Share Capital	2,391.42	2,391.42
	b) Other Equity	85,895.62	81,821.40
	Total Equity - Attributable to Owners of Titagarh Wagons Ltd	88,287.04	84,212.82
	Non - Controlling Interest	-	14.41
	Total Equity	88,287.04	84,227.23
	LIABILITIES		
1	**Non-current Liabilities**		
	a) Financial Liabilities		
	(i) Borrowings	2,439.22	49,557.75
	(ii) Lease Liabilities	5,505.86	5,665.56
	b) Provisions	338.80	340.93
	c) Deferred Tax Liabilities (Net)	1,015.28	1,448.60
	Sub total - Non-current Liabilities	9,299.16	57,012.84
2	**Current Liabilities**		
	a) Financial Liabilities		
	(i) Borrowings	25,811.94	36,495.29
	(ii) Lease Liabilities	295.69	260.81
	(iii) Trade Payables		
	a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	592.53	686.99
	b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	36,918.78	43,185.84
	(iv) Other Financial Liabilities	503.91	1,182.39
	b) Other Current Liabilities	38,975.97	34,471.65
	c) Provisions	853.63	8,778.30
	d) Current Tax Liability	1,773.70	1,589.45
	Sub total - Current Liabilities	105,726.15	126,650.72
	TOTAL - LIABILITIES	115,025.31	183,663.56
	TOTAL - EQUITY AND LIABILITIES	203,312.35	267,890.79

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CONSOLIDATED STATEMENT OF CASH FLOW

(Rs. in Lacs)

SL No.	PARTICULARS	HALF YEAR ENDED September 30, 2022 Unaudited	HALF YEAR ENDED September 30, 2021 Unaudited	YEAR ENDED March 31, 2022 Audited
1	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit/(Loss) before Tax from:			
	Continuing Operations	7,266.96	5,517.74	10,678.98
	Discontinued Operations	(986.30)	(1,747.88)	(7,783.46)
	Profit/(Loss) before Tax	6,280.66	3,769.86	2,895.52
	Adjustments for:			
	Depreciation and Amortisation Expense	1,721.70	1,544.26	3,327.48
	Finance Cost	5,240.44	4,318.40	9,339.50
	Employee Stock Option Expenses	-	16.67	16.88
	Unrealised Foreign Exchange Fluctuations (Gain)/Loss	(590.68)	(173.81)	20.13
	Irrecoverable Debts/ Advances Written Off (net)	111.93	604.13	2,253.48
	Warranty Claims (net)	-	-	3,390.93
	Provision for Doubtful Debts and Advances	-	1,053.94	-
	Net Gain on Disposal of Property, Plant and Equipment	(0.47)	(203.85)	(290.32)
	Net Gain on Disposal of Investments	-	(17.66)	(24.27)
	Fair Value (Gain)/Loss on Investment in Equity Securities at FVTPL	-	5.52	(183.28)
	Share of Loss of Associates	165.64	-	-
	Unspent Liabilities / Provisions No Longer Required Written Back	(239.73)	(35.23)	(14.20)
	Other Income for Security Deposit of Leases	(7.40)	-	(6.77)
	Interest Income Classified as Investing Cash Flows	(276.10)	(301.34)	(576.38)
	Discontinued operations - non cash portion	(3,481.51)	-	-
	Operating Profit before Changes in Operating Assets and Liabilities	8,924.48	10,580.89	20,148.50
	Increase in Non-current and Current Financial and Non-financial Liabilities and Provisions	24,111.94	11,590.44	7,514.10
	(Increase) / Decrease in Trade Receivables	(10,524.37)	(2,781.17)	(10,520.92)
	Increase in Inventories	(13,894.13)	(5,638.20)	(14,182.39)
	(Increase) / Decrease in Non-current and Current Financial and Non-financial Assets	(6,147.22)	(7,302.59)	3,673.46
	Cash Generated From Operations	2,470.70	6,449.37	6,632.75
	Income Taxes (Paid) / Refund (net)	(2,000.84)	(684.46)	(1,173.86)
	Net Cash From Operating Activities	469.86	5,764.91	5,458.89
2	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(665.49)	(5,165.25)	(10,217.70)
	Proceeds from Disposal of Property, Plant and Equipment	2.50	207.00	612.89
	Proceeds from non current Investment	-	286.90	320.22
	Fixed Deposits Made	(1,884.21)	(2,640.77)	(10,191.89)
	Fixed Deposits Matured	543.97	-	12,079.58
	Interest Received	102.28	187.03	448.86
	Net Cash (Used in) Investing Activities	(1,900.95)	(7,125.09)	(6,948.04)
3	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Proceeds from Issue of Equity Shares Pursuant to Employee Stock Option Scheme	-	57.24	81.13
	Transactions with Non-controlling Interests	1,656.84	-	85.78
	Proceeds from Long-term Borrowings	-	230.35	2,000.00
	Repayment of Long-term Borrowings	16.73	(4,392.97)	(10,325.53)
	Payment of Lease Liabilities	(381.34)	(21.85)	(385.75)
	Receipts/(Payments) of Short-term Borrowings (Net)	15,966.93	6,217.53	9,571.73
	Finance Costs Paid	(3,789.78)	(3,087.94)	(6,295.23)
	Dividend Paid (including Dividend Distribution Tax) for earlier years	-	-	(2.73)
	Net Cash From / (Used in) Financing Activities	13,489.38	(997.64)	(5,270.60)
4	**Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents**	(113.26)	18.29	(313.78)
	Net Increase / (Decrease) in Cash and Cash Equivalents (1+2+3+4)	11,945.03	(2,339.53)	(7,073.53)
	Cash and Cash Equivalents - Opening Balance	895.85	7,969.38	7,969.38
	Cash and Cash Equivalents - Closing Balance	12,840.88	5,629.85	895.85
5	**The above Cash flow includes following related to discontinued operation**			
	Net Cash Used in Operating Activities	(2,661.91)	5,066.86	1,660.77
	Net Cash Used in Investing Activities	(175.93)	(2,353.12)	(2,682.68)
	Net Cash Generated from Financing Activities	(910.19)	(4,238.55)	(1,448.78)
		(3,748.03)	(1,534.81)	(2,470.69)

Waterhouse & Co. Chartered Accountants LLP FRN AC-4362 Kolkata

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STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

Notes:

1 The consolidated financial results of Titagarh Wagons Limited (hereinafter referred to as "the Parent Company") include results of subsidiaries Titagarh Firema S.p.A (upto September 8, 2022) and Titagarh Singapore Pte Limited (TSPL), collectively referred to as "the Group" and one associate and one joint venture namely Titagarh Firema S.p.A (from September 9, 2022) and Titagarh Mermec Private Limited respectively

2 The Board of Directors of the Parent Company at its meeting held on January 10, 2022 approved the Scheme for amalgamation ("Scheme") of Titagarh Bridges and International Private Limited (TBIPL) - a wholly owned subsidiary with the Parent Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2021 as the Appointed Date. The Hon'ble National Company Law Tribunal, Kolkata has vide its order dated October 26, 2022 approved the Scheme

Since TBIPL was already consolidated as a subsidiary in these consolidated financial results prior to the amalgamation in accordance with Indian Accounting Standard (IND AS) 110 Consolidated Financial Statements, the amalgamation did not result in any significant impact on the consolidated financial results

3 Pursuant to an investment agreement dated July 20, 2022 signed between the Parent Company, TBIPL (now amalgamated with the Parent Company as disclosed in Note 2) and the Government of Italy through its investment agency, Invitalia alongwith an international private equity investor, have together infused fresh equity into Titagarh Firema Spa of Euro 14.5 million (Euro 10 million by Invitalia and Euro 4.5 million by the private equity investor). The above equity infusion resulted in dilution of equity stake of the Parent Company in Titagarh Firema SPA (TFA) to 49.7% which along with other terms of the aforesaid agreement led to Parent Company's loss of control in TFA as a subsidiary and is now an associate company w.e.f. September 9, 2022. Accordingly, the financial results of TFA upto September 8, 2022 has been disclosed as discontinued operations (including all prior period presented) which comprises of loss from operations and net gain on loss of control as under:

(Rs. in Lacs)

Particulars	Quarter Ended			Half yearly ended		Year ended
	Sept 30, 2022	June 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021	March 31, 2022
Loss from Discontinued operations after tax	(1,524.06)	(2,223.12)	(1,498.85)	(3,748.08)	(1,747.88)	(7,783.46)

As on September 9, 2022, the value of investment in TFA appearing in the consolidated balance sheet stands at Rs 1,272.63 lacs. This value of investment is based on the valuation report obatined from an independent valuer which interalia factors in fresh infusion of equity in TFA, operating losses incurred during the period, the risks associated with the prevailing geo-political scenario in that region. After adjusting the proportionate share of loss in TFA for the period September 9, 2022 to September 30, 2022 amounting to Rs 165.64 lacs, the net value of investment appearing in the consolidated balance sheet as on September 30, 2022 is Rs 1,106.99 lacs.

As the consolidated financial results for the quarter ended September 30, 2022 of Titagarh Firema SPA constitutes less than 20% of the consolidated revenue and profit after tax for the Group (threshold stipulated as per SEBI LODR), the same has been consolidated based on management accounts duly approved by the Board of Directors of Titagarh Firema SpA, in their meeting held on November 08, 2022 for the limited purpose of consolidation with the Parent Company. These results have not been subjected to audit / limited review due to internal time constraints owing to extensive organisational changes pursuant to the inclusion of the new shareholders and formation of the new Board of Directors which includes nominees from Invitalia, Government of Italy and international private equity investor. Further keeping in line with the general practice of the similar companies in the region, the statutory audits of financial statements are performed on a year-end basis. The statutory auditors of the Parent Company have modified their limited review report on this account. The management shall take necessary steps to obtain the audited special purpose financial statements as on September 8, 2022, for the purpose of accounting of loss of control, in due course but in any case, prior to the finalisation of the annual accounts of the Group, and necessary adjustments if any shall be accounted for in the same. Based on the information provided by TFA, the Parent Company believes that the completion of the above exercise shall not result in any material impact on the consolidated results for the quarter ended September 30, 2022.

4 Discontinued operations for the quarter and half year ended September 30, 2022 also includes, amounts awarded in favour of the Parent Company and its subsidiary amounting to Rs 1,158.02 lacs by the Commercial Court of Paris with respect to its claims relating to Titagarh Wagons AFR (France) and also reversal of provisions amounting to Rs 1,603.76 lacs relating to the same entity (disclosed as discontinued operations in earlier years) which are no longer deemed necessary.

5 The Hon'ble National Company Law Tribunal (NCLT), Kolkata bench vide its order dated November 01, 2022 admitted the application of the Operational Creditor and appointed an Interim Resolution Professional (IRP) for an disputed outstanding of the said operational creditor amounting to Rs 91 lacs plus interst thereon from April 14, 2018. Aggrieved with the order (since the amount in question was disputed and the Parent Company had filed an earlier application against the same operational creditor for an amount of over Rs 8 crores which was pending adjudication with NCLT Mumbai), the Parent Company promptly filed an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT), New Delhi, against the order of Hon'ble NCLT, Kolkata, who vide its order dated November 03, 2022 has stayed the aforesaid impugned order.

6 Operating segments based on the Group's products have been identified by the chief operating decision maker as "Freight Rolling Stock", "Passenger Rolling Stock" and "Shipbuilding, Bridges and Defence" (SBD).

7 The above consolidated financial results for the quarter ended September 30, 2022, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 14, 2022.

For and on behalf of the Board of Directors

UMESH CHOWDHARY
Vice-Chairman & Managing Director

Place: Kolkata
Date: November 14, 2022

Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Titagarh Wagons Ltd. Kolkata-700107 756, Anandapur, E.M. Bye Pass

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate company and joint venture (refer Note 1 (a) to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate company and a joint venture as at March 31, 2023, and of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate company and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters section below, other than the unaudited financial information as certified by the Board of Directors authorized personnel and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 46(a) of the consolidated financial statements which describes that the financial information of Titagarh Firema S.p.A, Italy, an associate company of the Group with effect from September 9, 2022, has been considered based on unaudited financial information for the reasons mentioned therein. The consolidated financial statements include the Group's share of loss of Rs. 1,272.63 lacs for the period from September 9, 2022, to March 31, 2023, in respect of the aforesaid associate company, which has resulted in reduction of carrying amount of the investment to Nil as at March 31, 2023. The financial information is unaudited and has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on unaudited financial information, which is subject to audit by other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matter with respect to the financial information certified by the Board of Directors authorized personnel.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

5. The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Singapore Pte Ltd, a subsidiary of the Holding Company, vide their report dated May 23, 2023:

"We draw attention to Para 4 of Note No 2.1 of Financial Statement which mentions passing of Board Resolution by shareholders of the company on 14th November 2022, for voluntary winding up of Titagarh Singapore PTE Ltd and therefore the financial statements are prepared on the basis of liquidation."

Refer Note 46(b) to the consolidated financial statements in this regard.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition - appropriateness of estimation of contract cost and revenue recognition (Refer to Note 2.19 – "Revenue Recognition", Refer Note 2.34 – "Critical Estimates and Judgements – Accounting for revenue from contracts wherein group satisfies performance obligation and recognises revenue over time" and Note 22 – "Revenue from operations") In respect of certain contracts with customers, the Holding Company recognises revenue over a period of time in accordance with its accounting policy. This involves determination of percentage completion of the project and contract margin to be recognised on the project, which are dependent on the actual cost incurred and total budgeted cost, which is cost incurred till date and estimation of future cost to complete the contract. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the project, and the related assumptions This has been considered as a key audit matter given the significant management judgements involved and complexities in determining costs to complete and the resulting contract margin.	Our audit procedures included the following in respect of Holding Company: • Obtained an understanding, evaluated the design, and tested the operating effectiveness of key controls around estimation of contract margin and costs to complete the contracts. • Inquired with the management the status of the contracts, the basis for estimates of cost to complete the contracts and other factors such as consideration of any specific identified risks. • Verified on a sample basis the contract revenue with the underlying contracts and other relevant terms and conditions as appropriate. • Tested on a sample basis the actual costs incurred during the year with supporting documents. • Tested on a sample basis the cost to complete with order placed with vendors, and other relevant supporting documents, as appropriate. • Recomputed the percentage of completion based on the budgeted cost and the total actual cost incurred and the revenue recognized based on the percentage of completion.

Key audit matter	How our audit addressed the key audit matter
	• Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, management's estimation of contract cost and revenue recognition is considered reasonable.

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

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate company and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate company and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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Kolkata

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company and joint venture are responsible for assessing the ability of the Group and of its associate company and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate company and joint venture or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its associate company and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which

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Kolkata

we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial information of a subsidiary [refer Note 46(a) to the consolidated financial statements] whose financial information reflect total assets of Rs 1,461.32 lacs and net assets of Rs 1,453.77 lacs as at March 31, 2023 and total net profit after tax from discontinued operations of Rs. 2,277.83 Lacs and total comprehensive income from discontinued operations of Rs. 2,277.83 lacs for the year ended March 31, 2023 and net cash flows amounting to Rs 1,367.31 lacs for the year ended on that date, as considered in the consolidated financial statements. Further, we did not audit the financial information of a subsidiary whose financial information reflects total net loss after tax from discontinued operations of Rs. 4,675.75 lacs for the period April 1, 2022 to September 8, 2022, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

17. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. Nil for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of one joint venture whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid joint venture is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors authorized personnel.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate company and joint venture– Refer Notes 17.1 and 37 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2023– Refer (a) Note 42.1 to the consolidated financial statements in respect of such items as it relates to the Group and (b) the Group's share of net loss in respect of its associate and joint venture.

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

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Kolkata

iv. (a) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries or by its associate or joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiaries or its associate or joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management of the Holding Company has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiaries or by its associate or joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiaries or its associate or joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company and its joint venture has not declared or paid any dividend during the year.

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

20. The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. In case of joint venture not being a public company, the provision of Section 197 read with Schedule V to the Act are not applicable.

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

Pramit Agrawal
Partner
Membership Number 099903
UDIN: 23099903BGWLOI7297
Place: Kolkata
Date: May 24, 2023

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) on the consolidated financial statements for the year ended March 31, 2023
Page 1 of 2

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) (hereinafter referred to as "the Holding Company"). Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one joint venture company incorporated in India namely Titagarh Mermec Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Price Waterhouse & Co Chartered Accountants LLP
FRN 304026E/E-300009

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) on the consolidated financial statements for the year ended March 31, 2023
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Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

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

Pramit Agrawal
Partner
Membership Number: 099903
UDIN : 23099903BGWLOH5929
Place: Kolkata
Date: May 24, 2023

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of Titagarh Rail Systems Limited (formerly known as Titagarh Wagons Limited) on the Consolidated Financial Statements as of and for the year ended March 31, 2023

As required by paragraph 3(xxi) of the CARO 2020, we report that we have given below qualification or adverse remarks in our CARO report on the standalone financial statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Titagarh Rail Systems Limited	L27320WB1997PLC084819	Holding Company	May 24, 20203	(iii)(c) and (ix)(c)

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

Pramit Agrawal
Partner
Membership Number 099903
UDIN : 23099903BGWLOI7297
Place: Kolkata
Date: May 24, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Consolidated Balance Sheet as at March 31, 2023

	Notes	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	61,998.03	87,901.56
b) Right-of-Use Assets	4.6	10,191.97	5,991.81
c) Capital Work-in-progress	4.4	1,227.91	1,518.05
d) Investment Properties	4.3	821.24	821.24
e) Intangible Assets (Other than Goodwill)	4.2	164.09	1,869.40
f) Intangible Assets Under Development	4.5	-	4,592.93
g) Equity Accounted Investments	5.2	-	-
h) Financial Assets			
i) Investments	5.1	3,179.80	3,015.26
ii) Other Financial Assets	7	6,060.15	3,818.44
i) Deferred Tax Assets (Net)	18	-	3,792.36
j) Non-current Tax Assets (Net)	8	2,868.68	2,640.77
k) Contract Assets	9	87.38	-
l) Other Non-current Assets	10	3,991.71	1,762.08
Total Non-current Assets		**90,590.96**	**117,723.90**
Current Assets			
a) Inventories	11	46,137.13	50,385.63
b) Financial Assets			
i) Trade Receivables	6	27,914.49	23,256.63
ii) Cash and Cash Equivalents	12.1	5,540.55	895.85
iii) Bank Balances other than (ii) above	12.2	4,457.79	3,309.76
iv) Other Financial Assets	7	634.22	8,736.86
c) Contract Assets	9	27,080.65	42,650.95
d) Other Current Assets	10	22,380.16	20,931.21
Total Current Assets		**134,144.99**	**150,166.89**
Assets held for sale	4.7	**71.13**	-
TOTAL - ASSETS		**224,807.08**	**267,890.79**
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	2,391.42	2,391.42
b) Other Equity	14	93,963.75	81,821.40
Total Equity Attributable to Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		**96,355.17**	**84,212.82**
Non-controlling Interests	3 (b)	-	14.41
Total Equity		**96,355.17**	**84,227.23**
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	4,962.50	49,557.75
ii) Lease Liabilities	4.6	9,945.92	5,665.56
b) Contract Liabilities	20	2,826.72	-
c) Provisions	17.1	343.64	340.93
d) Deferred Tax Liabilities (Net)	18	1,346.36	1,448.60
Total Non-current Liabilities		**19,425.14**	**57,012.84**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	19,969.91	36,495.29
ii) Lease Liabilities	4.6	447.69	260.81
iii) Trade Payables	19		
a) Total Outstanding dues of Micro Enterprise and Small Enterprises		574.92	686.99
b) Total Outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises		31,733.41	43,185.84
iv) Other Financial Liabilities	16	751.13	1,182.39
b) Contract Liabilities	20	53,863.86	33,790.89
c) Other Current Liabilities	21	306.62	680.76
d) Provisions	17.1	772.12	8,778.30
e) Current Tax Liabilities (Net)	17.2	527.61	1,589.45
Total Current Liabilities		**108,947.27**	**126,650.72**
Liabilities held for sale	4.7	**79.50**	-
TOTAL - LIABILITIES		**128,451.91**	**183,663.56**
TOTAL - EQUITY AND LIABILITIES		**224,807.08**	**267,890.79**
Summary of significant accounting policies	2		

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

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

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

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated : May 24, 2023

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited)

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

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

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

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Date : May 24, 2023

Saurav Singhania
Jt. Chief Financial officer and Group Finance Controller
Place: Kolkata
Date : May 24, 2023

Dinesh Apte
Company Secretary
Place: Kolkata
Date : May 24, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Consolidated Statement of Profit and Loss for the year ended March 31, 2023

	Notes	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Income			
Revenue from Operations	22	277,959.04	146,750.42
Other Income	23	4,258.30	1,772.84
Total Income		282,217.34	148,523.26
Expenses			
Cost of Raw Materials and Components Consumed	24	216,530.39	103,725.80
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	25	(1,536.56)	1,032.25
Employee Benefits Expense	26	5,652.64	4,542.08
Finance Costs	27	8,074.67	5,726.80
Depreciation and Amortisation Expense	28	2,250.35	1,838.34
Other Expenses	29	30,963.52	20,959.00
Total Expenses		261,935.01	137,824.27
Profit before Share of Net Loss of Joint Venture and Associate Accounted for Using the Equity Method, Exceptional Items and Tax		20,282.33	10,698.99
Share of Net Loss of Joint Venture and Associate Accounted for Using the Equity Method	3 (d)	(1,272.63)	-
Profit before Exceptional Items and Tax		19,009.70	10,698.99
Exceptional Items		-	-
Profit before Tax from continuing operations		19,009.70	10,698.99
Tax Expense	30 (A)		
Current Tax		5,305.50	2632.45
Deferred Tax		240.87	286.88
Total Tax Expense		5,546.37	2,919.33
Profit for the Year after Tax from continuing operations		13,463.33	7,779.66
Discontinued operations	46		
Loss from discontinued operations before tax		(891.70)	(7,803.47)
Tax expense of discontinued operations		-	(44.74)
Loss for the Year after Tax from discontinued operations		(891.70)	(7,848.21)
Profit / (Loss) for the Year after Tax		12,571.63	(68.55)
Attributable to:			
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		13,020.37	(32.84)
Non-controlling Interests		(448.74)	(35.71)
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Gain / (Losses) on Defined Benefit Plans		(2.10)	19.50
Tax on above		0.53	(4.91)
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange differences on Translation of Foreign Operations		20.42	1.89
Fair value change of cash flow hedges		(1,361.11)	743.00
Tax on above		342.56	(187.00)
Other Comprehensive Income for the Year (Net of Tax)		(999.70)	572.48
Attributable to:			
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		(999.70)	572.48
Non-controlling Interests		-	-
Total Comprehensive Income for the Year		11,571.93	503.93
Attributable to:			
Owners of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)		12,020.67	539.64
Non-controlling Interests		(448.74)	(35.71)
Arising from:			
Continuing operations		12,443.21	8,350.25
Discontinued operations		(871.28)	(7,846.32)
Earnings/(Loss) per Equity Share			
[Nominal Value per Share Rs. 2/- (March 31, 2022: Rs 2/-)]	31		
For continuing operations			
Basic (In Rs.)		11.63	6.54
Diluted (In Rs.)		11.63	6.54
For discontinued operations			
Basic (In Rs.)		(0.75)	(6.57)
Diluted (In Rs.)		(0.75)	(6.57)
For continuing and discontinued operations			
Basic (In Rs.)		10.89	(0.03)
Diluted (In Rs.)		10.89	(0.03)
Summary of Significant Accounting Policies	2		

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

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

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

Pramit Agarwal
Partner
Membership No. 099903
Place: Kolkata
Dated : May 24, 2023

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited)

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

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

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

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
Place: Kolkata
Date : May 24, 2023

Saurav Singhania
Jt. Chief Financial officer and Group Finance Controller
Place: Kolkata
Date : May 24, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : May 24, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Consolidated Cash Flow Statement for the year ended March 31, 2023

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax from:		
Continuing Operations	19,009.70	10,698.99
Discontinued Operations	(891.70)	(7,803.47)
Profit before Tax	18,118.00	2,895.52
Adjustments for:		
Depreciation and Amortisation Expense	2,250.35	3,327.48
Finance Cost	8,074.67	9,339.50
Employee Stock Option Expenses	-	16.68
Unrealised Foreign Exchange Fluctuations (Gain)/Loss	(1,464.85)	20.13
Irrecoverable Debts/ Advances Written Off (Net)	2,526.81	2,253.48
Warranty Claims (Net)	-	3,390.93
Net Gain on Disposal of Property, Plant and Equipment	(17.95)	(290.32)
Net Gain on Disposal of Investments	-	(24.27)
Fair Value (Gain)/Loss on Investment in Equity Securities at FVTPL	(164.55)	(183.28)
Share of Loss of a Associates	1,272.63	-
Unspent Liabilities / Provisions No Longer Required Written Back	(335.99)	(14.20)
Other Income for Security Deposit of Leases	(16.55)	(6.77)
Interest Income Classified as Investing Cash Flows	(759.41)	(576.38)
Discontinued operations - non cash portion	(3,481.51)	-
Operating Profit before Changes in Operating Assets and Liabilities	26,001.65	20,148.50
Increase in Trade Payables	12,910.09	3,945.38
Increase in Contract Liabilities	22,899.69	7,211.19
Increase / (Decrease) in other Non-current and Current Financial and Non-financial Liabilities and Provisions	2,276.08	(3,642.47)
Increase in Trade Receivables	(10,280.68)	(5,272.04)
Increase in Inventories	(17,277.43)	(14,182.39)
Increase in Contract Assets	(17,296.90)	(5,248.88)
(Increase) / Decrease in Non-current and Current Financial and Non-financial Assets	(8,545.57)	3,673.46
Cash Generated From Operations	10,686.93	6,632.75
Income Taxes (Paid) / Refund (net)	(6,595.25)	(1,173.86)
Net Cash From Operating Activities	4,091.68	5,458.89
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(3,674.09)	(10,217.70)
Proceeds from Disposal of Property, Plant and Equipment	23.18	612.89
Proceeds from Sale of non-current Investment	-	320.22
Fixed Deposits Made	(7,125.07)	(10,191.89)
Fixed Deposits Matured	4,053.43	12,079.58
Interest Received	587.38	448.86
Net Cash (Used in) Investing Activities	(6,135.17)	(6,948.04)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares pursuant to Employee Stock Option Scheme	-	81.13
Transactions with Non-controlling Interests	1,656.84	85.78
Proceeds from Long-term Borrowings	4,962.50	-
Proceeds of Loan from Related Party	-	2,000.00
Repayment of Loan from Related Party	(2,000.00)	-
Repayment of Long-term Borrowings	(2,705.02)	(10,325.53)
Repayment of Lease Liabilities	(864.83)	(385.75)
Receipts/(Payments) of Short-term Borrowings (Net)	10,798.89	9,571.73
Finance Costs Paid	(5,193.50)	(6,295.23)
Dividend Paid (including Dividend Distribution Tax) of earlier years	(2.28)	(2.73)
Net Cash From / (Used in) Financing Activities	6,652.60	(5,270.60)
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	35.59	(313.78)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	4,644.70	(7,073.53)
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	895.85	7,969.38
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	5,540.55	895.85
E. The above Cash flow includes following related to discontinued operation		
Net Cash Used in Operating Activities	4,061.48	1,623.11
Net Cash Used in Investing Activities	(1,506.92)	(1,384.24)
Net Cash Generated from Financing Activities	12,649.17	(2,747.14)
	15,203.73	(2,508.27)

(a) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
(b) Refer Note 44 for Debt Reconciliation
(c) Non cash transaction on account of loss of control in subsidairy resulting in such investment of Rs. 1,272.63 lacs being classified as investment in associates have been excluded from the above Consolidated Cash Flow Statement

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

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

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

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated : May 24, 2023

For and on behalf of the Board of Directors of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)

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

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

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

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Dated : May 24, 2023

Saurav Singhania
Jt. Chief Financial officer and Group Finance Controller
Place: Kolkata
Date : May 24, 2023

Umesh Arya
Company Secretary
Place: Kolkata
Date : May 24, 2023

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A) Equity Share Capital (Refer Note 13)

(Rs in Lacs)

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

B) Other Equity

(Rs. in Lacs)

Particulars	Reserves and Surplus (Refer Note 14)						Other Reserve (Refer Note 14)		Total Other Equity	Non-controlling Interests	Total
	Securities Premium Account	General Reserve	Capital Reserve	Employee Stock Options Outstanding Account	Equity Component of compound financial instruments	Retained Earnings	Foreign Currency Translation Reserve	Hedge Reserve Account			
Balance as at April 1, 2021	40,820.00	5,411.39	7,462.07	166.62	515.69	25,183.98	1,673.71	434.20	81,667.66	-	81,667.66
Loss for the Year	-	-	-	-	-	(32.84)	-	-	(32.84)	(35.71)	(68.55)
Other Comprehensive Income (Net of Tax)											
-Remeasurement Losses on Defined Benefit Plans & Exchange Difference and Fair value change of cash flow hedges	-	-	-	-	-	14.59	1.89	556.00	572.48	-	572.48
Total Comprehensive Income for the year	-	-	-	-	-	(18.25)	1.89	556.00	539.64	(35.71)	503.93
Transaction with Non-controlling Interest	-	-	-	-	-	35.66	-	-	35.66	50.12	85.78
Transactions with Owners in their Capacity as Owners:									-		
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	77.46	-	-	-	-	-	-	-	77.46	-	77.46
Transfer from ESOPs Outstanding Account on Exercise and Lapse	166.91	-	-	(183.29)	-	16.38	-	-	0.00	-	0.00
Derecognition on Redemption of Debentures (Net of Tax)	-	-	-	-	(515.69)	-	-	-	(515.69)	-	(515.69)
Recognition of Share Based Payment	-	-	-	16.67	-	-	-	-	16.67	-	16.67
Transfer Within Equity	-	-	(19.57)	-	-	19.57	-	-	-	-	-
Balance as at March 31, 2022	41,064.37	5,411.39	7,442.50	-	-	25,237.34	1,675.60	990.20	81,821.40	14.41	81,835.81
Profit/(Loss) for the Year	-	-	-	-	-	13,020.37	-	-	13,020.37	(448.74)	12,571.63
Other Comprehensive Income (Net of Tax)											
-Remeasurement Losses on Defined Benefit Plans & Exchange Difference and Fair value change of cash flow hedges	-	-	-	-	-	(1.57)	20.42	(1,018.55)	(999.70)	-	(999.70)
Total Comprehensive Income for the year	-	-	-	-	-	13,018.80	20.42	(1,018.55)	12,020.67	(448.74)	11,571.93
Transaction with Non-controlling Interest	-	-	-	-	-	1,568.71	-	-	1,568.71	88.15	1,656.86
Transactions with Owners in their Capacity as Owners:									-		
Transfer Within Equity	-	-	-	-	-	(642.45)	642.45	-	-	-	-
Derecognition/Release pursuant to Loss of control	-	-	-	-	-	-	(1,447.03)	-	(1,447.03)	346.18	(1,100.85)
Balance as at March 31, 2023	41,064.37	5,411.39	7,442.50	-	-	39,182.40	891.44	(28.35)	93,963.75	-	93,963.75

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

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

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

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated : May 24, 2023

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited)

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

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

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Independent Director
DIN: 03557435
Place: Mumbai
Date : May 24, 2023

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Date : May 24, 2023

Saurav Singhania
Jt. Chief Financial officer and Group Finance Controller
Place: Kolkata
Date : May 24, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : May 24, 2023

1 Group Background

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

The Parent Company, its subsidiary (collectively referred to as 'the Group'), its associate and a joint venture are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, etc. as detailed under segment information in Note 39.

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

(a) The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiary company, its associate and a joint venture as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2023	March 31, 2022	
Titagarh Singapore Pte. Limited (TSPL)*	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA) **	France	100%	100%	Engaged in manufacture of freight wagons
Titagarh Firema S.p.A (TFA)	Italy	-	99.24%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

* The Board of Directors of the Parent Company in their meeting have approved the liquidation of TSPL, a wholly owned subsidiary Company, considering that no operations are currently being carried on in the subsidiary. The process for winding up of the subsidiary in compliance with the local rules and regulations at Singapore has already been initiated. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) for the year ended March 31, 2023.

**The Parent Company holds 100% equity in TWA together with TSPL.

On 4th June 2019, the commercial court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent company was no longer in control of TWA, under French Law. The commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder an ordered for liquidation of TWA. Currently TWA is under Liquidation.

Name of the Associate	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2023	March 31, 2022	
Titagarh Firema S.p.A (TFA) (Refer Note 46)	Italy	49.70%	-	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2023	March 31, 2022	
Titagarh Mermec Private Limited	India	50%	50%	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety

(b) Refer Note 3 for further details of interest in other entities.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

2 Significant Accounting Policies

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

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

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

(ii) Historical Cost Convention

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

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

(iii) Current versus Non-current Classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:
a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
b) held primarily for the purpose of trading,
c) expected to be realised within twelve months after the reporting period, or
d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is classified as current when:
a) it is expected to be settled in the normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period, or
d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

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

(iv) Rounding of Amounts

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

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

Price Waterhouse & Co Chartered Accountants LLP
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Chartered Accountants
FRN 304026E/E-300009
Kolkata

(iv) Joint Arrangements:
Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only one joint venture and one associate

Associate
Interests in Associate are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Joint Venture
Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(v) Equity Method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in 2.6 below.

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

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

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

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

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

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

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

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

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

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

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Brand and Design and Drawings
The Group had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies

Prototype
The Group had developed prototype for tractors which was capitalised.

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

Amortisation Method and Period
Computer Software and Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years.
Prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).
Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.5 **Investment Properties**

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

2.6 **Impairment of Non-financial Assets**

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

2.7 **Inventories**

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

2.8 **Leases**

As a Lessee
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-
a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.
b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
c) Amount expected to be paid by the Group as under residual value guarantees.
d) Exercise price of a purchase option if the Group is reasonably certain to exercise that option.
e) Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

To determine the incremental borrowing rate, the Group:
a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received.
b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by the companies in the group, which does not have recent third party financing.
Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-
i) the amount of the initial measurement of lease liability
ii) any lease payment made at or before the commencement date less any lease incentive received
iii) any initial direct cost and
iv) restoration costs.
Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

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

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As a Lessor

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

2.9 Investments (other than Investments in Associate and Joint Venture) and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt Instruments

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

•Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

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

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42(II) details how the Group determines whether there has been a significant increase in credit risk.

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

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(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

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

(vi) Income Recognition

Interest Income

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

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

Dividends

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

(vii) Fair Value of Financial Instruments

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

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.11 Trade and Other Payables

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

2.12 Borrowings

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

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

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

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2.13 Other Financial Liabilities

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

2.14 Derivative Instruments

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

2.15 Offsetting Financial Instruments

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

2.16 Financial Guarantee Contracts

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

2.17 Cash and Cash Equivalents

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

2.18 Borrowing Costs

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

2.19 Revenue Recognition

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

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

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

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

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

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

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Sale of Products

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

Revenue from sale of specialized products

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

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

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

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

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

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

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

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

Sale of Services

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

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

Other Operating Revenues

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

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rupees or Rs.), which is the Parent Company's and a subsidiary's functional and the Group's presentation currency.

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(ii) Transactions and Balances

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

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

2.21 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

(iii) Other Long-term Employee Benefits

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

(iv) Termination Benefits

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

2.22 Share Based Payments

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

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

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

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

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

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

2.23 Income Taxes

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

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

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

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

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

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

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

2.24 Provisions

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

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

Warranties

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

Liquidated Damages

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

Litigations, Claims and Contingencies

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

Onerous Contract

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

2.25 Contingencies

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

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2.26 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

- the profit / (loss) attributable to owners of the Parent Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings Per Equity Share

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

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

2.27 Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company. Refer Note 39 for segment information presented.

2.28 Business Combinations

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

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

2.29 Government Grants

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

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

2.30 Dividends

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

2.31 Exceptional items

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

2.32 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

2.33 Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:

- If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

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

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2.34 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 32

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

· Impairment of Trade and Other Receivables — Notes 2.9(iii) and 42(II)(c)

The risk of uncollectibility of trade receivables and other receivables is primarily estimated based on prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history etc. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically. The Group uses specific identification method in determining the allowance for credit losses of trade receivable considering historical credit loss experience and is adjusted for forward looking information. Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Further, the Group has also applied the simplified approach for expected credit loss on trade receivable and contract assets.

· Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets— Notes 2.3, 2.4, 2.8, 4.1, 4.2 and 4.6

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

· Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time- Notes 2.19 and 22

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

· Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 37

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

· Valuation of Deferred Tax Assets — Notes 2.23 and 18

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

· Warranties and Liquidated Damages— Notes 2.24 and 17.1

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

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

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

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· Fair Value Measurements — Notes 2.9(vii) and 41
When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

2.35 Business Combinations

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

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

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

Acquisition-related costs are expensed as incurred.
The excess of the:

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

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

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

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

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

2.36 Assets (or disposal groups) held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of de-recognition.

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

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

New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.
The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.
These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

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TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

3 Interest in Other Entities
(a) Information required by Schedule III to the Act

Name of the entity	As at/ for the year ended March 31, 2023							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)	99.93%	96,292.22	82.22%	10,336.63	102.04%	(1,020.12)	80.52%	9,316.51
Subsidiaries								
Foreign								
Titagarh Singapore Pte Limited	1.51%	1,453.77	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	-	-	-3.57%	(448.74)	-	-	-3.88%	(448.74)
Adjustment due to consolidation (other than exceptional item)	-1.44%	(1,390.82)	1.75%	220.52	-2.04%	20.42	2.08%	240.94
Exceptional item of Parent Company considered in Discontinued Operations #			36.81%	4,627.55	-	-	39.99%	4,627.55
Discontinued Operations			-7.09%	(891.70)	-	-	-7.71%	(891.70)
Joint Venture/Associate (Investments as per the Equity Method)								
Indian								
Titagarh Mermec Private Limited	-	-	-	-	-	-	-	-
Titagarh Firema S p A	-	-	-10.12%	(1,272.63)	-	-	-11.00%	(1,272.63)
TOTAL	100.00%	96,355.17	100.00%	12,571.63	100.00%	(999.70)	100.00%	11,571.93

Name of the entity	As at / for the year ended March 31, 2022							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited)	110.49%	93,064.71	-4885.15%	3,348.77	99.66%	570.59	777.77%	3,919.36
Subsidiaries								
Foreign								
Titagarh Firema S p A	2.42%	2,038.09	-	-	-	-	-	-
Titagarh Singapore Pte Limited	-1.22%	(1,030.13)	-	-	-	-	-	-
Non-controlling Interests in all Subsidiaries	0.02%	14.41	52.09%	(35.71)	-	-	-7.09%	(35.71)
Adjustment due to consolidation (other than exceptional item)	-11.71%	(9,859.85)	489.95%	(335.86)	-	-	-66.65%	(335.86)
Exceptional item of Parent Company considered in Discontinued Operations #			-7005.77%	4,802.46	-	-	953.00%	4,802.46
Discontinued Operations			11448.88%	(7,848.21)	0.34%	1.89	-1557.03%	(7,846.32)
Joint Venture (Investments as per the Equity Method)								
Indian								
Titagarh Mermec	-	-	-	-	-	-	-	-
TOTAL	100.00%	84,227.23	100.00%	(68.55)	100.00%	572.48	100.00%	503.93

Exceptional Loss being accounted for under Discontinued Operations in consolidated financial statements, whereas the share of profit or loss of Parent Company is after considering said loss disclosed as exceptional item.

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(b) Non-controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company elimination.

(Rs. in Lacs)

Summarised Balance Sheet	Titagarh Firema SPA	
	March 31, 2023	March 31, 2022
Current Assets	-	72,911.20
Current Liabilities	-	63,118.84
Net Current Assets / (Liabilities)	-	9,792.36
Non-current Assets	-	36,517.36
Non-current Liabilities	-	44,271.66
Net Non-current Assets	-	(7,754.30)
Net Assets	-	2,038.06
Accumulated NCI	-	14.41

(Rs. in Lacs)

Summarised Statement of Profit and Loss	Titagarh Firema SPA	
	March 31, 2023 *	March 31, 2022
Revenue	14,688.98	63,994.67
Loss for the Year	(4,675.74)	(7,997.36)
Other Comprehensive Income	(137.44)	8.04
Total Comprehensive Loss	(4,813.18)	(7,989.32)
Loss allocated to NCI	(448.74)	(35.71)

* Titagarh Firema SPA was a subsidiary till September 8, 2023 whose corresponding numbers are considered under discontinued operations in the Consolidated Statement of Profit and Loss

(Rs. in Lacs)

Summarised Cash Flows	Titagarh Firema SPA	
	March 31, 2023 *	March 31, 2022
Cash Flows From Operating Activities	4,061.48	1,624.36
Cash Flows Used in Investing Activities	(1,506.92)	(2,623.87)
Cash Flows Used in Financing Activities	12,649.17	(1,417.02)
Decrease in Cash and Cash Equivalents	15,203.73	(2,416.53)

(c) Transactions with Non-controlling Interests

(Rs. In Lacs)

	March 31, 2023	March 31, 2022
Carrying Amount of Non- controlling Interest transferred/(acquired)	88.15	50.12
Consideration received from Non-controlling Interest	1,656.86	85.78
Excess of Consideration received Recognised in Reserves & Surplus within Equity	(1,568.71)	(35.66)

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TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
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(Rs. In Lacs)

Reconciliation to Carrying Amounts		Titagarh Firema S.p.A	Titagarh Mermec Private Limited	
		September 8, 2022 - March 31, 2023 (Rs in Lacs)	As at March 31, 2023 (Rs in Lacs)	As at March 31, 2022 (Rs in Lacs)
Opening Net Assets		-	(8.87)	(6.45)
Loss for the Year		(5,929.69)	(2.42)	(2.42)
Issue of Equity Share Capital		-	-	-
Less: Conversion to Subsidiary		-	-	-
Closing Net Assets		(5,929.69)	(11.29)	(8.87)
Group Share in %		49.70	50.00	50.00
Cost of Investments	(A)	1,272.63	-	-
Group Share of Loss for the Period/Year	(B)	1,272.63	-	-
Acquire of balance share	(C)	-	-	-
Carrying Amount	(A- B-C)	-	-	-

The Group has no contingent liability and capital commitments relating to its interest in aforesaid joint ventures.

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(d) Interests in Joint Venture and Associate

Joint Venture

The Group has formed a Joint Venture Company 'Titagarh Mermec Private Limited.' on May 17, 2018 for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. However, since incorporation there has not been any business in the joint venture company.

Associate

Pursuant to an investment agreement dated July 20, 2022 signed between the Parent Company, TBIPL (now amalgamated with the Parent Company) and the Government of Italy through its investment agency, (Invitalia) along with a international private equity investor, have together infused fresh equity of Euro 14.5 million (Euro 10 million by Invitalia and Euro 4.5 million by international private equity investor) in Titagarh Firema S p A (TFA), a subsidiary of the Parent Company. The above equity infusion resulted in dilution of equity stake of the Parent Company in TFA to 49.70% which along with other terms of the aforesaid agreement led to Parent Company's loss of control in TFA as a subsidiary and is now an associate company with effect from September 9, 2022.

Summarised Financial Information for Joint Venture & Associate

The tables below provides summarised financial information for the Joint Venture 'Titagarh Mermec Private Limited' and Associate 'Titagarh Firema S p A'. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and Associate and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

(Rs. In Lacs)

Summarised Balance Sheet		Titagarh Firema S.p.A	Titagarh Mermec Private Limited	
		As at March 31, 2023 (Rs in Lacs)	As at March 31, 2023 (Rs in Lacs)	As at March 31, 2022 (Rs in Lacs)
Non-Current Assets				
Property, Plant and Equipments		23,652.15	-	-
Intangible Asset		3,329.73	-	-
Capital Work in Progress		2,864.92	-	-
Intangible Asset under development		900.01	-	-
Other Not Current Assets		862.00	-	-
Deferred Tax Asset		3,999.72	-	-
Total	(A)	35,608.53	-	-
Current Assets				
Inventories		16,526.06	-	-
Financial Assets				
Trade receivables		54,868.32	-	-
Cash and bank balances		34,081.76	0.75	0.76
Loans		5,911.62	-	-
Others		200.76	-	-
Other Non Financial Assets		11,937.27	-	-
Assets classified as held for sale		5,255.63	-	-
Total	(B)	128,781.42	0.75	0.76
GRAND TOTAL	(C=A+B)	164,389.95	0.75	0.76
Non-current liabilities				
Long term borrowings		40,811.95	-	-
Other Non Current liabilities		15,118.79	-	-
	(D)	55,930.74	-	-
Current Liabilities				
Financial Liabilities				
Short term borrowings		31,742.55	-	-
Trade Payables		25,476.48	2.41	2.41
Other Financial Liabilities		3,669.34	9.63	7.22
Provisions		1,226.32	-	-
Other non-financial liabilities		37,814.62	-	-
Total	(E)	99,929.31	12.04	9.63
GRAND TOTAL	(F=D+E)	155,860.05	12.04	9.63
Net Assets	(C-F)	8,529.90	(11.29)	(8.87)

Summarised Statement of Profit and Loss	Titagarh Firema S.p.A	Titagarh Mermec Private Limited	
	September 8, 2022 - March 31, 2023 (Rs in Lacs)	As at March 31, 2023 (Rs in Lacs)	As at March 31, 2022 (Rs in Lacs)
Income			
Revenue from Operation	28,782.05	-	-
Other Income	1,586.94	-	-
	30,368.99	-	-
Expenses			
Cost of raw materials & components consumed	19,658.68		-
Change in Inventory	-	-	-
Capitalised internal construction costs	(2,473.98)	-	
Employee Benefits Expense	6,987.78	-	-
Finance Costs	2,942.76	-	0.01
Depreciation and amortization expenses	1,033.28	-	-
Other Expenses	6,463.84	2.42	2.41
Total Expenses	34,612.36	2.42	2.42
Loss before taxes	(4,243.37)	(2.42)	(2.42)
Exceptional Item	1,686.32	-	-
Loss before taxes and exceptional item	(5,929.69)	(2.42)	(2.42)
Tax expenses			
Current tax	0.76	-	-
Deferred Tax	(0.76)	-	-
Total tax expenses	-	-	-
Loss for the year	(5,929.69)	(2.42)	(2.42)
Other Comprehensive Income for the period/ year	-	-	-
Total Comprehensive Income for the period/year	(5,929.69)	(2.42)	(2.42)
Group Share in %	49.70	50.00	50.00
Group Share of Loss for the Period/Year	(2,947.06)	(1.21)	(1.21)

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4.1 Property, Plant and Equipment

(Rs in Lacs)

	Freehold Land	Leasehold Land	Leasehold Improvement	Buildings	Plant and Equipments	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2021	34,232.43	20,059.70	70.94	23,799.99	17,506.24	663.85	409.32	386.73	163.35	355.87	282.83	97,931.25
Additions	-	-	-	2,559.83	4,982.00	-	105.20	10.02	57.37	63.21	29.22	7,806.85
Disposals	-	-	-	136.67	-	205.95	-	-	-	-	9.69	352.31
Reclassification	-	-	-	-	(469.12)	-	-	-	-	-	-	(469.12)
Exchange Differences on Consolidation	(180.71)	-		(260.72)	(166.02)	-	-	-	-	-	-	(607.45)
As at March 31, 2022	34,051.72	20,059.70	70.94	25,962.43	21,853.10	457.90	514.52	396.75	220.72	419.08	302.36	104,309.22
Additions	-	814.08	-	106.13	1,264.66	-	257.90	5.92	22.34	97.12	96.22	2,664.37
Disposals	3.19	-		-	-	51.91	-	-	-	-	10.82	65.92
Transfer to Discontinued Operations	(10,630.73)	-	-	(15,338.53)	(9,436.95)	-	-	-	-	-	-	(35,406.21)
As at March 31, 2023	23,417.80	20,873.78	70.94	10,730.03	13,680.81	405.99	772.42	402.67	243.06	516.20	387.76	71,501.46
Accumulated Depreciation												
As at March 31, 2021	-	999.08	58.37	3,898.03	8,762.70	37.13	137.08	208.43	121.88	273.86	129.04	14,625.60
Charge for the year	-	166.35	12.24	261.12	588.39	-	15.35	37.42	10.42	51.00	32.84	1,175.13
Transfer to Discontinued Operations	-	-	-	337.78	440.98	-	-	-	-	-	-	778.76
Disposals	-	-		14.66	-	9.70	-	-	-	-	5.37	29.73
Exchange Differences on Consolidation	-	-	-	(53.25)	(91.21)	-	-	-	-	-	-	(144.46)
As at March 31, 2022	-	1,165.43	70.61	4,429.02	9,700.86	27.43	152.43	245.85	132.30	324.86	156.51	16,405.30
Charge for the year	-	172.76	-	301.26	711.99	-	21.67	38.56	24.66	57.85	38.29	1,367.04
Disposals	-	-	-	-	-	6.56	-	-	-	-	8.79	15.35
Transfer to Discontinued Operations	-	-	-	(3,027.40)	(5,228.52)	-	-	-	-	-	-	(8,255.92)
As at March 31, 2023	-	1,338.19	70.61	1,702.88	5,184.33	20.87	174.10	284.41	156.96	382.71	186.01	9,501.07
Impairment												
As at March 31, 2021	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Net Carrying Amount												
As at March 31, 2022	34,051.72	18,894.27	0.33	21,533.41	12,149.88	430.47	362.09	150.90	88.42	94.22	145.85	87,901.56
As at March 31, 2023	23,417.80	19,535.59	0.33	9,027.15	8,494.12	385.12	598.32	118.26	86.10	133.49	201.75	61,998.03

a) Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
b) Refer Note 15 for information on Property, Plant and Equipment pledged as security by the Group.
c) Assets pledged as security for term loans availed by an erstwhile Subsidiary Company, now an associate w.e.f September 9, 2022.
The Parent Company has provided pari pasu security of its land at Bharatpur (Gross book value of Rs. 16,964.87 Lacs) against a term loan of Euro 50 million and overdraft facility of Euro 30 million sanctioned by Bank of Baroda to Titagarh Firema S.p.A, an Associate of the Parent Company (w.e.f September 9, 2022). Refer Note 41.

Represents 368 Railway Wagons sub leased to Indian Railways. As per Arbitration Award dated July 3, 2019, use of said wagons have been restricted by Indian Railway and Indian Railway has been instructed to give the possession back to the Parent Company, being the sole and beneficial owner of said wagons. The realisable value of 368 wagons as per management estimate is estimated to be more than the book value of Rs. 385.12 Lacs.

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4.2 Intangible Assets

(Rs in Lacs)

	Other Intangible Assets				
	Computer Software	Brand	Design and Drawings	Prototype	Total
Gross Carrying Amount					
As at March 31, 2021	4,575.25	227.79	1,556.46	880.39	7,239.89
Additions	119.81	-	-	-	119.81
Others including Exchange Differences on Consolidation	(67.28)	-	-	-	(67.28)
As at March 31, 2022	4,627.78	227.79	1,556.46	880.39	7,292.42
Additions	24.52	-	31.19	-	55.71
Transfer to Discontinued Operations	(3,922.80)	-	-	-	(3,922.80)
As at March 31, 2023	729.50	227.79	1,587.65	880.39	3,425.33
Accumulated Amortisation					
As at March 31, 2021	2,005.88	170.83	1,309.13	396.17	3,882.01
Charge for the year	96.73	56.96	213.13	-	366.82
Transfer to Discontinued Operations	710.38	-	-	-	710.38
Others including Exchange Differences on Consolidation	(42.95)	-	-	-	(42.95)
As at March 31, 2022	2,770.04	227.79	1,522.26	396.17	4,916.26
Charge for the year	121.15	-	22.68	-	143.83
Transfer to Discontinued Operations	(2,305.61)	-	-	-	(2,305.61)
As at March 31, 2023	585.58	227.79	1,544.94	396.17	2,754.48
Impairment					
As at March 31, 2021	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2022	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2023	22.54	-	-	484.22	506.76
Net Carrying Amount					
As at March 31, 2022	1,835.20	-	34.20	-	1,869.40
As at March 31, 2023	121.38	-	42.71	-	164.09

4.3 Investment Properties

	(Rs in Lacs) Freehold Land
Carrying Amount as at March 31, 2021	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2022	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2023	821.24

Information regarding Investment Properties

The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2023, fair valuation of the two properties is estimated to be Rs. 1,139.54 Lacs (March 31, 2022: Rs. 1,053.34 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2023 and March 31, 2022 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Market Rate for Land owned by the Group	5% Increase (Decrease) in the Market Rate would result in Increase (Decrease) in fair value by Rs. 57.01 Lacs (March 31, 2022: Rs. 52.67 Lacs)

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4.4 Capital Work-in-Progress

(i) Movement in Capital work in progress	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,518.05	1,622.89
Additions during the year	2,589.97	5,708.29
Capitalised during the year	(1,362.06)	(6,271.97)
Reclassification	-	458.84
Transferred to Discontinued Operation	(1,518.05)	-
Balance at the end of the year	1,227.91	1,518.05

In current year, Capital work in progress primarily includes construction of new office and sheds and ongoing installation of new machineries etc. in the factories located in West Bengal of the Parent Company

(ii) Age analysis of Capital work in progress

As on March 31, 2023

	Amounts in Capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	1,227.91	-	-	-	1,227.91
Total	1,227.91	-	-	-	1,227.91

(a) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

As on March 31, 2022

	Amounts in Capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	1,518.05	-	-	-	1,518.05
Total	1,518.05	-	-	-	1,518.05

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

4.5 Intangible Assets Under Development

(i) Movement in Capital work in progress	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	4,592.93	2,509.41
Additions during the year	-	3,322.80
Capitalised during the year	-	(1,239.28)
Transferred to Discontinued Operation	(4,592.93)	-
Balance at the end of the year	-	4,592.93

(ii) Age analysis of Intangible Assets Under Development

As on March 31, 2023

	Amounts in Intangible assets under development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress (Designs)	-	-	-	-	-
Total	-	-	-	-	-

As on March 31, 2022

	Amounts in Intangible assets under development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress (Designs)	3,337.87	1,255.06	-	-	4,592.93
Total	3,337.87	1,255.06	-	-	4,592.93

There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

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TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

4.6 Right-of-use assets and leases (Rs in Lacs)

The Group leasing arrangement includes land having a fixed lease term of 10 years. During the year, office space taken on lease in earlier years has been transferred to Assets held for sale. Refer Note 4.7.

(i) Amount recognised in balance sheet

	Land	Building	Total
Gross Carrying Amount			
As at March 31, 2021	-	162.14	162.14
Additions	6,136.05	-	6,136.05
Disposals	-	-	-
As at March 31, 2022	6,136.05	162.14	6,298.19
Additions	5,010.77	-	5,010.77
Assets included in a disposal group classified as held for sale	-	162.14	162.14
As at March 31, 2023	11,146.82	-	11,146.82
Accumulated Depreciation & Impairment			
As at March 31, 2021	-	9.99	9.99
Charge for the year	255.88	40.51	296.39
Disposals	-	-	-
As at March 31, 2022	255.88	50.50	306.38
Charge for the year	698.97	40.51	739.48
Assets included in a disposal group classified as held for sale	-	91.01	91.01
As at March 31, 2023	954.85	-	954.85
Net Carrying Amount			
As at March 31, 2022	5,880.17	111.64	5,991.81
As at March 31, 2023	10,191.97	-	10,191.97

Lease liabilities	Non-current	Current	Total
March 31, 2022	5,665.56	260.81	5,926.37
March 31, 2023	9,945.92	447.69	10,393.61

(ii) Amount recognised in statement of Profit and Loss
The statement of profit or loss shows the following amounts relating to leases:

Lease liabilities	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right of use assets (Refer Note no 28)	739.48	296.39
Expenses relating to short term leases (included in other expenses, Refer Note 29)	102.57	433.79
Interest expense (included in finance costs) (Refer Note 27)	575.14	223.81
Total	1,417.19	953.99

(iii) The total cash outflow for leases for the year was Rs. 864.83 Lacs (March 31, 2022: Rs. 385.75 Lacs).
(iv) Extension and termination options:
Extension and termination options are included in the parent company's lease contract. These are used to maximise operational flexibility in terms of managing the assets used in the parent company's operations. The extension and termination options held are exercisable by mutual consent of both the lessor and the lessee.

4.7 Asset held for sale

	As at March 31, 2023	As at March 31, 2022
Office space at Hyderabad	71.13	-
Total	71.13	-
Liabilities held for sale		
	As at March 31, 2023	As at March 31, 2022
Office space at Hyderabad	79.50	-
Total	79.50	-

Note:
The Board of directors of the Parent Company in its meeting held on March 18, 2023 decided to incorporate a new company in India in a joint venture with Titagarh Firema SpA, (TFA) Italy to acquire the Parent Company's Design Centre in Hyderabad to support the Passengers Rail System. The new company with the proposed name: Titagarh Firema Engineering Services Pvt. Ltd. will carry on the business of research, engineering and design related services. Parent Company Board has approved a maximum investment of Rs. 5 crores in the Joint Venture Company with 51% of the equity to be held by TFA and 49% by Titagarh, India. Accordingly, the assets and liabilities relating to the design centre in Hyderabad has been disclosed as assets held for sale. The Parent Company expects its completion by June 30, 2023.

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5.1 Investments (Non-current)

	No of Shares / Units As at March 31, 2023	2022	Face value per share/unit (Rs.)	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Investments in Equity Shares					
In Others (Quoted) (at FVTPL) (a)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
In Others (Unquoted) (at FVTPL) * (a)					
Titagarh Enterprises Limited	4,932,960	4,932,960	10	3,140.55	2,972.63
Titagarh Industries Limited	56,850	56,850	10	39.00	42.38
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
Total				3,179.80	3,015.26
Aggregate book value of quoted investments				0.05	0.05
Aggregate book value of unquoted investments				3,179.75	3,015.21
Market value of quoted investments				0.05	0.05

Quotation not available since suspended due to penal reason
* Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Parent company (Also refer note 15(b)(i)(A))

Name of Investments	No. of Shares/Units As at March 31, 2023	2022	Face value per share/unit (Rs.)	Amount Pledged March 31, 2023 Rs. In Lacs	Amount Pledged March 31, 2022 Rs. In Lacs
Titagarh Enterprises Limited	4,932,960	4,932,960	10	493.29	493.29
Titagarh Industries Limited	56,850	56,850	10	5.69	5.69
				498.98	498.98

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit
(a) Refer Note 41 for determination of fair values and Note 42 for credit risk and market risk on investments
(b) The Parent Company has investment of 7,000,500 equity shares of Titagarh Wagons AFR, a subsidiary of the Parent Company which is under liquidation, hence not consolidated. Refer Note 1(a)

5.2. Equity Accounted Investments

	No of Shares / Units As at March 31, 2023	2022	Face value per share/unit (Rs.)	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Titagarh Firema S p.A.	16,400,000	-	EURO 1	1,272.63	-
Less: Share of loss of Associate				(1,272.63)	-
Titagarh Mermec Private Limited	5,000	5,000	10	0.50	0.50
Less: Share of loss of Joint Venture				(0.50)	(0.50)
				-	-

Refer Note 3(d) for details of the Joint Venture and Associate

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

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Trade Receivables				
Trade receivables from contract with customers	-	-	26,866.86	23,982.19
Trade receivables from contract with customers – related parties (Refer Note 40)	-	-	1,310.58	-
Less: Loss allowance [Refer Note 42(II) (c)]	-	-	102.22	251.31
Less: Liquidated Damages [Refer note 42(II) (c)]	-	-	160.73	474.25
Total receivables	-	-	27,914.49	23,256.63
Break-up of security details				
Trade receivables considered good – secured	-	-	28,177.44	23,730.88
Trade receivables considered good – unsecured	-	-	-	251.31
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables – credit impaired	-	-	-	-
Total	-	-	28,177.44	23,982.19
Less: Loss Allowances [Refer Note 42 (II) (c)]	-	-	102.22	251.31
Less: Liquidated Damages [Refer note 42 (II) (c)]			160.73	474.25
Total trade receivables	-	-	27,914.49	23,256.63

Trade Receivable Ageing Schedule

Particulars	Outstanding as on March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	24,364.13	671.50	2,342.38	70.43	-	27,448.44
Disputed Trade Receivables						
Considered Good	-	-	-	-	729.00	729.00
Total	24,364.13	671.50	2,342.38	70.43	729.00	28,177.44
Not Due						-
Total						28,177.44

Particulars	Outstanding as on March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	17,289.29	566.39	90.87	277.51	39.16	18,263.22
Disputed Trade Receivables						
Considered Good	-	-	-	568.24	112.39	680.63
Total	17,289.29	566.39	90.87	845.75	151.55	18,943.85
Not Due						5,038.34
Total						23,982.19

a) Liquidated damages has been adjusted with trade receivable in accordance with the requirement of IND AS 115.
b) Refer Note 15 for information on Trade Receivables pledged as security by the Group and Note 42 for information about credit risk and market risk on Trade Receivables.
c) There are no outstanding receivables due from directors or other officers of the Company.

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

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Security Deposits*	363.37	185.65	164.86	4,556.14
Measured at Fair Value through OCI #				
Derivative Assets	-	-	-	1,323.24
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months @	5,373.26	3,451.93	-	-
Interest Accrued on:				
Fixed Deposits with Banks	323.52	180.86	259.35	250.16
Claims Receivable [Refer (a) below]	-	-	76.16	2,361.23
Other Receivable	-	-	-	227.10
Charges Recoverable	-	-	133.85	18.99
Total	6,060.15	3,818.44	634.22	8,736.86

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

* Includes security deposit given to related parties Rs. 281.92 Lacs (March 31, 2022: Rs. 147.50 Lacs) (Refer Note 40)

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

(a) Claim Receivables for the current year represents amount receivable for Insurance claims and the claim receivable for previous year represents amount receivable from Indian Railway in relation to differential sub lease rentals.

8. Tax Assets (Net)

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Advance Tax (Including Tax Deducted at Source) (Net of provision for tax Rs. 23,541.63 Lacs ; March 31, 2022 Rs. 21,018.28 Lacs)	2,868.68	2,640.77	-	-
	2,868.68	2,640.77	-	-

9. Contract Assets

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Retention money held by Customers	87.38		-	
Contract assets relating to unbilled revenue	-		27,080.65	42,650.95
	87.38	-	27,080.65	42,650.95

10. Other Assets
(Unsecured, Considered Good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Capital Advances	3,248.16	1,170.22	-	-
Security Deposits	545.62	451.47	-	-
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties (Refer (a) below)	-	-	196.63	45.00
Considered Good - Others	-	-	10,813.19	6,923.43
Considered Doubtful - Others	-	-	200.71	209.98
	-	-	11,210.53	7,178.41
Less: Provision for Doubtful Advances - To Others	-	-	200.71	209.98
	-	-	11,009.82	6,968.43
Balances with Government Authorities	-	-	10,527.81	12,191.05
Prepaid Expenses	197.93	140.39	842.53	1,771.73
Total	3,991.71	1,762.08	22,380.16	20,931.21

a) Represents Rs. 166.63 Lacs (March 31, 2022: Rs. Nil) recoverable from associate company and Rs. 30.00 Lacs (March 31, 2022: Rs. 45.00 Lacs) recoverable from Directors of the Parent Company. Also Refer Note 40.

11. Inventories

(Valued at Lower of Cost and Net Realisable Value)	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Raw materials and components [Includes Goods in transit Rs. 2,301.15 lacs (March 31, 2022: Rs 1,030.04 lacs]	36,488.73	42,411.60
Work-in-progress	6,996.43	5,765.44
Saleable Scrap	1,067.12	761.55
Stores and Spares	1,584.85	1,447.04
Total	46,137.13	50,385.63

(a) Refer Note 15 for information on inventories pledged as security by the Group.
(b) Work in progress includes project work in progress of Rs. 2,842.71 Lacs (March 31, 2022: Rs 4,038.71 Lacs)
c) Value of inventories above is stated after provisions (net of reversal) Rs. 641.65 Lacs (March 31, 2022: Rs. 706.45 Lacs) for write-downs to net realisable value and provision for slow-moving and obsolete items of raw materials and stores and spares, resulting in net reversal of Rs. 64.79 Lacs during the year (March 31, 2022: charge of Rs. 291.77 Lacs).

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12. Cash and Bank Balances

	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
12.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	5,521.61	635.76
Cash on hand (including Cheques in hand of Rs. Nil (March 31, 2022: Rs. 238.46 Lacs)	18.94	260.09
	5,540.55	895.85
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	12.17	14.45
On Unpaid Fractional Share Entitlement Accounts	8.59	8.59
Bank deposits with maturity of more than three months but less than twelve months @	4,437.03	3,286.72
	4,457.79	3,309.76
Total	9,998.34	4,205.61

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

13. Equity Share Capital

	As At March 31, 2023		As At March 31, 2022	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Authorised Shares				
Equity Shares of Rs. 2/- each (March 31, 2022: Rs. 2/-) each	12,905.00	25,810.00	12,905.00	25,810.00
Preference shares of Rs. 10 /- each (March 31, 2022: Rs 10/-) each	1,270.00	12,700.00	1,270.00	12,700.00
		38,510.00		38,510.00
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- each (March 31, 2022: Rs. 2/-) each, fully paid-up	1,195.71	2,391.42	1,195.71	2,391.42
	1,195.71	2,391.42	1,195.71	2,391.42

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

	2022-23		2021-22	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Equity Shares				
Outstanding at the beginning of the year	1,195.71	2,391.42	1,193.87	2,387.75
Shares issued pursuant to the Employee Stock Option Scheme @	-	-	1.84	3.67
Outstanding at the end of the year	1,195.71	2,391.42	1,195.71	2,391.42

@ During the year, Nil equity shares (March 31, 2022: 183,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Parent Company under the Employee Stock Option (ESOP) Scheme (Refer Note 34)

b) Terms and rights attached to Equity Shares

The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2022: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

d) Details of Shareholders holding more than 5% shares in the Parent Company

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2 (March 31, 2022: Rs. 2) each fully paid				
Titagarh Capital Management Services Private Limited	24,071,588	20.13%	24,071,588	20.13%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	15.22%	18,201,875	15.22%
Rashmi Chowdhary	12,816,105	10.72%	12,816,105	10.72%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	-	-	8,894,149	7.44%
HDFC Large and Midcap Fund	7,344,149	6.14%	-	-

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

e) Details of Shareholding of Promoters

Promoter Name	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Titagarh Capital Management Services Private Limited #	24,071,588	20.13%	24,071,588	20.13%	0.00%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	15.22%	18,201,875	15.22%	0.00%
Jagdish Prasad Chowdhary	70,700	0.06%	70,700	0.06%	0.00%
Umesh Chowdhary	77,530	0.06%	77,530	0.06%	0.00%
Rashmi Chowdhary	12,816,105	10.72%	12,816,105	10.72%	0.00%
Sumita Kandoi	5,751	0.00%	5,751	0.00%	0.00%
Vinita Bajoria	28,351	0.02%	7,351	0.01%	0.01%
Bimla Devi Kajaria	4,500	0.00%	10,000	0.01%	-0.01%
Gaurav Kajaria	-	0.00%	7,583	0.01%	-0.01%
Titagarh Logistics Infrastructures Private Limited	1,908,487	1.60%	1,235,000	1.03%	0.57%

In the previous year Titagarh Capital Management Services Private Limited (PAN: AACCT5853F) ('TCMSPL') has acquired 134,722 and 111,777 equity shares of Titagarh Rail Systems Limited (Formerly Titagarh Wagons Limited) ('the Parent Company') on March 30, 2022 and March 31, 2022 respectively through market purchase from public category shareholder(s). However, the said shares were not credited into TCMSPL's demat account till March 31, 2022, and also did not appear in the BENPOS of the Parent Company as at March 31, 2022 from the Depositories and furnished by the Parent Company's Registrar. Therefore, the aforesaid 246,499 shares (representing 0.21% of the Parent Company's paid-up share capital) could not be taken as held by TCMSPL in the shareholding pattern as on March 31, 2022. However, the said 246,499 shares have been considered and included above.

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14. Other Equity -Reserves and Surplus	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
A. Securities Premium Account		
Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
Balance at the beginning of the year	41,064.37	40,820.00
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(a)]	-	77.46
Transfer from ESOPs Outstanding Account on Exercise and Lapse	-	166.91
Balance at the end of the year	41,064.37	41,064.37
B. General Reserve (Refer Note 14.1)		
Balance at the beginning of the year	5,411.39	5,411.39
Movement during the year	-	-
Balance at the end of the year	5,411.39	5,411.39
C. Capital Reserve		
Balance at the beginning of the year	7,442.50	7,462.07
Movement during the year	-	(19.57)
Balance at the end of the year	7,442.50	7,442.50
D. Employee Stock Options (ESOPs) Outstanding Account (Refer Note 34)		
Employee Stock Options Outstanding Account relates to stock options granted by the Parent Company to employees under the Parent Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
Balance at the beginning of the year	-	166.62
Recognition of Share Based Payment (Refer Note 34)	-	16.67
Transfer from ESOPs Outstanding Account on Exercise and Lapse	-	(183.29)
Balance at the end of the year	-	-
E. Retained Earnings		
Balance at the beginning of the year	25,237.34	25,183.98
Profit/(Loss) for the Year	13,020.37	(32.84)
Add: Appropriations		
Transactions with Non-controlling Interests	1,568.71	35.66
Transfer from ESOPs Outstanding Account on Options Lapsed		16.38
Item of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(1.57)	14.59
Transfer within other equity [Refer (C) and (G)]	(642.45)	19.57
Net surplus in the statement of profit and loss	39,182.40	25,237.34
F. Equity Component of compound financial instruments (Refer Note 14.2)		
Balance at the beginning of the year	-	515.69
Equity Component of Compound Financial Instruments derecognised during the year (net of deferred tax)	-	(515.69)
Balance at the end of the year	-	-
- Other Reserves		
G. Foreign Currency Translation Reserve (FCTR)		
Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2.20(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.		
Balance at the beginning of the year	1,675.60	1,673.71
Exchange Differences on Translation of Foreign Operations during the year	20.42	1.89
Transfer within other equity [Refer (E) above]	642.45	-
Transfer to Discontinued Operations	(1,447.03)	-
Balance at the end of the year	891.44	1,675.60
H. Cash Flow hedge Reserve (Refer Note 14.3 and 14.4)		
Balance at the beginning of the year	990.20	434.20
Changes in fair value recognised during the year	(1,361.11)	743.00
Tax impact on above	342.56	(187.00)
Balance at the end of the year	(28.35)	990.20
Total Other Equity (A+B+C+D+E+F+G+H)	93,963.75	81,821.40

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

14.2 **Equity Component of compound financial instruments :-**
During the previous year, the Optionally Fully Convertible Debentures (OFCD) had been redeemed fully and accordingly the equity component thereof has been derecognised, net of tax thereon.

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

14.4 During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to Rs. Nil (March 31, 2022: Rs. Nil).
The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the consolidated statement of profit and loss as below:
- within the next one year: gain Rs. (28.35) Lacs (March 31, 2022: Rs. 990.20 Lacs)
- later than one year: gain Rs. Nil Lacs (March 31, 2022: Rs. Nil)

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15. Borrowings

	Non-current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Secured				
Term Loan from Banks [Refer (a) below]	4,962.50	39,620.88	3,286.13	4,720.40
Cash Credits & Working Capital Demand Loan from Banks [Refer (b) below]	-	-	14,639.27	31,245.77
Buyers Credit	-	-	2,044.51	-
Unsecured				
Term Loan from Banks [Refer (c) below]	-	7,936.87	-	529.12
Loan from Related Party	-	2,000.00	-	-
Total	4,962.50	49,557.75	19,969.91	36,495.29

Secured Borrowings

a) Term Loan from Banks

i) In case of Parent Company:

A) Term Loan of Rs. 4962.50 Lacs (March 31, 2022: Rs. NIL) carrying interest @ 9.05 % p.a. (March 31, 2022: NIL % p.a.) linked to 1 year MCLR has been availed during the year and is repayable in 16 equal quarterly installments from April 2024 to January 2028. Above term loan was secured by way of first charge over land at Gwalior district, Madhya Pradesh owned by the Company. Charge is yet to be created over such land.

B) Term Loan of Rs. 3,286.13 lacs (March 31, 2022: Rs. 5,991.15 Lacs) carries interest @ 7% to 10.23% p.a (March 31, 2022: 7% to 8.75% p.a.) linked to 1 year MCLR and is repayable in 7 quarterly installments starting from June 2022 to December 2023. Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on the Company's current assets relating to Bharatpur Plant.

ii) In case of Titagarh Firema S.p.A (TFA)

Term Loan from Bank of Baroda (UK Branch) of Rs. Nil (March 31, 2022: Rs. 38,350.13 Lacs) was sanctioned in the year 2018-19 and was fully drawn. Due to the Covid crisis and its consequent impact on the cash flows of the Company, it had applied to the Bank for a one time restructuring of the loan which interalia included rescheduling the principle repayments which as per the the original repayment terms were expected to start from September 2018. The restructuring proposal of the Company was approved by the Bank in the month of December and the outcome of the same on the principal repayments, interest rate and the overall security is as under:

Repayment Schedule	Year	Original	Revised	(In Euro)
	2021-22	10,500,000.00	4,250,000.00	
	2022-23	14,000,000.00	2,000,000.00	
	2023-24	12,500,000.00	4,000,000.00	
	2024-25	10,500,000.00	6,000,000.00	
	2025-26	2,250,000.00	8,000,000.00	
	2026-27	250,000.00	13,500,000.00	
	2027-28	-	12,250,000.00	
		50,000,000.00	50,000,000.00	

Original Security - The facility is secured by First pari-passu Charge on the entire fixed assets (movable and immovable) and current assets of the Company

Revised Security - Same as above and additionally the parent company has provided a pari-passu charge over the land at Bharaptpur and the promoters of the Group (Mr Umesh Chowdhary) has provided charge over residential property at Mumbai and his personal guarantee.

Original Interest Rate - Euribor plus 265 bps

Revised Interest Rate - Euribor plus 295 bps

b) Cash Credits, Working Capital Demand Loan and Buyers Credit from Banks:

i) In case of Parent Company:

A) Cash Credits and Working Capital Demand Loans of Rs. 14,639.27 Lacs (March 31, 2022: Rs. 5,884.89 Lacs) are secured by first charge on the Company's current assets, movable fixed asset both present and future and further creating charge on immovable properties of the company by deposit of title deeds except immovable properties at Bharatpur, Rajasthan, Gwalior and Bhind district, Madhya Pradesh. The above facilities has also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari-passu with consortium member banks.

B) Cash Credits is repayable on demand and carry an interest rate ranging between 8.70% to 13.60% p.a. (March 31,2022: 8.95% to 12.35%) linked with MCLR.

C) Working Capital Demand Loans carry interest ranging from 5% to 13% p.a. (March 31, 2022: 5.25% to 8.95% p.a.) and are repayable on demand.

D) Buyers Credit carry an interest rate of 5.20% p.a. (March 31, 2022: NIL % p.a.) and is linked to Secured Overnight Financing Rate (SOFR). The same is repayable by May 2, 2023.

ii) In case of Titagarh Firema S.P.A (TFA):

Short term loan from banks represents overdraft facility from Bank of Baroda (Uk Branch) of Rs. Nil (March 31, 2022: Rs. 25,360.88 Lacs). The facility is secured similar to the Long term borrowing (Secured) from BOB. The short term loan bears interest rate of Euribor + 300 bps and is repayable on demand.

Unsecured Borrowings

c) Term Loan from Banks

In case of Titagarh Firema S.P.A (TFA):

Term Loan of Rs. Nil (March 31, 2022: Rs. 8,465.99 Lacs) has been received from Intesa San Paolo under the Liquidity Decree issued by the Government of Italy in order to support the companies from the Covid crisis. The loan is backed by the guarantee from SACE SPA. The loan carries interest of 1.73%p.a.

Repayment Schedule	Year	Original	(In Euro)
	upto 1 year	625,000	
	1 - 2 years	2,500,000	
	2 - 3 years	2,500,000	
	3 - 4 years	4,375,000	
		10,000,000	

(d) Financial Covenant - In case of TFA, The Term loan agreements with the banks stipulates certain key financial ratios that needs to be complied with as on 31st March 2022, all of which are not met. The Company has already applied for the waiver for testing of the said financial covenants which are not met with the respective banks. We have been informed by the banks that they have taken up our proposal with their competent authority on priority. Considering the ongoing discussions and email correspondences with the banks, the management is hopeful of receiving such waivers shortly, and moreover in the absence of a specific request by the banks for an immediate repayment of the debt exposure, the company continues to report the term loan repayable after one year as non-current in line with the terms of the existing loan agreements. Refer note 46 for certain breach of covenants.

(e) Loan from Related Party

In case of the erstwhile Titagarh Bridges & International Private Limited (TBIPL) (since merged with the Parent Company):

Loan from related party carry an interest rate of 9.5% p.a. (March 31, 2022: 9.5% p.a) and is repayable after five years from the date of grant of loan with the condition that the Company has the right to pre-pay the full amount at any time, after the lock-in of 3 months from the date of grant of loan. The said loan has been prepaid during the year.

(f) Optionally Fully Convertible Debenture measured at FVTPL:

TBIPL (now merged with the Parent Company) had issued OFCD's to its promoters in the year 2019-2020 which was unsecured, unlisted and non-transferable. The tenure of OFCD was 7 years from the date of allotment. The OFCDs were convertible into Equity Shares at the option of the holder at the end of one year or three years or five years or seven years respectively from the date of allotment. The OFCD interest was payable on annual basis on every March 31. Pursuant to the conversion, OFCD shall rank pari passu with existing Equity Shares. If OFCD holder does not choose the option of conversion, then the OFCD will be compulsorily redeemed by the company on the expiry of seven years from the date of allotment. During the previous year, these OFCD's were redeemed.

(g) As at March 31, 2023, the register of charges of the Parent Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified for entities which got amalgamated into the Parent Company pursuant to National Company Law tribunal Orders in earlier years. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOC's) from the charge holders of such charges, despite repayment of the underlying loans. Further, certain charges wherein the outstanding loans have been repaid and the Parent Company has also filed the related Form 17 for satisfaction of Charge in respect thereof in earlier years, but the same has not been updated in the MCA records. The Parent Company is following up these matters and is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders. Further in case of new term loan obtained during the year, the Parent Company is yet to file charges with MCA.

h) In case of Parent Company, Term Loans obtained in earlier years have been applied for the purpose for which it has been obtained. Term loan from a bank of Rs. 4,962.50 lacs which was disbursed on March 31, 2023 to the Parent Company is lying in cash credit account pending utilisation at year end.

i) Refer Note 42 for information about market risk and liquidity risk on borrowings.

16. Other Financial Liabilities

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Measured at Fair Value through OCI				
Derivative Liabilities #	-	-	37.87	-
Measured at Amortised Cost				
Interest accrued and not due on Borrowings	-	-	34.57	93.33
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividends	-	-	12.17	14.45
Unpaid fractional share	-	-	8.59	8.59
Others				
Employee Related Liabilities	-	-	498.15	923.87
Payable for Purchase of Property, Plant and Equipment	-	-	159.78	125.89
Other Liabilities	-	-	-	16.26
Total	-	-	751.13	1,182.39

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

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17.1 Provisions

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	343.64	340.93	125.43	102.37
Leave Benefits [Refer Note 32(iii)]	-	-	136.09	1,100.77
	343.64	340.93	261.52	1,203.14
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	283.40	1,420.83
Litigation, Claims and Contingencies [Refer (a) below for movement] & [37 (i)]	-	-	227.20	5,369.15
Other Provisions [Refer (b) below for movement]	-	-	-	785.18
	-	-	510.60	7,575.16
Total	343.64	340.93	772.12	8,778.30

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

	Warranties		Litigations, Claims and Contingencies	
	2022-23 Rs. In Lacs	2021-22 Rs. In Lacs	2022-23 Rs. In Lacs	2021-22 Rs. In Lacs
At the Beginning of the Year	1,420.83	2,110.49	5,369.15	2,073.34
Made during the Year*	57.81	49.60	-	3,295.81
Unused amounts reversed/ utilized during the year (Net) *	(49.60)	(739.26)	(124.16)	-
Transfer to Discontinued Operations	(1,145.64)	-	(5,017.79)	-
At the End of the Year	283.40	1,420.83	227.20	5,369.15

b) Movement of Other Provisions are as follows:

	Other Provision	
	2022-23 Rs. In Lacs	2021-22 Rs. In Lacs
At the Beginning of the Year	785.18	502.88
Made during the Year*	-	282.30
Transfer to Discontinued Operations	(785.18)	-
At the End of the Year	-	785.18

*includes adjustment of exchange fluctuation on consolidation of Rs. Nil (March 31, 2022 Rs. (134.17) Lacs)

Information about individual provisions and significant estimates:

Warranties

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

Litigation, claims and contingencies

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

17.2 Current Tax Liabilities

	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Provision for Income Tax (Net of Advance tax and TDS Rs. 4,800.78 Lacs; March 31, 2022 Rs. 1,049.95 Lacs)	527.61	1,589.45
Total	527.61	1,589.45

18. Deferred Tax (Assets)/Liabilities

		As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Deferred Tax Liabilities			
Arising out of temporary differences in depreciable assets and non-depreciable assets		9,006.28	7,924.71
Unrealised Gain on Fair value through Profit & Loss (FVTPL) Securities *		404.91	498.74
Fair valuation of Derivative Assets		-	333.03
Others		-	30.41
Gross Deferred Tax Liabilities	(A)	9,411.19	8,786.89
Deferred Tax Assets			
Provision for fall in value of Investments		4,967.00	5,329.68
Provision for Doubtful Debts, Advances and Claims Receivable		170.85	147.46
Provision for Warranties and Liquidated Damages		40.45	3,890.04
Provision for Litigations, Claims and Contingencies		57.18	106.78
Provision for Employee Benefits		183.95	165.14
Lease Liabilities		2,635.87	1,491.55
Fair valuation of derivative assets		9.53	-
Deferred Tax Assets	(B)	8,064.83	11,130.65
Net Deferred Tax Liabilities	(A-B)	1,346.36	(2,343.76)
Reflected in the Consolidated Balance Sheet as:			
Deferred Tax Assets		-	3,792.36
Deferred Tax Liabilities		1,346.36	1,448.60
Net Deferred Tax Liabilities		1,346.36	(2,343.76)

The movement in deferred tax assets and liabilities during the year ended March 31, 2023 and March 31, 2022:

	As at April 1, 2021 Deferred tax Asset / (Liability)	Adjustment in Other Equity *	(Credit) / Charge in Statement of Profit and Loss #	As at March 31, 2022 Deferred tax Asset / (Liability)	Transfer to Discontinued Operations	(Credit) / Charge in Statement of Profit and Loss #	As at March 31, 2023 Deferred tax Asset / (Liability)
Arising out of temporary differences in depreciable assets and non-depreciable assets	(6,582.45)		1,442.76	(7,924.71)	-	1,081.57	(9,006.28)
Unrealised Gain on FVTPL Securities	(572.95)	-173.44	99.23	(498.74)	-	(93.83)	(404.91)
Fair valuation of Derivative Assets	(146.03)		187.00	(333.03)	-	(333.03)	-
Others	(104.72)		(74.31)	(30.41)	(30.41)	-	-
Total Deferred Tax Liabilities	(7,406.15)	(173.44)	1,554.18	(8,786.89)	(30.41)	654.71	(9,411.19)
Provision for fall in value of Investments	5,525.55		(195.87)	5,329.68	-	(362.68)	4,967.00
Provision for Doubtful Debts and Advances	302.95		(155.49)	147.46	-	23.39	170.85
Provision for Warranties & Liquidated Damages	3,914.77		(24.73)	3,890.04	(3,822.75)	(26.84)	40.45
Provision for Litigation, Claims & Contingencies	88.43		18.35	106.78	-	(49.60)	57.18
Provision for Employee Benefits	173.40		(8.26)	165.14	-	18.81	183.95
Lease Liabilities	37.26		1,454.29	1,491.55	-	1,144.32	2,635.87
Carried Forward Business Losses	3.57		(3.57)	-	-	-	-
Fair valuation of derivative assets	-		-	-	-	9.53	9.53
Total Deferred Tax Assets	10,045.93	-	1,084.72	11,130.65	(3,822.75)	756.93	8,064.83
Deferred Tax Asset / (Liabilities) (Net)	2,639.78	(173.44)	(469.46)	2,343.76	(3,792.34)	102.22	(1,346.36)

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 0.53 Lacs [March 31, 2022 Rs. (4.91) Lacs] and income tax impact on Fair value change of cash flow hedges amounting to Rs. 342.56 Lacs [March 31, 2022 Rs. (187.00) Lacs)] included in Other Comprehensive Income and income tax impact on exchange difference on consolidation of Rs. Nil [March 31, 2022 Rs. (64.86) Lacs] included in foreign currency translation reserve.

Deferred tax asset against capital loss for provision for fall in value of Investment has been recognised to the extent of identifiable capital gains against which corresponding deferred tax liability is recognised.

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19. Trade Payables (At Amortised Cost)

	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	574.92	686.99
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	31,733.41	43,185.84
Total	32,308.33	43,872.83

Trade Payable Ageing Schedule

Particulars	Outstanding as on March 31, 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	286.10	-	-	-	286.10
Others	18,430.71	113.52	-	-	18,544.23
Disputed Trade Payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	18,716.81	113.52	-	-	18,830.33
Not Due					
Micro enterprises and small enterprises					288.82
Others					10,070.56
Unbilled					
Micro enterprises and small enterprises					-
Others					3,118.62
Total	18,716.81	113.52	-	-	32,308.33

Particulars	Outstanding as on March 31, 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	457.65	-	-	-	457.65
Others	23,660.16	1,286.94	115.16	352.93	25,415.19
Disputed Trade Payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	24,117.81	1,286.94	115.16	352.93	25,872.84
Not Due					
Micro enterprises and small enterprises					229.34
Others					11,715.27
Unbilled					
Micro enterprises and small enterprises					-
Others					6,055.38
Total	24,117.81	1,286.94	115.16	352.93	43,872.83

(a) Trade Payables include dues to related parties of Rs. 409.74 Lacs (March 31, 2022: Rs.Nil). Refer Note 40 for details.
(b) Refer Note 42 for information about market risk and liquidity risk on trade payables.

20. Contract Liabilities

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Advance from Customers	2,826.72	-	53,581.30	33,696.01
Revenue in Excess of Billing	-	-	282.56	94.88
	2,826.72	-	53,863.86	33,790.89

21. Other Liabilities

	Non-Current		Current	
	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2023 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs
Statutory Dues	-	-	306.62	680.76
	-	-	306.62	680.76

22. Revenue from Operations

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Revenue from Contract with Customers:-		
Sale of Products		
Finished Goods	262,285.34	136,038.32
Raw Materials and Components	13,246.11	8,168.38
Other Operating Revenues		
Scrap Sales	2,171.09	2,543.72
Others	256.50	-
Total	277,959.04	146,750.42

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 275,531.45 Lacs (March 31, 2021 Rs 144,206.70 Lacs). The details of which are given below:-

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Revenue recognised at a point in time	215,541.67	120,598.90
Revenue recognised over time	59,989.78	23,607.80
	275,531.45	144,206.70

Reconciliation of revenue recognised with contract price:	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Contract price	265,568.27	135,006.97
Adjustment for:		
Liquidated Damages	(1,011.00)	(359.85)
Escalation	10,974.18	9,559.58
Revenue from operation	275,531.45	144,206.70

23. Other Income

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
23.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	564.49	525.73
Others ##	194.92	50.65
	759.41	576.38
23.2 Others		
Net Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges #	2,695.33	-
Unspent Liabilities / Provisions No Longer Required Written Back	335.99	14.20
Net Gain on Sale of Investments		24.27
Net Gain on Disposal of Property, Plant and Equipment	17.95	290.32
Insurance Claim Received	76.99	684.28
Other Non-Operating Income*	208.08	0.11
	3,334.34	1,013.18
23.3 Other Gains / (Losses)		
Fair Value Gain / (Loss) on Investment - FVTPL	164.55	183.28
	164.55	183.28
Total	4,258.30	1,772.84

* Mainly comprises of Rs. 123.03 lacs recovery against bad-debt and Rs. 40.00 lacs recovery against settlement of an old case.
# Foreign Exchange Fluctuations includes Rs. 1,343.87 Lacs (March 31, 2022: Rs. Nil) on account of cancellation of forward contracts during the year
Interest income - Others for the current year represents interest income from supplier for early payment of related outstandings.

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24. Cost of Raw Materials and Components Consumed

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Inventories at the Beginning of the Year	23,250.46	10,952.26
Add: Purchases	229,768.66	116,024.00
	253,019.12	126,976.26
Less: Inventories at the End of the Year	36,488.73	23,250.46
Cost of Raw Materials and Components Consumed	**216,530.39**	**103,725.80**

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

		For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Inventories at the end of the year			
Finished Goods		-	-
Work-in-Progress		6,996.43	5,765.44
Saleable Scrap		1,067.12	761.55
	(A)	8,063.55	6,526.99
Inventories at the beginning of the year			
Finished Goods		-	883.85
Work-in-Progress		5,765.44	5,980.09
Saleable Scrap		761.55	695.30
	(B)	6,526.99	7,559.24
(Increase) / Decrease	(B-A)	(1,536.56)	1,032.25

26. Employee Benefits Expense

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Salaries, Wages and Bonus	5,063.45	4,022.76
Employee Stock Options Expense (Refer Note 34)	-	16.68
Contribution to Provident & Other Funds [Refer Note 32(ii) and 47]	275.55	229.56
Gratuity Expense [Refer Note 32(i)]	76.92	70.47
Staff Welfare Expenses	236.72	202.61
Total	**5,652.64**	**4,542.08**

27. Finance Costs

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc	5,893.32	4,470.38
Interest & Finance Charge on Lease Liabilities	575.14	223.81
Other Borrowing Costs (Bank Charges, etc.)	1,606.21	1,032.61
Total	**8,074.67**	**5,726.80**

Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs. 2,364.79 Lacs (March 31, 2022: Rs. 2,315.71 Lacs) representing cost of financing component @ 9% against long term advance from customer

28. Depreciation and Amortisation Expense

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
Depreciation of Property, Plant and Equipments (Refer Note 4.1)	1,367.04	1,175.13
Depreciation of Right-of-use Assets (Refer Note 4.6)	739.48	296.39
Amortisation of Intangible Assets (Refer Note 4.2)	143.83	366.82
Total	**2,250.35**	**1,838.34**

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29. Other Expenses

		For the year ended March 31, 2023 Rs. In Lacs		For the year ended March 31, 2022 Rs. In Lacs
Consumption of Stores and Spares		8,717.23		4,996.13
Job Processing and Other Machining Charges (including Contract Labour Charges)		9,454.35		5,539.68
Power and Fuel		4,370.01		3,325.90
Design and Development Expenses		46.69		223.82
Repairs				
Plant and Machinery		279.07		188.28
Buildings		236.42		113.07
Others		165.49		78.25
Rent and Hire Charges		102.57		433.79
Rates and Taxes		226.45		256.74
Insurance		232.27		188.25
Security Services		169.91		171.56
Advertising and Sales Promotion		170.45		86.17
Brokerage and Commission		138.50		93.53
Travelling and Conveyance		937.41		420.81
Legal and Professional Fees		890.83		655.02
Commission to non-whole time directors		25.00		10.00
Directors Sitting Fees		55.40		66.60
Payment to Auditors:				
As Auditors				
Audit Fee	59.00		48.00	
Limited Review	21.00		12.00	
Other Certification Services	7.75		8.50	
Reimbursement of Expenses	6.35	94.10	2.98	71.48
Warranty Claims (net)	65.65		(8.18)	
Less: Adjusted with Provision	49.60	16.05	-	(8.18)
Irrecoverable debts/ advances/ other receivables written off	2,536.08		3,062.32	
Less: Adjusted with Provision	9.27	2,526.81	808.84	2,253.48
Provision for Doubtful Debts and Advances		102.22		-
Foreign Exchange Fluctuations (Refer Note 29.2)		-		353.81
Corporate Social Responsibility Expenses (Refer Note 29.1)		45.37		7.68
Miscellaneous Expenses		1,960.92		1,433.13
Total		**30,963.52**		**20,959.00**

29.1 Corporate Social Responsibility Expenses

		For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
(a)	Amount required to be spent by the Parent Company during the year	-	-
(b)	Amount spent during the year by the Parent Company on		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above (fully paid)	45.37	7.68
	Total	**45.37**	**7.68**

29.2 Foreign Exchange Fluctuations is net of gain of Rs. Nil (March 31, 2022: Rs. 127.20 Lacs) on account of cancellation of forward contracts during the year.

30. Income Tax Expense / (Benefit)

	For the year ended March 31, 2023 Rs. In Lacs	For the year ended March 31, 2022 Rs. In Lacs
(A) Amount Recognised in the Statement of Profit and Loss		
Current Tax	5,305.50	2,632.45
Deferred Tax	240.87	286.88
Total Income Tax Expense Recognised in Profit and Loss	5,546.37	2,919.33
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit /(Loss) before Tax	18,118.00	2,895.52
At India's Statutory Income Tax Rate of 25.168% (March 31, 2022: 25.168%)	4,559.94	728.74
Adjustments:		
Non-deductible Income / (Expenses) for Tax Purposes		
Expenses not allowed as deductions	58.83	118.06
Deferred tax not recognised on capital losses #	1,349.67	1,341.76
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	136.09	81.03
Derecognition of Optionally Fully convertible debentures	-	(170.34)
Impact of Brought Forward Loss	-	(24.41)
Impact of Discontinued Operations	(558.16)	844.49
	5,546.37	2,919.33

Refer Note 18

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31 Earnings/(Loss) Per Equity Share

(Rs. In Lacs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Basic and Diluted		
(i) Number of Equity Shares at the Beginning of the Year	119,571,089	119,387,589
(ii) Number of Equity Shares at the End of the Year	119,571,089	119 571 089
(iii) Weighted Average Number of Equity Shares Outstanding during the year	119,571,089	119,491,175
(iv) Face Value of Each Equity Share (Rs)	2 00	2 00
(v) Profit / (Loss) after Tax Available for Equity Shareholders of the Parent Company (Rs. In Lacs):		
From Continuing Operation (Rs in Lacs)	13,912 07	7,815 37
From Discontinuing Operation (Rs in Lacs)	(891 70)	(7,848 21)
From Continuing and Discontinuing Operation (Rs in Lacs)	13,020 37	(32 84)
(vi) Basic and Diluted Earnings/(Loss) per Equity Share (Rs) [(v)/(iii)] =		
From Continuing Operation	11 63	6 54
From Discontinuing Operation	(0 75)	(6 57)
From Continuing and Discontinuing Operation	10 89	(0 03)

32 Employee Benefits:

(i) Post-employment Defined Benefit Plans:

Gratuity

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

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

(Rs.in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	7 57	7 65	42 41	36 84
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.58	2.74	22.36	23.24
Total	12.15	10.39	64.77	60.08
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(3.76)	36.63	5 86	(56 13)
Total	(3.76)	36.63	5.86	(56.13)
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	111 92	123 07	403.81	366 89
Fair value of Plan Assets	46.66	46.66	-	-
Net Liability	65.26	76.41	403.81	366.89
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	-	-	125.43	102 37
Non-Current Liability (Long term)	65.26	76.41	278.38	264.52
	65.26	76.41	403.81	366.89
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	123 07	96 30	366.89	408 16
Current Service Cost	7 57	7.65	42.41	36 84
Interest Cost	7 38	5 30	22.36	23 25
Benefits Paid	(19.54)	(20.24)	(33.71)	(45.23)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	(4.48)	(1.26)	(17.24)	(2 11)
Demographic Assumptions	-	(0.03)	-	(1.53)
Experience Variance	(2 08)	35.35	23.10	(52.49)
Closing Defined Benefit Obligation	111.92	123.07	403.81	366.89
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	46.66	46 67		
Return on Plan Assets	(2.80)	(2 57)		
Investment Income	2 80	2 56		
Fair Value of Plan Assets at the end of the year	46.66	46.66		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of India	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	3 years	3 years	3 years	4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	30 49	42 64	125 43	102 37
Later than 1 year and not later than 5 years	80 08	74 72	243.44	216 99
Later than 5 year and not later than 10 years	26 46	25 31	123.98	107 99
More than 10 years	5 88	6 58	45 99	45 49
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	7 25%	6.00%	7 25%	6 10%
Rate of increase in Salary	6.50%	6.50%	5 00%	5 00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India
The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market
The Parent Company expects to contribute Rs 71 76 Lacs (March 31, 2022 Rs 82 84 Lacs) to the funded gratuity plans during the next financial year

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

(Rs. in Lacs)

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2023		As at March 31, 2022		As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	115.44	108.59	126.94	119.43	418 68	389.95	381.25	353 54
Salary Growth Rate (/ + 1%)	108.53	115.43	119.41	126.88	398.94	417.98	354.47	379.93

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

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

(ii) Post-employment Defined Contribution Plans:

(A) Provident Fund and Employee State Insurance Scheme (ESI)

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

The amounts paid to Defined Contribution Plans are as follows:

	For the year ended March 31, 2023 Rs.in Lacs	For the year ended March 31, 2022 Rs.in Lacs
Provident Fund (refer note 47)	247.85	205 85
ESI	27.70	23 71
Total	275.55	229.56

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(iii) Leave Benefits

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

The total provision recorded by the Parent Company and a subsidiary towards these benefits at year end was Rs 136 09 Lacs (March 31, 2022 Rs 1,100 77 Lacs) The amount of the provision is presented as current, since the Parent Company and the subsidiary does not have an unconditional right to defer settlement for any of these benefits However, based on past experience, the Parent Company and the subsidiary does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months The following amounts reflect leave that is not expected to be taken or paid within the next 12 months

	As at March 31, 2023 Rs.in Lacs	As at March 31, 2022 Rs.in Lacs
Leave provision not expected to be settled within the next 12 months	91 86	420 20

(iv) Risk Exposure

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

(a) Discount Rate Risk

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

(b) Salary Growth Risks

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

(c) Demographic Risk

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

33 Research and Development expenditure of revenue nature recognised in profit and loss during the year amounts to Rs 301 84 Lacs (March 31, 2022: Rs 322 96 Lacs)

34 Employee Stock Option Plan (ESOP)

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

Tranche 1 - Second Allotment

b) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44 20
Market price at May 19, 2017	Rs 122 80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	-	-	57,500	44 20
Exercised during the year	-	-	57,500	44 20
Outstanding at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs Nil (March 31, 2022: Rs Nil) and weighted average contractual life of the option as at March 31, 2023 is Nil years (March 31, 2022: Nil years) The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2022: Nil years). The weighted average fair value of stock options granted was Rs Nil (March 31, 2022: Rs Nil)

The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2022	
August 10, 2021	86.53

	Grant Date-May 19, 2017			
Share price (Rs)	122 80	122 80	122 80	122 80
Exercise price (Rs)	44 20	44 20	44 20	44 20
Risk-free interest rate	6 70%	6 70%	6 70%	6 70%
Expected volatility	35 68%	47 71%	54 92%	55 08%
Dividend yield	0 59%	0 59%	0.59%	0 59%
Term to maturity	1 00	2 00	3 00	4 00

Tranche 2 - First Allotment

c) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44 20
Market price at May 19, 2017	Rs 122 80

The vesting schedule of the options is as follows:

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

The movement of the option is summarised below:

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	-	-	147,000	44 20
Lapsed during the year	-	-	18,000	44 20
Forfeited during the year	-	-	3,000	44 20
Exercised during the year	-	-	126,000	44 20
Outstanding at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs Nil (March 31, 2022: Rs Nil) and weighted average contractual life of the option as at March 31, 2023 is Nil years (March 31, 2022: Nil years) The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2022: Nil years). The weighted average fair value of stock options granted was Rs Nil (March 31, 2022: Rs Nil)

The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2022	
August 10, 2021	86 53
November 13, 2021	93.29

	Grant Date-May 19, 2017			
Share price (Rs)	122 80	122 80	122 80	122 80
Exercise price (Rs)	44 20	44 20	44 20	44 20
Risk-free interest rate	6 70%	6 70%	6 70%	6 70%
Expected volatility	35 68%	47 71%	54 92%	55 08%
Dividend yield	0 59%	0 59%	0 59%	0 59%
Term to maturity	1 00	2 00	3 00	4 00

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Disclosures are restricted to Tranche 1 - Second Allotment and Tranche 2 - First Allotment as the other tranches have lapsed and expired in the earlier periods

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

During the year ended the Parent Company recorded an employee compensation expense of Rs Nil (March 31, 2022 Rs 16 68 Lacs) in the Statement of Profit and loss

The Board of Directors of the Parent Company at its meeting held on March 21, 2023 approved the Employee Stock Option Scheme titled "Titagarh Employees Stock Options Scheme, 2023" for the employees of the Parent Company and its subsidiary and associates. Subsequently, on March 28, 2023, the shareholders, by way of postal ballot approved the said Scheme.

35 There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties

36 Commitments

	As at March 31, 2023 Rs.in Lacs	As at March 31, 2022 Rs.in Lacs
Estimated amount of contracts remaining to be executed on capital accounts and not provided for [net of advances Rs Nil (March 31, 2022 Rs Nil)]	9,149 45	1,258 98

37 Contingent Liabilities

	As at March 31, 2023 Rs.in Lacs	As at March 31, 2022 Rs.in Lacs
(i) Claims against the Group not acknowledged as debt		
Disputed claims contested by the Group and pending at various courts/arbitration*	3,200 30	3,277 12
Matters under appeal with:		
Sales tax authorities	2,520 09	2,522 97
Income tax authorities	4,950 99	5,368 90
Customs and Excise Authorities	13,849 99	13,868 42
Goods and service tax Authorities	168 88	168 88
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190 54	1,190 54
	25,880 79	26,396 83

* Includes Rs 1,360 45 Lacs (March 31, 2022: Rs 1,360 45 Lacs) which in terms of BIFR order, even if decided against the Group, would stand at Rs 136 04 Lacs (March 31, 2022: Rs 136 04 Lacs) only

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

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

(ii) Further:

(a) Erstwhile Cimmco Limited (Since merged with the Parent Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable

(b) SBI Caps has raised a claim of Rs 1,128.95 lacs on erstwhile Cimmco Limited (since merged with the Parent Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has been sub leased to Indian Railways The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Parent Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Company believes that there would not be any liability that would crystallise on account of the above.

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

	As at March 31, 2023 Rs in Lacs	As at March 31, 2022 Rs.in Lacs
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	525 74	686 99
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1 55	0 84
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,064 15	2,142 63
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	42 74	25 96
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	49 18	47 63
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act		

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Group There are no MSME payable for purchase of Property, Plant & Equipment

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39 Segment Information

During the year, the Group has revisited its operating segments based on the recent changes in the overall business landscape and accordingly the Company's products have been identified by the chief operating decision maker, being the Board of Directors, as "Freight Rail Systems" and "Passenger Rail Systems"

a) **Freight Rail Systems** - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment' s for Defence, Bridge Girders etc.

b) **Passenger Rail Systems** - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the consolidated statement of profit and loss.
Segment Assets and Liabilities are measured in the same way as in the consolidated financial statements.
These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information about Operating Segments

For the year ended March 31, 2023

(Rs. in Lacs)

	Freight Rail Systems	Passenger Rail Systems	Total
Revenue from Operations			
Segment Revenue (External)	225,093.47	52,865.57	277,959.04
Segment Profit/(Loss) (a)	23,570.94	2,198.13	25,769.07
Unallocated (Income) / Expenses			
Finance Costs			5,144.25
Interest Income			(564.55)
Interest Expense - Net (b)			4,579.70
Depreciation and Amortisation Expense			272.94
Other Corporate Income			(2,924.00)
Other Corporate Expenses			4,830.73
Unallocable expenditure net of income (c)			2,179.67
Profit before Taxes (a-b-c)			19,009.70
Tax Expenses /(Credit)			5,546.37
Profit for the year			13,463.33
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	1,578.41	399.00	1,977.41
Unspent Liabilities / Provisions No Longer Required Written Back	(319.30)	-	(319.30)
Segment Assets	117,946.10	61,689.58	179,635.68
Unallocated Assets			
Investments			3,179.80
Cash and Cash Equivalents			5,540.55
Other Bank Balances			4,457.79
Non-current / Current Tax Assets (Net)			29,949.33
Deferred Tax Assets (Net)			-
Other Unallocated Assets			2,043.93
Total Assets			224,807.08
Segment Liabilities	63,270.33	36,407.46	99,677.79
Unallocated Liabilities			
Borrowings			24,932.41
Current Tax Liabilities (Net)			527.61
Deferred Tax Liabilities (Net)			1,346.36
Other Unallocated Liabilities			1,967.74
Total Liabilities			128,451.91

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For the year ended March 31, 2022

(Rs. in Lacs)

	Freight Rail Systems	Passenger Rail Systems	Total
Revenue from Operations			
Segment Revenue (External)	127,307.51	19,442.91	146,750.42
Segment Profit/(Loss) (a)	17,302.47	614.03	17,916.50
Unallocated (Income) / Expenses			
Finance Costs			3,702.39
Interest Income			(1,271.27)
Interest Expense - Net (b)			2,431.12
Depreciation and Amortisation Expense			275.38
Other Corporate Income			(524.19)
Other Corporate Expenses			5,035.20
Unallocable expenditure net of income (c)			4,786.39
Profit before Taxes (a-b-c)			10,698.99
Tax Expenses (Credit)			2,919.33
Profit for the year			7,779.66
Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	1,306.06	256.90	1,562.96
Unspent Liabilities / Provisions No Longer Required Written Back	(3.59)		(3.59)
Segment Assets	81,729.87	146,729.78	228,459.65
Unallocated Assets			
Investments			3,015.26
Cash and Cash Equivalents			895.85
Other Bank Balances			3,309.76
Non-current / Current Tax Assets (Net)			45,291.72
Deferred Tax Assets (Net)			3,792.36
Other Unallocated Assets			(16,873.81)
Total Assets			267,890.79
Segment Liabilities	33,160.78	57,868.53	91,029.31
Unallocated Liabilities			
Borrowings			86,053.04
Current Tax Liabilities (Net)			1,589.45
Deferred Tax Liabilities (Net)			1,448.60
Other Unallocated Liabilities			3,543.16
Total Liabilities			183,663.56

Entity-wide Disclosures:-

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

	For the year ended March 31, 2023 Rs.in Lacs	For the year ended March 31, 2022 Rs.in Lacs
India	277,655.71	146,750.42
Rest of the World	303.33	-
Total	277,959.04	146,750.42

(b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

	For the year ended March 31, 2023 Rs.in Lacs	For the year ended March 31, 2022 Rs.in Lacs
India	81,263.63	74,372.86
Rest of the World	-	36,517.34
Total	81,263.63	110,890.20

(c) Total revenue from external customers includes sales to Indian Railways of Rs. 172,441.14 Lacs (March 31, 2022: Rs. 86,292.93 Lacs) and Maharashtra Metro Railway Corporation Rs 52,462.98 Lacs (March 31, 2022: Rs 18,442.21 Lacs) which represents more than 10% of the total revenue from external customers of the Group.

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40 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related parties:

Subsidiary Company:	Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (upto September 8, 2022)
Associate Company:	Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) (w.e.f September 9, 2022)
Joint Venture Company:	Titagarh Mermec Private Limited

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

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Anil Kumar Agarwal - Director (Finance), Chief Business & Risk Officer and Chief Financial Officer Mr. Saurav Singhania- Joint Chief Financial Officer & Group Finance Controller (w.e.f November 18, 2022) Mr. Sudipta Mukherjee - Director (Whole-Time Director) (upto March 17, 2023) Mr. Saket Kandoi - Director (Whole-Time Director) (w.e.f March 17, 2023) Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Prithish Chowdhary - Non Executive Director (upto August 12, 2022) Mr. Prithish Chowdhary - Director (Marketing & Business Development) (w.e.f August 13, 2022) Mr. Manoj Mohanka - Independent Director Mr. Atul Ravishanker Joshi - Independent Director Mr. Sunirmal Talukdar - Independent Director Mr. Sushil Kumar Roongta - Independent Director Mr. Krishan Kumar Jalan - Independent Director Ms. Nayantara Palchoudhuri - Independent Director Mr. Dinesh Arya - Company Secretary (w.e.f March 18, 2023) Mr. Ravi Mundhra - Company Secretary (upto March 17, 2023) Mr. Sumit Jaiswal - Company Secretary (upto August 12, 2022)
Close Family Members of the KMPs:	Mrs. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary Mrs. Sumita Kandoi, Daughter of Mr. J P Chowdhary
Enterprises over which KMP/ Shareholders/ Close Family Members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Shivaliks Mercantile Private Limited Nicco Eastern Private Limited

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

(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss							
Sale of Products							
Titagarh Firema S.p.A	2022-23	-	209.47	-	-	-	209.47
	2021-22	-	-	-	-	-	-
Purchase of Raw Materials and Components							
Titagarh Firema S.p.A	2022-23	-	2,807.86	-	-	-	2,807.86
	2021-22	-	-	-	-	-	-
Nicco Eastern Private Limited	2022-23	-	-	104.05	-	-	104.05
	2021-22	-	-	-	-	-	-
Reimbursement of Expenses Received							
Titagarh Enterprises Limited	2022-23	-	-	30.57	-	-	30.57
	2021-22	-	-	-	-	-	-
Payment for Lease Rental							
Titagarh Enterprises Limited	2022-23	-	-	864.83	-	-	864.83
	2021-22	-	-	675.86	-	-	675.86

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TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2023

(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss							
Interest expense on Loan							
Titagarh Enterprises Limited	2022-23	-	-	128.32	-	-	128.32
	2021-22	-	-	69.75	-	-	69.75
Interest Expense on 4% Optionally Fully Convertible Debentures (OFCD)							
Mr. J P Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	6.65	-	6.65
Mr. Umesh Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	2.22	-	2.22
Ms. Savitri Devi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	3.88	3.88
Ms. Rashmi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	1.66	-	1.66
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	55.85	-	-	55.85
Shivaliks Mercantile Private Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	60.39	-	-	60.39
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]							
Mr. J P Chowdhary	2022-23	-	-	-	257.28	-	257.28
	2021-22	-	-	-	257.28	-	257.28
Mr. Umesh Chowdhary	2022-23	-	-	-	257.28	-	257.28
	2021-22	-	-	-	257.28	-	257.28
Mr. Pritish Chowdhary	2022-23	-	-	-	32.83	-	32.83
	2021-22	-	-	-	-	-	-
Mr. Saket Kanoi	2022-23	-	-	-	1.95	-	1.95
	2021-22	-	-	-	-	-	-
Mr. Anil Agarwal	2022-23	-	-	-	104.98	-	104.98
	2021-22	-	-	-	83.69	-	83.69
Mr. Dinesh Arya	2022-23	-	-	-	2.95	-	2.95
	2021-22	-	-	-	-	-	-
Mr. Sudipta Mukherjee.	2022-23	-	-	-	58.96	-	58.96
	2021-22	-	-	-	65.42	-	65.42
Mr. Saurav Singhania	2022-23	-	-	-	26.54	-	26.54
	2021-22	-	-	-	12.00	-	12.00
Mr. Sumit Jaiswal	2022-23	-	-	-	3.13	-	3.13
	2021-22	-	-	-	12.60	-	12.60
Mr. Ravi Prakash Mundhra	2022-23	-	-	-	19.14	-	19.14
	2021-22	-	-	-	-	-	-
Employee Stock Option Expense							
Mr. Anil Kumar Agarwal	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	0.91	-	0.91
Mr. Sudipta Mukherjee	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	0.91	-	0.91
Commission to non-whole time directors							
Mr. Sunirmal Talukdar	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Manoj Mohanka	2022-23	-	-	-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Sushil Kumar Roongta	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Ms. Nayantara Palchoudhri	2022-23	-	-	-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Mr. Krishna Kumar Jalan	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Sitting Fees to Directors							
Mr. Manoj Mohanka	2022-23	-	-	-	11.80	-	11.80
	2021-22	-	-	-	12.60	-	12.60
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	10.00	-	10.00
	2021-22		-	-	14.40	-	14.40
Mrs. Rashmi Chowdhary	2022-23	-	-	-	3.20	-	3.20
	2021-22	-	-	-	3.20		3.20
Mr. Sunirmal Talukdar	2022-23	-	-	-	12.00	-	12.00
	2021-22	-	-	-	16.00	-	16.00
Ms. Nayantara Palchoudhuri	2022-23	-	-	-	5.00	-	5.00
	2021-22	-	-	-	5.00	-	5.00
Mr. Krishan Kumar Jalan	2022-23	-	-	-	5.00	-	5.00
	2021-22	-	-	-	5.00	-	5.00
Mr. Sushil Kumar Roongta	2022-23	-	-	-	7.00	-	7.00
	2021-22	-	-	-	6.40	-	6.40
Mr. Prithish Chowdhary	2022-23	-	-	-	1.40	-	1.40
	2021-22	-	-	-	4.00	-	4.00

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(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Balance Sheet							
Loan Taken							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	2,000.00	-	-	2,000.00
Repayment of Loan							
Titagarh Enterprises Limited	2022-23	-	-	2,000.00	-	-	2,000.00
	2021-22	-	-	-	-	-	-
Security Deposit Paid							
Titagarh Enterprises Limited	2022-23	-	-	293.98	-	-	293.98
	2021-22	-	-	338.10	-	-	338.10
Balances Outstanding as at the Year end							
Trade Receivables							
Titagarh Firema S.p.A	2022-23	-	1,274.51	-	-	-	1,274.51
	2021-22	-	-	-	-	-	-
Titagarh Enterprises Limited	2022-23	-	-	36.07	-	-	36.07
	2021-22	-	-	-	-	-	-
Trade Payables							
Nicco Eastern Private Limited	2022-23	-	-	9.93	-	-	9.93
	2021-22	-	-	-	-	-	-
Titagarh Enterprises Limited	2022-23	-	-	399.81	-	-	399.81
	2021-22	-	-	-	-	-	-
Capital Advance							
Titagarh Firema S.p.A	2022-23	-	2,387.31	-	-	-	2,387.31
	2021-22	-	-	-	-	-	-
Investment In Equity shares							
Titagarh Firema S.p.A	2022-23	-	1,272.63	-	-	-	1,272.63
	2021-22	-	-	-	-	-	-
Other Liabilities							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	16.26	-	-	16.26
Loans Taken							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	2,000.00	-	-	2,000.00
Interest outstanding on Loans							
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	62.78	-	-	62.78
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	2022-23	-	-	-	30.00	-	30.00
	2021-22	-	-	-	30.00	-	30.00
Mr. Sudipta Mukherjee	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	15.00	-	15.00
Titagarh Firema S.p.A	2022-23	-	166.63	-	-	-	166.63
	2021-22	-	-	-	-	-	-
Redemption of OFCD							
Mr. J P Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	84.93	-	84.93
Mr. Umesh Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	28.31	-	28.31
Mrs. Savitri Devi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	49.54	49.54
Mrs. Rashmi Chowdhary	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	21.23	-	21.23
Titagarh Enterprises Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	713.41	-	-	713.41
Shivaliks Mercantile Private Limited	2022-23	-	-	-	-	-	-
	2021-22	-	-	771.44	-	-	771.44
Commission payable to non whole time directors							
Mr. Atul Ravishanker Joshi	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Sunirmal Talukdar	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Sushil Kumar Roongta	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Mr. Krishan Kumar Jalan	2022-23	-	-	-	4.17	-	4.17
	2021-22	-	-	-	1.67	-	1.67
Ms. Nayantara Palchoudhri	2022-23			-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Mr. Manoj Mohanka	2022-23	-	-	-	4.16	-	4.16
	2021-22	-	-	-	1.67	-	1.67
Investments							
Titagarh Firema S.p.A	2022-23	-	-	-	-	-	-
(Net of Loss: Rs 1,272.63 Lacs)	2021-22	-	-	-	-	-	-
Titagarh Mermec Private Limited	2022-23	-	-	-	-	-	-
(Net of Loss: Rs 0.50 Lacs)	2021-22	-	-	-	-	-	-
Security Deposit							
Titagarh Enterprises Limited	2022-23	-		281.92	-	-	281.92
	2021-22	-		147.50	-	-	147.50

Notes :

a) Terms and Conditions of Transactions with Related Parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales/services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash.

b)

Compensation of Key Managerial Personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits	718.15	648.20
Contribution to provident and other funds	46.89	40.07
Share-based payment transactions	-	1.82
	765.04	690.09

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

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41 Fair Values

(i) Fair value hierarchy

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

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

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

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

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2023 and March 31, 2022.

The following table provides the fair value measurement hierarchy of the Group's assets:

(Rs. in Lacs)

Quantitative disclosures Fair Value Measurement hierarchy for Assets:	Date of Valuation	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:					
Investments	March 31, 2023	-	-	3,179.60	3,179.60
	March 31, 2022	-	-	3,015.06	3,015.06
Derivative financial Assets	March 31, 2023	-	-	-	-
	March 31, 2022	-	1,323.24	-	1,323.24
Total Financial Assets	**March 31, 2023**	-	-	**3,179.60**	**3,179.60**
	March 31, 2022	-	**1,323.24**	**3,015.06**	**4,338.30**
Derivative financial Liabilities	March 31, 2023	-	37.87	-	37.87
	March 31, 2022	-	-	-	-
Total Financial Liabilities	**March 31, 2023**	-	**37.87**	-	**37.87**
	March 31, 2022	-	-	-	-

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2023 and March 31, 2022 are as shown below:

(Rs. In Lacs)

Significant Unobservable Input - Weighted Average Cost of Capital / Discounting Rate *	March 31, 2023	March 31, 2022
Impact of 1% Increase	(319.00)	(187.90)
Impact of 1% Decrease	434.68	250.81

Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company #	March 31, 2023	March 31, 2022
Impact of 5% Increase	57.86	83.53
Impact of 5% Decrease	(57.86)	(83.53)

* For FVTPL assets in unquoted equity shares

\# For FVTPL assets in unquoted equity shares

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

(Rs. In Lacs)

	Investment in equity shares
Closing Balance as on March 31, 2021	3,127.72
Sale during the period	(295.95)
Re-measurement recognised in Consolidated Statement of Profit and Loss	183.29
Closing Balance as on March 31, 2022	3,015.06
Sale during the period	-
Re-measurement recognised in Consolidated Statement of Profit and Loss	164.54
Closing Balance as on March 31, 2023	3,179.60

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2022.

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

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

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

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

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

42 Financial Risk Management Objectives and Policies

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

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

I) Market Risks

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

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(i) **Foreign currency risks**

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

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

(Rs. in Lacs)

	March 31, 2023			
PARTICULARS	NPR	USD	EURO	JPY
Financial Assets				
Trade Receivables	221.80	616.60	2,892.99	2,249.51
Other Financial Assets	-	-	375.90	-
Cash & Cash Equivalents	253.41	-	-	-
Derivative Assets				
Foreign exchange forward contracts	-	-	(3,170.19)	(2,336.04)
Net exposure to Foreign Currency Risk (Assets)	475.21	616.60	98.70	(86.53)
Financial Liabilities				
Trade Payables	7.32	41.10	1,852.20	989.85
Other Financial Liabilities	-	17.13	-	-
Borrowings	-	2,044.51	-	-
Derivative Liabilities				
Foreign Exchange Forward Contracts	-	(5,290.36)	-	-
Net exposure to Foreign Currency Risk (Liabilities)	7.32	(3,187.62)	1,852.20	989.85
Net exposure to Foreign Currency Risk (Assets less Liabilities)	467.89	3,804.22	(1,753.50)	(1,076.38)

(Rs. in Lacs)

	March 31, 2022			
PARTICULARS	NPR	USD	EURO	JPY
Financial Assets				
Trade Receivables	316.66	568.23	2,274.07	2,151.87
Cash & Cash Equivalents	-	-	-	-
Derivative Assets				
Foreign exchange forward contracts	-	-	-	1,323.24
Net exposure to Foreign Currency Risk (Assets)	316.66	568.23	2,274.07	3,475.11
Financial Liabilities				
Trade Payables	-	-	686.88	-
Net exposure to Foreign Currency Risk (Liabilities)	-	-	686.88	-
Net exposure to Foreign Currency Risk (Assets less Liabilities)	316.66	568.23	1,587.19	3,475.11

Foreign Currency Sensitivity

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

	Changes in EURO rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2023	5%	(1,753.50)	(87.68)	5%	3,804.22	190.21
	-5%		87.68	-5%		(190.21)
March 31, 2022	5%	1,587.19	79.36	5%	568.23	28.41
	-5%		(79.36)	-5%		(28.41)

	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in JPY rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2023	5%	467.89	23.39	5%	(1,076.38)	(53.82)
	-5%		(23.39)	-5%		53.82
March 31, 2022	5%	316.66	15.83	5%	3,475.11	173.76
	-5%		(15.83)	-5%		(173.76)

(ii) **Equity price risks**

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

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

The Group's investment in quoted equity instruments is not material. For sensitivity analysis of Group's investments in equity instruments, Refer Note 41(ii).

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(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Group continuously monitor the situation and takes remedial actions if required. The Group's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates

Interest rate risk exposure

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

	As at March 31, 2023 Rs in Lacs	As at March 31, 2022 Rs in Lacs
Variable Rate Borrowings	24,932.41	84,053.04
Fixed Rate Borrowings	-	2,000.00
Total Borrowings	24,932.41	86,053.04

Sensitivity

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

	Impact on Profit before Tax	
	March 31, 2023 Rs in Lacs	March 31, 2022 Rs in Lacs
Interest Rates - Increase by 100 basis points *	(249.32)	(840.53)
Interest Rates - Decrease by 100 basis points *	249.32	840.53

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

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023 and March 31, 2022 is their carrying amounts except for the financial guarantees.

(a) Trade and Other Receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The Group uses specific identification method in determining the allowance for credit losses of trade receivable considering prior experience, past due status of doubtful receivables which includes factors such as ability to pay, bankruptcy, payment history, forward looking information etc. receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business.
These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Further the Group has also applied the simplified approach for expected credit loss based on trade receivable and contract assets which resulted in the default risk being upto 6.81% in respect of various categories of customers, which is not significant and the movement of allowance is given in (c) below.

(b) Other Financial Assets and Deposits

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

(c) Reconciliation of Impairment Provision

(Rs. In lacs)

	Trade Receivables	Other Financial Assets
Opening Balance as at March 31, 2021	628.35	253.08
Provision adjusted with corresponding receivable balance during the year ended March 31, 2022	(377.04)	(253.08)
Closing Balance as at March 31, 2022	251.31	-
Provision made during the year ended March 31, 2022	102.22	-
Transfer to Discontinued Operation	(251.31)	-
Closing Balance as at March 31, 2023	102.22	-

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions based on the Group's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.
The Group has recorded bad debts of Rs. 165.81 lacs (March 31, 2022: Rs. 1,424.71 lacs), being not realisable from customers.

Movement of Liquidated Damages:

Particulars	(Rs. In Lacs)
Opening Balance as at March 31, 2021	317.79
Provision made during the year ended March 31, 2022	359.85
Provision utilized / reversed during the year ended March 31, 2022	(203.39)
Opening Balance as at March 31, 2022	474.25
Provision made during the year ended March 31, 2023	1,011.00
Provision utilized / reversed during the year ended March 31, 2023	(1,117.56)
Transfer to Discontinued Operation	(206.96)
Closing Balance as at March 31, 2023	160.73

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.
The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposits , which carry no market risk. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under:

(Rs. In Lacs)

As at March 31, 2023	Carrying Amount	Contractual Cash flows	Upto 1 year	2-3 years	More than 3 years
Non-derivative Financial Liabilities					
Borrowings (including interest accrued and not due on borrowings) *	24,966.98	26,502.63	20,628.41	3,188.62	2,685.60
Lease Liabilities	10,393.61	10,473.11	490.71	1,330.07	8,652.33
Trade Payables	32,308.33	32,308.33	32,308.33	-	-
Other Financial Liabilities	716.56	716.56	716.56	-	-
	68,385.48	70,000.63	54,144.01	4,518.69	11,337.93

As at March 31, 2022	Carrying Amount	Contractual Cash flows	Upto 1 year	2-3 years	More than 3 years
Non-derivative Financial Liabilities					
Borrowings (including interest accrued and not due on borrowings) *	86146.37	92,748.86	38,026.53	18,575.18	36,147.15
Lease Liabilities	5926.37	9,016.63	766.84	812.38	7,437.41
Trade Payables	43872.83	43,872.83	43,872.83	-	-
Other Financial Liabilities	1089.06	1,089.06	1,089.06	-	-
	137,034.63	146,727.38	83,755.26	19,387.56	43,584.56

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

42.1 The Group does not have any material foreseeable losses on long term contracts. Further the net losses on derivative contracts during the year have been recognised in the financial statements in keeping with Group's accounting policy

43 Capital Management

(a) Risk Management

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

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

The following table summarises the capital of the Group:

	As at March 31, 2023 (Rs. in Lacs)	As at March 31, 2022 (Rs. in Lacs)
Total Borrowings	24,932.41	86,053.04
Less: Cash and Cash Equivalents	5,540.55	895.85
Net Debt	19,391.86	85,157.19
Equity	96,355.17	84,212.82
Total Capital (Equity + Net Debt)	115,747.03	169,370.01
Net Debt to Equity Ratio	20.13%	101.12%

(b) Dividends on Equity Shares

	For the year ended March 31, 2023 (Rs. in Lacs)	For the year ended March 31, 2022 (Rs. in Lacs)
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2022 of Rs. Nil (March 31, 2021 of Rs. Nil) per fully paid share	-	-
Dividend Distribution Tax on above	-	-

Proposed Dividend

The Board of Directors recommended a dividend of ₹0.50/- per Ordinary (Equity) Share of ₹2/- each (25%) to the shareholders of the Company for the FY2022-23. The dividend recommended by the Board of Directors of the Company is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company. The dividend, if approved by the shareholders at the AGM, will be paid, subject to deduction of tax at source.

44 Debt Reconciliation

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

	As at March 31, 2023 (Rs. in Lacs)	As at March 31, 2022 (Rs. in Lacs)
Non- current Borrowings	4,962.50	49,557.75
Current Maturities of Long-term Debt	3,286.13	5,249.52
Current Borrowings	16,683.78	31,245.77
Interest accrued on Borrowings	34.57	93.33
Lease Liabilities	10,393.61	5,926.37
Total	35,360.59	92,072.74

(Rs. in Lacs)

Particulars	Non-current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2021	62,874.18	21,695.06	148.05	84,717.29
New Leases	-	-	5940.26	5,940.26
Finance Costs	4,296.30	4,819.39	223.81	9,339.50
Less: Finance cost Capitalised in Inventory	(2,315.71)	-		(2,315.71)
Cash Flows				
Principal repayment of Leases	-	-	(385.75)	(385.75)
Proceeds from Long-term Borrowings from Banks	2,000.00	-	-	2,000.00
Repayment of Long-term Borrowings from Banks	(10,325.53)	-	-	(10,325.53)
Short-term Borrowings - Receipts/(Payments)	-	9,571.73	-	9,571.73
Finance Costs Paid	(1,548.15)	(4,747.08)	-	(6,295.23)
Non-cash Transactions				
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	(850.64)	-	-	(850.64)
Derecognition of Equity Portion of OFCD (net)	676.82	-	-	676.82
Debt as at March 31, 2022	54,807.27	31,339.10	5,926.37	92,072.74
New Leases	-	-	4,836.43	4,836.43
Finance Costs	2,979.13	4,520.40	575.14	8,074.67
Less: Finance cost Capitalised in Inventory	(2,364.79)	-	-	(2,364.79)
Liabilities held for sale	-	-	(79.50)	(79.50)
Cash Flows				
Principal repayment of Leases	-	-	(864.83)	(864.83)
Proceeds from Long-term Borrowings from Banks	4,962.50	-	-	4,962.50
Repayment of Long-term Borrowings from Banks	(2,705.02)	-	-	(2,705.02)
Repayment of Long from Related Party	(2,000.00)	-	-	(2,000.00)
Short-term Borrowings - Receipts/(Payments)	-	10,798.89	-	10,798.89
Finance Costs Paid	(614.34)	(4,579.16)	-	(5,193.50)
Non-cash Transactions				
Transfer to Discontinued Operation	(46,816.12)	(25,360.88)	-	(72,177.00)
Debt as at March 31, 2023	8,248.63	16,718.35	10,393.61	35,360.59

45 Revenue recognised in relation to contract liability

	As at March 31, 2023 (Rs. in Lacs)	As at March 31, 2022 (Rs. in Lacs)
Revenue recognised that was included in the contract liability balance at the beginning of the period	8,370.84	20,202.84

The aggregate amount of the transaction price allocated to the remaining performance obligation, which are partially or fully unsatisfied as at year end is Rs 929,678.13 Lacs (March 31, 2022: Rs 283,645.00 Lacs) and the entity will recognise this revenue as the contract is completed and / or executed, which is expected to occur over the next 12-30 months.

Trade receivables in respect of contract with customers has been included in Note-6

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46 Discontinued Operations:

(a) Pursuant to an investment agreement dated July 20, 2022 signed between the Parent Company, TBIPL (now amalgamated with the Parent Company) and the Government of Italy through its investment agency, (Invitalia) along with an international private equity investor, have together infused fresh equity of Euro 14.5 million (Euro 10 million by Invitalia and Euro 4.5 million by international private equity investor) in Titagarh Firema S p.A (TFA), a subsidiary of the Parent Company. The above equity infusion resulted in dilution of equity stake of the Parent Company in TFA to 49.70% which along with other terms of the aforesaid agreement led to Parent Company's loss of control in TFA as a subsidiary and is now an associate company with effect from September 9, 2022. Accordingly, the financial performance of TFA upto September 8, 2022 has been disclosed as discontinued operations (including previous year) which comprises of loss from operations and net gain on loss of control as under:

Particulars	Year/Period Ended September 8, 2022	March 31, 2022
Loss from operations after tax [net of intercompany elimination of Rs.207.93 Lacs (March 31, 2022: Rs.169.17 Lacs)]	(4,467.81)	(7,828.20)
Gain on loss of control (refer below)	719.73	-
Net Loss from Discontinued operations in respect of TFA	(3,748.08)	(7,828.20)
Break up of Gain on loss of control of TFA		
Net Assets of TFA as on September 8, 2022 (net of elimination of loss for the period)	(1,653.75)	
Foreign Currency Translation Reserve accumulated till date of subsidiary (i.e, September 8, 2022) being released to statement of profit and loss	1,447.03	
Non controlling Interest till September 8, 2022 being discharges / released	(346.18)	
Carrying value of investments in TFA	1,272.63	
Gain on loss of control of TFA	719.73	

On September 8, 2022, the accounting for the loss of control of TFA for the period April 1, 2022 to September 8, 2022, is done as per audited financial statement / information. The carrying value of the investments in TFA as on the September 9, 2022 was Rs. 1,272.63 lacs.

The financial statements / information of TFA for the period September 9, 2022 to March 31, 2023 have been considered based on management accounts provided by TFA and the proportionate share of loss of TFA under equity method in accordance with Ind AS 28 has resulted in reduction in the net value of investment in TFA in the books of the Parent Company. As a result, the net value of investment in TFA in the books of the Parent Company has reduced to Nil as on March 31, 2023. While the audit and approval of financial statement of TFA for the year ended March 31, 2023, will be completed in due course alongwith the audit as per local laws and regulations followed by Italian companies, however considering that the carrying value of said investments as on March 31, 2023 has already been reduced to Nil, no significant impact is envisaged due to this in the financial statements of the Parent Company.

(b) In continued efforts to simplify the corporate structure, based on approval of the Board of Directors of the Parent Company, voluntary winding up of Titagarh Singapore Pte Ltd (TSPL) in compliance with the local rules and regulations at Singapore has already been initiated. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (fair value) for the year ended March 31, 2023 and the previous year has been disclosed as discontinued operations.
Accordingly, following note has been referred to by the auditors of TSPL in their report:
"The shareholders (Titagarh Wagons Limited) of the company passed a Board resolution to voluntary wind up the company. In view of the same the accounts of the company are not prepared on Going Concern basis and has been prepared on Liquidation Basis (Fair Value)"

(c) **The results of discontinued operations (without elimination) in respect of TFA and TSPL are set out below:** Rs. in lacs

Particulars	Year/Period Ended September 8, 2022 Titagarh Firema S p.A	March 31, 2023 Titagarh Singapore Pte Ltd	March 31, 2022 Titagarh Firema S p.A	March 31, 2022 Titagarh Singapore Pte Ltd
Income				
Revenue from Operations	14,688.98	-	63,994.67	-
Other Income	621.07	108.78	1,810.72	-
Total Income	15,310.05	108.78	65,805.39	-
Expenses				
Cost of Raw Materials and Components Consumed	6,362.50	-	34,014.43	-
Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap	-	-	(2,829.33)	-
Employee Benefits Expense	5,422.27	-	17,808.85	-
Finance Costs	1,694.19	0.78	3,629.39	1.43
Depreciation and Amortisation Expense	650.72	-	1,489.14	-
Other Expenses	5,856.11	135.77	18,332.09	18.58
Total Expenses	19,985.79	136.55	72,444.57	20.01
Profit before exceptional items & tax from discontinued operation	(4,675.74)	(27.77)	(6,639.18)	(20.01)
Exceptional Items	-	(2,305.60)	1,313.44	-
Profit / (Loss) before Tax	(4,675.74)	2,277.83	(7,952.62)	(20.01)
Tax Expense:				
Current Tax	29.30	-	118.92	-
Deferred Tax	(29.30)	-	(74.18)	-
Total Tax Expense	-	-	44.74	-
Profit / (Loss) after tax from discontinued operations	(4,675.74)	2,277.83	(7,997.38)	(20.01)
Other Comprehensive Income				
Item that will be Reclassified to Profit or Loss in Subsequent Periods:				
Exchange Differences on Translation of Foreign Operations	(137.44)	206.07	8.04	(6.15)
Income tax relating to above	-	-	-	-
Other Comprehensive Income for the Year (Net of Tax)	(137.44)	206.07	8.04	(6.15)
Total Comprehensive Income for the Year from discontinued operations	(4,813.18)	2,483.90	(7,989.34)	(26.16)

(d) **Discontinued operations comprises the following:**

	Year Ended March 31, 2023	March 31, 2022
Net Loss from Discontinued operations in respect of TFA after tax	(3,748.08)	(7,828.20)
Profit from Discontinued operations after tax pertaining to Titagarh Wagons AFR, France (Refer Note i below)	2,761.78	-
Profit / (Loss) from Discontinued operations after tax pertaining to TSPL (Refer Note b above)	94.60	(20.01)
	(891.70)	(7,848.21)

(i) amounts awarded in favour of the Parent Company and its subsidiary amounting to Rs 1,158.02 lacs by the Commercial Court of Paris with respect to its claims relating to Titagarh Wagons AFR (France) and also reversal of provisions amounting to Rs 1,603.76 lacs relating to the same entity (disclosed as discontinued operations in earlier years) which are no longer deemed necessary.

47 The Parent Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the exposure is not material.

48 (i) Details of benami property held
No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
(ii) Wilful defaulter
The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(iii) Relationship with struck off companies
The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
(iv) Compliance with number of layers of companies
The Group has complied with the number of layers prescribed under the Companies Act, 2013.
(v) Compliance with approved scheme(s) of arrangements
The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
(vi) Utilisation of borrowed funds and share premium
(A) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
(B) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
(vii) Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
(viii) Details of crypto currency or virtual currency
The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
(ix) Valuation of PP&E, intangible asset and investment property
The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
(x) The Group has one Core investment company (Titagarh Capital Management Services Private Limited) as a part of the group.

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49 The Board of Parent Company at its meeting held on March 17, 2023 approved change of name of the Parent Company to Titagarh Rail Systems Limited to better reflect the current business activities and after shareholders approval obtained on April 27, 2023 the necessary forms have been filed with MCA. The approval for the same has been received and the name change is effective from May 19, 2023.

50 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Parent Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated : May 24, 2023

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited (formerly Titagarh Wagons Limited)

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

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

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

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Date : May 24, 2023

Saurav Singhania
Jt. Chief Financial officer and Group Finance Controller
Place: Kolkata
Date : May 24, 2023

Dinesh Arya
Company Secretary
Place: Kolkata
Date : May 24, 2023

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Titagarh Wagons Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Titagarh Wagons Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and a joint venture (refer Note 1 (a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the impact of the matter referred in the Basis for Qualified Opinion section of our report, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and a joint venture as at March 31, 2022, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

4. We draw your attention to the following paragraph (as reproduced) included in the audit report on the special purpose financial information of Titagarh Firema S.p.A (a subsidiary of the Holding Company) issued by other auditors vide their report dated May 27, 2022:

   "As of 31 March 2022 the Company has a financial debt with two financial institution, according to the provisions of the reference accounting standards, that have to be classified as due within 12 months due to failure to comply with some financial parameters, pending the formalization of waiver letters with the banking class. As of 31 March 2022, however in the absence of a specific request by the banking class for an immediate repayment of the debt exposure, the company continues to report the financial debt as long term and specifically (i) to the Italian credit institution, equal to Euro 10 million (of which Euro 0,6 million withing twelve months and Euro 9,4 million beyond twelve months), and (ii) to the foreign credit institution, equal Euro 75,3 million (of which Euro 32,3 million withing twelve months and Euro 43 million beyond twelve months), maintaining the original classification in the special purpose financial information as required by the financial agreements. So, the Company, although contractually regulated, has not classified the previous amounts in the current liabilities in the special purpose financial information as of 31 March 2022."

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

Emphasis of Matter

5. The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Firema S.p.A (a subsidiary of the Holding Company) vide their report dated May 27, 2022:

"In the reporting package ended 31 March 2022, the Company reported a net loss for some Euro 9,2 million, shareholders' equity for some Euro 2,4 million and has a significant bank debt for some Euro 85,3 million, of which some Euro 52,3 million classified by the Company as expiring beyond 12 months. Current assets exceed current liabilities by some Euro 12,3 million. Trade payables, equal to some Euro 28,6 million as at 31 March 2022, decreased by some Euro 5,9 million during the year, and include an overdue payable to third party suppliers for some Euro 18,1 million at same date. The Company is currently proceeding with the rescheduling and the payment of the overdue commercial debt for the main suppliers of the Company.

In the explanatory note accompanying the special purpose financial information (the "explanatory note"), the Directors of the Company indicate that the special purpose financial information as at 31 March 2022 has been prepared according to the assumption of the going concern and illustrate the reasons. These reasons are based on the expectation that the Company implements an important growth plan, envisaged by the Budget 1 April 2022 – 31 March 2023 (the "Budget"), approved by the Board of Directors on 27 May 2022, with the generation of significantly higher margins compared to the historical values achieved, the failure of which could affect the overall value of cash generation, also to meet the overdue debt to suppliers.

In particular, the Budget is based on the positive expectation of the financial debt renegotiation indicated above at the paragraph "Basis for Qualified Opinion" for which negotiations are underway.

The Directors indicate in the aforementioned explanatory notes that, despite the aforementioned material uncertainty that may give rise to doubts about the Company's going concern, the the special purpose financial information have been drawn up on a going-concern basis, as they have a reasonable expectation that the Company will be able to reach a financial balance in the short term through the successful conclusion of the actions indicated above.

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

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

Our opinion is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
Appropriateness of estimation of total costs to complete contracts and determination of contract margin (Refer to Note 2.19 – "Revenue Recognition", Refer Note 2.34 – "Critical Estimates and Judgements – Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time" and Note 20 – "Revenue from operations") In respect of certain contracts with customers, the Holding Company recognises revenue over a period of time in accordance with its accounting policy. This involves determination of margin to be recognised on the contract, which are dependent on the total cost to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions. This has been considered as a key audit matter given the significant management judgements involved and complexities in determining future costs to complete and the contract margin.	Our audit procedures included the following in respect of Holding Company: • Assessed and tested the design and operating effectiveness of key controls around estimation of contract margin and future costs to complete the contracts. • Inquired with the management the status of the contracts, the basis for estimates of future cost to complete the contracts and other factors such as consideration of any specific identified risks. • Obtained the contract financial summaries and performed the following procedures: (a) verified the contract revenue with the underlying contracts on a sample basis, and its relevant terms and conditions. (b) obtained and examined the computation of the total cost to complete, and percentage of contract project completion. (c) verified the actual cost incurred upto the year end on a sample basis with vendor invoices and other supporting documents as appropriate. (d) verified on a sample basis the future cost to complete with order placed with vendors, management technical estimates, and other relevant supporting documents, as appropriate. (e) verified the mathematical accuracy of the calculation of percentage completion including contract margin. • Evaluated the adequacy of the disclosures made in the consolidated financial statements Based on the above procedures performed, management's estimation of total cost to complete contracts and determination of contract margin is considered reasonable.

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

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Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements/ special purpose financial information of two subsidiaries whose financial statements/ special purpose financial information reflect total assets of Rs 117,213.81 lacs and net assets of Rs (671.56) lacs as at March 31, 2022, total revenue of Rs. 66,766.50 lacs, total comprehensive income (comprising of loss and other comprehensive income) of Rs (12,522.65) lacs and net cash flows amounting to Rs (2,307.39) lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ special purpose financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

17. We did not audit the financial statements/special purpose financial information of one subsidiary whose financial statements/ special purpose financial information reflect total assets of Rs 684.68 lacs and net assets of Rs (1,030.13) lacs as at March 31, 2022, total revenue of Rs. Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs (173.21) lacs and net cash flows amounting to Rs (37.61) lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ special purpose financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/ special purpose financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ special purpose financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

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Report on Other Legal and Regulatory Requirements

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, except for the impact of the matter referred in the Basis for Qualified Opinion section of our report, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With regard to maintenance of accounts, reference is made to our comment in paragraph 19 (b) above.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture– Refer Notes 16.1 and 37 to the consolidated financial statements.

ii. The Group and its joint venture did not have any long-term contracts including derivative contracts as at March 31, 2022 for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and its joint venture incorporated in India during the year.

iv. (a) The respective Managements of the Company and its subsidiary and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiary and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary and joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company, its subsidiary company and joint venture, has not declared or paid any dividend during the year.

20. The Group have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. In case of joint venture not being a public company, the provision of Section 197 read with Schedule V to the Act are not applicable.

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

Avijit Mukerji
Partner
Membership Number 056155
UDIN: 22056155AJXAGR8762
Place: Kolkata
Date: May 30, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(g) of the Independent Auditor's Report of even date to the members of Titagarh Wagons Limited on the consolidated financial statements as of and for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Titagarh Wagons Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one joint venture entity incorporated in India namely Titagarh Mermec Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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Annexure A to Independent Auditor's Report

Referred to in paragraph 19(g) of the Independent Auditor's Report of even date to the members of Titagarh Wagons Limited on the consolidated financial statements as of and for the year ended March 31, 2022
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5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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Annexure A to Independent Auditor's Report

Referred to in paragraph 19(g) of the Independent Auditor's Report of even date to the members of Titagarh Wagons Limited on the consolidated financial statements as of and for the year ended March 31, 2022
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Other Matters

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

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

Avijit Mukerji
Partner
Membership Number 056155
UDIN: 22056155AJXAGR8762
Place: Kolkata
Date: May 30, 2022

TITAGARH WAGONS LIMITED
Consolidated Balance Sheet as at March 31, 2022

	Notes	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	87,901.56	83,303.29
b) Right-of-Use Assets	4.6	5,991.81	152.15
c) Capital Work-in-progress	4.4	1,518.05	1,622.89
d) Investment Properties	4.3	821.24	821.24
e) Intangible Assets (Other than Goodwill)	4.2	1,869.40	2,851.12
f) Intangible Assets Under Development	4.5	4,592.93	2,509.41
g) Investments Accounted for Using the Equity Method	3 (d)	-	-
h) **Financial Assets**			
i) Investments	5	3,015.26	3,127.92
ii) Trade Receivables	6	-	-
iii) Other Financial Assets	7	3,818.44	5,281.51
i) Deferred Tax Assets (Net)	17	3,792.36	3,783.04
j) Non-current Tax Assets (Net)	8	2,640.77	2,640.77
k) Other Non-current Assets	9	1,762.08	818.98
Total Non-current Assets		117,723.90	106,912.32
Current Assets			
a) Inventories	10	50,385.63	38,518.95
b) **Financial Assets**			
i) Trade Receivables	6	65,907.58	56,720.65
ii) Cash and Cash Equivalents	11.1	895.85	7,969.38
iii) Other Bank Balances	11.2	3,309.76	4,434.30
iv) Other Financial Assets	7	8,736.86	7,059.09
c) Current Tax Assets (Net)	8	-	10.96
d) Other Current Assets	9	20,931.21	25,744.17
Total Current Assets		150,166.89	140,457.50
TOTAL - ASSETS		267,890.79	247,369.82
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	12	2,391.42	2,387.75
b) Other Equity	13	81,821.40	81,667.65
Equity Attributable to Owners of Titagarh Wagons Limited		84,212.82	84,055.40
Non-controlling Interests	3 (b)	14.41	-
Total Equity		84,227.23	84,055.40
LIABILITIES			
Non-current Liabilities			
a) **Financial Liabilities**			
i) Borrowings	14	49,557.75	53,738.85
ii) Lease Liabilities	4.6	5,665.56	117.20
b) Provisions	16.1	340.93	350.55
c) Deferred Tax Liabilities (Net)	17	1,448.60	1,143.26
d) Other Non-current Liabilities	19	-	17,535.77
Total Non-current Liabilities		57,012.84	72,885.63
Current Liabilities			
a) **Financial Liabilities**			
i) Borrowings	14	36,495.29	30,809.37
ii) Lease Liabilities	4.6	260.81	30.85
iii) Trade Payables	18		
a) Total Outstanding dues of Micro Enterprise and Small Enterprises		686.99	771.78
b) Total Outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises		43,185.84	39,027.03
iv) Other Financial Liabilities	15	1,182.39	1,148.11
b) Other Current Liabilities	19	34,471.65	10,831.95
c) Provisions	16.1	8,778.30	7,786.80
d) Current Tax Liabilities (Net)	16.2	1,589.45	22.90
Total Current Liabilities		126,650.72	90,428.79
TOTAL - LIABILITIES		183,663.56	163,314.42
TOTAL - EQUITY AND LIABILITIES		267,890.79	247,369.82
Summary of significant accounting policies	2		

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

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

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

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 30, 2022

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

JP Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated : May 30, 2022

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Caserta, Italy
Dated : May 30, 2022

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Dated : May 30, 2022

Sumit Jaiswal
Company Secretary
Place: Kolkata
Dated : May 30, 2022

TITAGARH WAGONS LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

	Notes	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Income			
Revenue from Operations	20	193,079.19	152,063.95
Other Income	21	3,583.56	2,485.92
Total Income		196,662.75	154,549.87
Expenses			
Cost of Raw Materials and Components Consumed	22	122,625.04	104,566.24
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	23	(1,797.09)	(5,224.37)
Employee Benefits Expense	24	22,350.93	21,056.99
Finance Costs	25	9,339.50	8,119.93
Depreciation and Amortisation Expense	26	3,327.48	2,986.76
Other Expenses	27	36,607.93	23,601.37
Total Expenses		192,453.79	155,106.92
Profit / (Loss) before Share of Net Loss of a Joint Venture Accounted for Using the Equity Method, Exceptional Items and Tax		4,208.96	(557.05)
Share of Net Loss of a Joint Venture Accounted for Using the Equity Method	3 (d)	-	(0.65)
Profit / (Loss) before Exceptional Items and Tax		4,208.96	(557.70)
Exceptional Items	29	1,313.44	-
Profit / (Loss) before Tax		2,895.52	(557.70)
Tax Expense			
Current Tax	30 (A)	2751.37	176.96
Deferred Tax		212.70	1,143.99
Total Tax Expense		2,964.07	1,320.95
Loss for the Year after Tax		(68.55)	(1,878.65)
Attributable to:			
Owners of Titagarh Wagons Limited		(32.84)	(1,499.65)
Non-controlling Interests		(35.71)	(379.00)
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Gain on Defined Benefit Plans		19.50	41.90
Tax on above		(4.91)	(10.55)
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange differences on Translation of Foreign Operations		1.89	348.92
Fair value change of cash flow hedges		743.00	580.23
Tax on above		(187.00)	(146.03)
Other Comprehensive Income for the Year (Net of Taxes)		572.48	814.47
Attributable to:			
Owners of Titagarh Wagons Limited		572.48	814.47
Non-controlling Interests		-	-
Total Comprehensive Income for the Year		503.93	(1,064.18)
Attributable to:			
Owners of Titagarh Wagons Limited		539.64	(685.18)
Non-controlling Interests		(35.71)	(379.00)
Earnings per Equity Share			
[Nominal Value per Share Rs. 2/- (March 31, 2020: Rs 2/-)]			
Basic (In Rs.)	31	(0.03)	(1.28)
Diluted (In Rs.)		(0.03)	(1.28)
Summary of Significant Accounting Policies	2		

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

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

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

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

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 30, 2022

JP Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated : May 30, 2022

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Caserta, Italy
Dated : May 30, 2022

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Dated : May 30, 2022

Sumit Jaiswal
Company Secretary
Place: Kolkata
Dated : May 30, 2022

TITAGARH WAGONS LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2022

	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax:	2,895.52	(557.70)
Adjustments for:		
Depreciation and Amortisation Expense	3,327.48	2,986.76
Finance Cost	9,339.50	8,119.93
Employee Stock Option Expenses	16.68	9.33
Unrealised Foreign Exchange Fluctuations Gain	20.13	26.49
Irrecoverable Debts/ Advances Written Off (Net)	2,253.48	331.22
Warranty Claims (Net)	3,390.93	-
Provision for Doubtful Debts and Advances	-	73.81
Loss on fair valuation of Financial Liabilities measured at FVTPL	-	12.32
Net Gain on Disposal of Property, Plant and Equipment	(290.32)	(61.57)
Fair Value (Gain)/Loss on Investment in Equity Securities at FVTPL	(183.28)	(254.47)
Share of Loss of a Joint Venture's	-	0.65
Net Gain on Disposal of Investments	(24.27)	-
Unspent Liabilities / Provisions No Longer Required Written Back	(14.20)	(162.43)
Other Income for Security Deposit of Leases	(6.77)	-
Interest Income Classified as Investing Cash Flows	(576.38)	(431.59)
Exceptional Item - non cash portion	467.32	-
Operating Profit before Changes in Operating Assets and Liabilities	20,615.82	10,092.75
Increase in Non-current and Current Financial and Non-financial Liabilities and Provisions	7,046.78	7,460.98
Increase in Trade Receivables	(10,520.92)	(7,158.25)
Increase in Inventories	(14,182.39)	(2,730.58)
(Increase) / Decrease in Non-current and Current Financial and Non-financial Assets	3,673.46	(1,032.87)
Cash Generated From Operations	6,632.75	6,632.03
Income Taxes (Paid) / Refund (net)	(1,173.86)	137.37
Net Cash From Operating Activities	5,458.89	6,769.40
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(10,217.70)	(5,999.31)
Proceeds from Disposal of Property, Plant and Equipment	612.89	105.00
Proceeds from Sale of non-current Investment	320.22	-
Purchase of Business	-	(13.59)
Fixed Deposits Made	(10,191.89)	(6,800.72)
Fixed Deposits Matured	12,079.58	5,256.21
Interest Received	448.86	245.10
Net Cash (Used in) Investing Activities	(6,948.04)	(7,207.31)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares pursuant to Employee Stock Option Scheme	81.13	26.96
Transactions with Non-controlling Interests	85.78	-
Proceeds from Long-term Borrowings	2,000.00	11,162.04
Repayment of Long-term Borrowings	(10,325.53)	(4,650.00)
Repayment of Lease Liabilities	(385.75)	(10.76)
Receipts/(Payments) of Short-term Borrowings (Net)	9,571.73	4,147.15
Finance Costs Paid	(6,295.23)	(6,351.81)
Dividend Paid (including Dividend Distribution Tax) of earlier years	(2.73)	(2.08)
Net Cash From / (Used in) Financing Activities	(5,270.60)	4,321.50
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	(313.78)	790.28
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	(7,073.53)	4,673.87
Cash and Cash Equivalents - Opening Balance (Refer Note 11.1)	7,969.38	2,897.18
Cash acquired on account of Purchase of Business	-	398.33
Cash and Cash Equivalents - Closing Balance (Refer Note 11.1)	895.85	7,969.38

(a) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
(b) Refer Note 44 for Debt Reconciliation.

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

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

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

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 30, 2022

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

S P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated : May 30, 2022

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Caserta, Italy
Dated : May 30, 2022

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Dated : May 30, 2022

Sumit Jaiswal
Company Secretary
Place: Kolkata
Dated : May 30, 2022

TITAGARH WAGONS LIMITED
Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A) Equity Share Capital (Refer Note 12)

(Rs in Lacs)

Particulars	Number in Lacs	Amount
Balance as at March 31,2020	1,156.06	2,312.12
Issue of Equity Shares Pursuant to Employee Stock Option Scheme and amalgamation during the year (Refer Note 12)	37.81	75.63
Balance as at March 31,2021	1,193.87	2,387.75
Issue of Equity Shares Pursuant to Employee Stock Option Scheme and amalgamation during the year (Refer Note 12)	1.84	3.67
Balance as at March 31,2022	1,195.71	2,391.42

B) Other Equity

(Rs. in Lacs)

Particulars	Reserves and Surplus (Refer Note 13)							Other Reserve (Refer Note 13)			Total Other Equity	Non-controlling Interests	Total
	Securities Premium Account	General Reserve	Capital Reserve	Reserve Fund	Employee Stock Options Outstanding Account	Equity Component of compound financial instruments	Retained Earnings	Foreign Currency Translation Reserve	Hedge Reserve Account	Share Pending Allotment			
Balance as at March 31, 2020	40,740.50	5,411.39	9.18	15.62	249.84	-	26,597.86	1,324.79	-	-	74,349.18	7886.73	82,235.91
Loss for the Year	-	-	-	-	-	-	(1,499.65)	-	-	-	(1,499.65)	(379.00)	(1,878.65)
Other Comprehensive Income (Net of Tax)													
-Remeasurement Losses on Defined Benefit Plans & Exchange Difference	-	-	-	-	-	-	31.35	348.92	-	-	380.27	-	380.27
Other Comprehensive Income (Net of Tax)													
- Fair value change of cash flow hedges	-	-	-	-	-	-	-	-	434.20	-	434.20	-	434.20
Total Comprehensive Income for the year	-	-	-	-	-	-	(1,468.30)	348.92	434.20	-	(685.18)	(379.00)	(1,064.18)
Arisen Pursuant to the Scheme of Amalgamation	-	-	7,433.32	-	-	-	-	-	-	-	7,433.32	(7,507.73)	(74.41)
Arisen due to acquisition of equity shares resulting in a subsidiary (Refer Note 52)	-	-	19.57	-	-	-	-	-	-	-	19.57	-	19.57
Transactions with Owners in their Capacity as Owners:													
Premium on Issue of Equity Shares Pursuant to Employee Stock Option (ESOP) Scheme	25.74	-	-	-	-	-	-	-	-	-	25.74	-	25.74
Transfer from ESOPs Outstanding Account on Exercise and Lapse	53.76	-	-	-	(92.55)	-	38.79	-	-	-	-	-	-
Recognition of Share Based Payment	-	-	-	-	9.33	-	-	-	-	-	9.33	-	9.33
Transfer Within Equity	-	-	-	(15.62)	-	-	15.62	-	-	-	-	-	-
Gain on Fair Valuation of Debentures (Net of Taxes)	-	-	-	-	-	515.69	-	-	-	-	515.69	-	515.69
Balance as at March 31, 2021	40,820.00	5,411.39	7,462.07	-	166.62	515.69	25,183.97	1,673.71	434.20	-	81,667.65	-	81,667.65
Loss for the Year	-	-	-	-	-	-	(32.84)	-	-	-	(32.84)	(35.71)	(68.55)
Other Comprehensive Income (Net of Tax)													
-Remeasurement Losses on Defined Benefit Plans & Exchange Difference	-	-	-	-	-	-	14.59	1.89	-	-	16.48	-	16.48
Other Comprehensive Income (Net of Tax)													
- Fair value change of cash flow hedges	-	-	-	-	-	-	-	-	556.01	-	556.01	-	556.01
Total Comprehensive Income for the year	-	-	-	-	-	-	(18.25)	1.89	556.01	-	539.65	(35.71)	503.94
Transaction with Non-controlling Interest (Refer note 3(c))	-	-	-	-	-	-	35.66	-	-	-	35.66	50.12	85.78
Transactions with Owners in their Capacity as Owners:													
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	77.46	-	-	-	-	-	-	-	-	-	77.46	-	77.46
Transfer from ESOPs Outstanding Account on Exercise and Lapse	166.91	-	-	-	(183.29)	-	16.38	-	-	-	0.00	-	0.00
Recognition of Share Based Payment	-	-	-	-	16.67	-	-	-	-	-	16.67	-	16.67
Derecognition on redemption of Debentures (Net of Tax)	-	-	-	-	-	(515.69)	-	-	-	-	(515.69)	-	(515.69)
Balance as at March 31, 2022	41,064.37	5,411.39	7,462.07	-	-	-	25,217.76	1,675.60	990.21	-	81,821.40	14.41	81,835.81

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

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

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

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 30, 2022

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated : May 30, 2022

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Caserta, Italy
Dated : May 30, 2022

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Dated : May 30, 2022

Sumit Jaiswal
Company Secretary
Place: Kolkata
Dated : May 30, 2022

TITAGARH WAGONS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2022

1 Group Background

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

The Parent Company, its subsidiaries (collectively referred to as 'the Group') and a joint venture are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, etc. as detailed under segment information in Note 39.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on May 30th, 2022.

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

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2022	March 31, 2021	
Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Private Limited)#	India	100%	100%	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges
Titagarh Singapore Pte. Limited (TSPL)*	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA) **	France	100%	100%	Engaged in manufacture of freight wagons
Titagarh Firema S.p.A (TFA) ***	Italy	99.24%	100%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

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

*The Parent Company holds 100% equity in TSPL through its wholly owned subsidiary company, TBIPL.
**The Parent Company holds 100% equity in TWA together with TSPL.
On 4th June 2019, the commercial court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent company was no longer in control of TWA, under French Law. The commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder an ordered for liquidation of TWA. Currently TWA is under Liquidation.
***The Company holds 99.24% equity in TFA through its wholly owned subsidiary company, TBIPL along with TSPL.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2022	March 31, 2021	
Titagarh Mermec Private Limited	India	50%	50%	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety

(b) Refer Note 3 for further details of interest in other entities.

TITAGARH WAGONS LIMITED KOLKATA 700 107

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

2 Significant Accounting Policies

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

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

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

(ii) Historical Cost Convention

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

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

(iii) Current versus Non-current Classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:
a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
b) held primarily for the purpose of trading,
c) expected to be realised within twelve months after the reporting period, or
d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is classified as current when:
a) it is expected to be settled in the normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period, or
d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

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

(iv) Rounding of Amounts

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

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

TITAGARH WAGONS LIMITED KOLKATA 700 107

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

(iv) Joint Arrangements:
Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only one joint venture.

Joint Venture
Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(v) Equity Method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in 2.5 below.

2.3 Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

2.4 Intangible Assets

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

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

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Brand and Design and Drawings
The Group had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies

Prototype
The Group had developed prototype for tractors which was capitalised.

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

Amortisation Method and Period
Computer Software and Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years.
Prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).
Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.5 Investment Properties

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

2.6 Impairment of Non-financial Assets

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

2.7 Inventories

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

2.8 Leases

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-
a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.
b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
c) Amount expected to be paid by the Group as under residual value guarantees.
d) Exercise price of a purchase option if the Group is reasonably certain to exercise that option.
e) Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

To determine the incremental borrowing rate, the Group:
a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received
b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by the companies in the group, which does not have recent third party financing.
Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-
i) the amount of the initial measurement of lease liability
ii) any lease payment made at or before the commencement date less any lease incentive received
iii) any initial direct cost and
iv) restoration costs.
Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

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

As a Lessor

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

2.9 Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt Instruments

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

•**Amortised Cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

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

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42(II) details how the Group determines whether there has been a significant increase in credit risk.

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

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(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when
-the Group has transferred the rights to receive cash flows from the financial asset or
-retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

(vi) Income Recognition

Interest Income

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

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

Dividends

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

(vii) Fair Value of Financial Instruments

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

2.10 Trade Receivables

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

2.11 Trade and Other Payables

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

2.12 Borrowings

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

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

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

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2.13 Other Financial Liabilities

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

2.14 Derivative Instruments

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

2.15 Offsetting Financial Instruments

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

2.16 Financial Guarantee Contracts

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

2.17 Cash and Cash Equivalents

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

2.18 Borrowing Costs

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

2.19 Revenue Recognition

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

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

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

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

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

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

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Sale of Products

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

Revenue from sale of specialised products

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

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

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

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

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

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

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

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

Sale of Services

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

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

Other Operating Revenues

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

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2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's and a subsidiary's functional and the Group's presentation currency.

(ii) Transactions and Balances

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

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

(iii) Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange difference are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

(iii) Other Long-term Employee Benefits

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

(iv) Termination Benefits

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

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2.22 Share Based Payments

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

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

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

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

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

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

2.23 Income Taxes

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

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

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

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

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

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

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

2.24 Provisions

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

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

Warranties

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

Liquidated Damages

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

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Litigations, Claims and Contingencies
The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystallising against the Group in due course. Also refer Note 2 25.

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

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

2.26 Earnings Per Equity Share
(i) Basic Earnings Per Equity Share
Basic earnings per equity share is calculated by dividing:
· the profit / (loss) attributable to owners of the Parent Company
· by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings Per Equity Share
Diluted earnings per equity share adjusts the figures used in the determination of basic earnings per equity share to take into account:
· the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
· the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company. Refer Note 39 for segment information presented.

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

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

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

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

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

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

2.32 Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

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2.33 Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:
- If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

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

2.34 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 32

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

· Impairment of Trade and Other Receivables — Notes 2.9(iii) and 42(II)(c)

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

· Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets— Notes 2.3, 2.4, 2.8, 4.1, 4.2 and 4.6

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

· Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time- Notes 2.19 and 20

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

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· **Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 37**
Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with their legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

· **Valuation of Deferred Tax Assets — Notes 2.23 and 17**
Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

· **Warranties and Liquidated Damages— Notes 2.24 and 16.1**
The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

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

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

· **Fair Value Measurements — Notes 2.9(vii) , 2.22 and 41**
When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

Recent Accounting Pronouncements
Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2
The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:
• Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
• Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.
The amendments do not have significant impact on the consolidated financial statements..

Amendment to Ind AS 103 "Business Combination"
– Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed.

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3 Interest in Other Entities
(a) Information required by Schedule III to the Act

Name of the entity	As at/ for the year ended March 31, 2022							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	113.71%	95,774.33	-11582.95%	7,940.62	99.67%	570.59	1688.99%	8,511.21
Subsidiaries								
Titagarh Bridges & International Private Limited	-3.22%	(2,709.62)	-392.62%	269.16	-838.89%	(4,802.46)	-899.60%	(4,533.30)
Foreign								
Titagarh Firema S.p.A	2.42%	2,038.09	11665.71%	(7,997.35)	1.40%	8.04	-1585.42%	(7,989.31)
Titagarh Singapore Pte Limited	-1.22%	(1,030.13)	494.26%	(338.84)	28.93%	165.62	-34.37%	(173.22)
Non-controlling Interests in all Subsidiaries	0.02%	14.41	52.09%	(35.71)	-	-	-7.09%	(35.71)
Adjustment due to consolidation	-11.71%	(9,859.85)	-136.49%	93.57	8.09	4,630.69	937.49%	4,724.26
Joint Venture (Investments as per the Equity Method)								
Indian								
Titagarh Mermec Private Limited	-	-	-	-	-	-	-	-
TOTAL	100.00%	84,227.23	100.00%	(68.55)	100.00%	572.48	100.00%	503.93

Name of the entity	As at / for the year ended March 31, 2021							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	103.70%	87,165.31	-267.60%	5,027.56	57.16%	465.55	-516.18%	5,493.11
Subsidiaries								
Titagarh Bridges & International Private Limited #	2.78%	2,339.41	3.33%	(62.60)	-356.53%	(2,903.87)	278.76%	(2,966.47)
Foreign								
Titagarh Firema S.p.A	11.83%	9,941.59	318.04%	(5,974.93)	54.70%	445.52	519.59%	(5,529.41)
Titagarh Singapore Pte Limited	-1.02%	(856.93)	52.12%	(979.13)	-11.86%	(96.60)	101.09%	(1,075.73)
Non-controlling Interests in all Subsidiaries	0.00%	-	20.17%	(379.00)	0.00%	-	35.61%	(379.00)
Adjustment due to consolidation	-17.29%	(14,533.98)	-26.09%	490.10	356.53%	2,903.87	-318.93%	3,393.97
Joint Venture (Investments as per the Equity Method)								
Indian								
Titagarh Bridges & International Private Limited #	-	-	0.03%	(0.65)	0.00%	-	0.06%	(0.65)
Titagarh Mermec Private Limited	-	-	-	-	-	-	-	-
TOTAL	100.00%	84,055.40	100.00%	(1,878.65)	100.00%	814.47	100.00%	(1,064.18)

Titagarh Bridges & International Private Limited became a wholly owned subsidiary of the Parent Company wef July 14, 2020 on Parent Company acquiring balance 754,882 equity shares from Mateire SAS France.

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(b) Non-controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company elimination.

(Rs. in Lacs)

Summarised Balance Sheet	Titagarh Firema SPA	
	March 31, 2022	March 31, 2021
Current Assets	72,911.20	-
Current Liabilities	63,118.84	-
Net Current Assets / (Liabilities)	9,792.36	-
Non-current Assets	36,517.36	-
Non-current Liabilities	44,271.66	-
Net Non-current Assets	(7,754.30)	-
Net Assets	2,038.06	-
Accumulated NCI	14.41	-

(Rs. in Lacs)

Summarised Statement of Profit and Loss	Titagarh Firema SPA	
	March 31, 2022	March 31, 2021
Revenue	63,994.67	-
Loss for the Year	(7,997.36)	-
Other Comprehensive Income	8.04	-
Total Comprehensive Loss	(7,989.32)	-
Loss allocated to NCI	(35.71)	-

(Rs. in Lacs)

Summarised Cash Flows	Titagarh Firema SPA	
	March 31, 2022	March 31, 2021
Cash Flows From Operating Activities	1,624.36	-
Cash Flows Used in Investing Activities	(2,623.87)	-
Cash Flows Used in Financing Activities	(1,417.02)	-
Decrease in Cash and Cash Equivalents	(2,416.53)	-

(c) Transactions with Non-controlling Interests

	March 31, 2022	March 31, 2021
Carrying Amount of Non- controlling Interest transferred/(acquired)	50.12	-
Consideration received from Non-controlling Interest	85.78	-
Excess of Consideration received Recognised in Reserves & Surplus within Equity	(35.66)	-

(d) Interests in Joint Venture

The Group had formed a Joint Venture Company 'Titagarh Bridges & International Private Limited (erstwhile Matiere Titagarh Bridges Private Limited)' with Matiere SAS, France on January 2, 2017 to carry the business of manufacturing, marketing and selling Matiere panel bridges, unibridges, and other auxiliary products. However, Titagarh Bridges & International Private Limited. (erstwhile Matiere Titagarh Bridges Private Limited) has become a wholly owned subsidiary of the Company w.e.f. July 14, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

The Group has formed a Joint Venture Company 'Titagarh Mermec Private Limited.' on May 17, 2018 for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. However, since incorporation there has not been any business in the joint venture company.

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Summarised Financial Information for Joint Venture

The tables below provides summarised financial information for the joint venture Titagarh Bridges & International Private Limited. (erstwhile Matiere Titagarh Bridges Private Limited) and Titagarh Mermec Private Limited. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

(Rs. In Lacs)

Summarised Balance Sheet		Titagarh Bridges & International Private Limited (erstwhile Matiere Titagarh Bridges Private Limited)		Titagarh Mermec Private Limited	
		As at March 31, 2022 (Rs in Lacs)	As at March 31, 2021 (Rs in Lacs)	As at March 31, 2022 (Rs in Lacs)	As at March 31, 2021 (Rs in Lacs)
Non-Current Assets					
Inventory		-	-	-	-
Other Financial Assets		-	-	-	-
Total	(A)	-	-	-	-
Current Assets					
Cash and Cash Equivalents		-	-	0.76	0.77
Other Current Assets		-	-	-	-
Total	(B)	-	-	0.76	0.77
Current Liabilities					
Financial Liabilities					
Trade Payables		-	-	2.41	7.22
Other Financial Liabilities		-	-	7.22	-
Total	(C)	-	-	9.63	7.22
Net Assets	(A+B-C)	-	-	(8.87)	(6.45)

Summarised Statement of Profit and Loss	Titagarh Bridges & International Private Limited (erstwhile Matiere Titagarh Bridges Private Limited)		Titagarh Mermec Private Limited	
	For the year ended March 31, 2022 (Rs in Lacs)	For the year ended March 31, 2021 (Rs in Lacs)	For the year ended March 31, 2022 (Rs in Lacs)	For the year ended March 31, 2021 (Rs in Lacs)
Income				
Revenue from Operation	-	-	-	-
Other Income	-	-	-	-
	-	-	-	-
Expenses				
Project Development Expenses	-	-	-	-
Change in Inventory	-	-	-	-
Employee Benefits Expense	-	-	-	-
Finance Costs	-	0.39	0.01	0.23
Other Expenses	-	0.91	2.41	2.98
Total Expenses	-	1.30	2.42	3.21
Loss for the Period/Year	-	(1.30)	(2.42)	(3.21)
Other Comprehensive Income for the Period/ year	-	-	-	-
Total Comprehensive Income for the period/year	-	(1.30)	(2.42)	(3.21)
Group Share in %		50.00	50.00	50.00
Group Share of Loss for the Period/Year		(0.65)	(1.21)	(1.61)

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(Rs. In Lacs)

Reconciliation to Carrying Amounts		Titagarh Bridges & International Private Limited (erstwhile Matiere Titagarh Bridges Private Limited)		Titagarh Mermec Private Limited	
		As at March 31, 2022 (Rs in Lacs)	As at March 31, 2021 (Rs in Lacs)	As at March 31, 2022 (Rs in Lacs)	As at March 31, 2021 (Rs in Lacs)
Opening Net Assets		-	(23.61)	(6.45)	(3.24)
Profit for the Year		-	(1.30)	(2.42)	(3.21)
Issue of Equity Share Capital		-	-	-	-
Less: Conversion to Subsidiary		-	(24.91)	-	-
Closing Net Assets		-	(24.91)	(8.87)	(6.45)
Group Share in %		-	50.00	50.00	50.00
Cost of Investments	(A)	-	29.81	-	-
Group Share of Loss for the Period/Year	(B)	-	0.65	-	-
Acquire of balance share	(C)	-	29.16	-	-
Carrying Amount	(A- B-C)	-	-	-	-

The Group has no contingent liability and capital commitments relating to its interest in aforesaid joint ventures.

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4.1 Property, Plant and Equipment

(Rs in Lacs)

	Freehold Land	Leasehold Land	Leasehold Improvement	Buildings	Plant and Equipments	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2020	33,849.52	20,059.70	70.94	23,860.19	16,043.17	691.68	409.32	381.98	158.40	315.70	276.53	96,117.13
Additions	-	-	-	-	1,206.91	-	-	4.75	4.95	40.17	6.30	1,263.08
Disposals	-	-	-	612.68	255.96	27.83	-	-	-	-	-	896.47
Reclassification	-	-	-	-	255.00	-	-	-	-	-	-	255.00
Exchange Differences on Consolidation	382.91	-	-	552.48	257.12	-	-	-	-	-	-	1,192.51
As at March 31, 2021	34,232.43	20,059.70	70.94	23,799.99	17,506.24	663.85	409.32	386.73	163.35	355.87	282.83	97,931.25
Additions	-	-	-	2,559.83	4,982.00	-	105.20	10.02	57.37	63.21	29.22	7,806.85
Disposals	-	-		136.67	-	205.95	-	-	-	-	9.69	352.31
Reclassification					(469.12)							(469.12)
Exchange Differences on Consolidation	(180.71)	-		(260.72)	(166.02)	-	-	-	-		-	(607.45)
As at March 31, 2022	34,051.72	20,059.70	70.94	25,962.43	21,853.10	457.90	514.52	396.75	220.72	419.08	302.36	104,309.22
Accumulated Depreciation & Impairment												
As at March 31, 2020	-	832.40	55.48	3,840.52	8,047.40	49.01	124.57	171.41	112.72	249.79	96.41	13,579.71
Charge for the year	-	166.68	2.89	556.38	799.81	-	12.51	37.02	9.16	24.07	32.63	1,641.15
Disposals	-	-	-	582.03	243.15	11.88	-	-	-	-	-	837.06
Exchange Differences on Consolidation	-	-	-	83.16	158.64	-	-	-	-	-	-	241.80
As at March 31, 2021	-	999.08	58.37	3,898.03	8,762.70	37.13	137.08	208.43	121.88	273.86	129.04	14,625.60
Charge for the year	-	166.35	12.24	598.90	1,029.37	-	15.35	37.42	10.42	51.00	32.84	1,953.89
Disposals	-	-		14.66	-	9.70	-	-	-	-	5.37	29.73
Exchange Differences on Consolidation	-	-		(53.25)	(91.21)	-	-	-	-		-	(144.46)
As at March 31, 2022	-	1,165.43	70.61	4,429.02	9,700.86	27.43	152.43	245.85	132.30	324.86	156.51	16,405.30
Impairment												
As at March 31, 2020	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Net Carrying Amount												
As at March 31, 2021	34,232.43	19,060.62	12.57	19,901.96	8,741.18	626.72	272.24	178.30	41.47	82.01	153.79	83,303.29
As at March 31, 2022	34,051.72	18,894.27	0.33	21,533.41	12,149.88	430.47	362.09	150.90	88.42	94.22	145.85	87,901.56

a) Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
b) Refer Note 14 for information on Property, Plant and Equipment pledged as security by the Group.
Represents 473 Railway Wagons sub leased to Indian Railways. As per Arbitration Award dated July 3, 2019, use of said wagons have been restricted by Indian Railway and instructed to give the possession back to the Parent Company, being the sole and beneficial owner of said wagons. The realisable value of 473 wagons as per management estimate is estimated to be more than the book value of Rs. 430.47 Lacs.

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4.2 Intangible Assets (Rs in Lacs)

	Other Intangible Assets				
	Computer Software	Brand	Design and Drawings	Prototype	Total
Gross Carrying Amount					
As at March 31, 2020	4,166.89	227.79	1,556.46	880.39	6,831.53
Additions	537.63	-	-	-	537.63
Reclassification	(255.00)	-	-	-	(255.00)
Others including Exchange Differences on Consolidation	125.73	-	-	-	125.73
As at March 31, 2021	4,575.25	227.79	1,556.46	880.39	7,239.89
Additions	119.81	-	-	-	119.81
Reclassification	-	-	-	-	-
Others including Exchange Differences on Consolidation	(67.28)	-	-	-	(67.28)
As at March 31, 2022	4,627.78	227.79	1,556.46	880.39	7,292.42
Accumulated Amortisation					
As at March 31, 2020	1,161.50	113.89	847.69	396.17	2,519.25
Charge for the year	817.24	56.94	461.44	-	1,335.62
Others including Exchange Differences on Consolidation	27.14	-	-	-	27.14
As at March 31, 2021	2,005.88	170.83	1,309.13	396.17	3,882.01
Charge for the year	807.11	56.96	213.13	-	1,077.20
Others including Exchange Differences on Consolidation	(42.95)	-	-	-	(42.95)
As at March 31, 2022	2,770.04	227.79	1,522.26	396.17	4,916.26
Impairment					
As at March 31, 2020	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2021	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2022	22.54	-	-	484.22	506.76
Net Carrying Amount					
As at March 31, 2021	2,546.83	56.96	247.33	-	2,851.12
As at March 31, 2022	1,835.20	-	34.20	-	1,869.40

a) During the previous year, reclassification represents Rs. 255.00 lacs relating to certain assets pertaining to Titagarh Firema S.p.A regrouped to Computer Softwares from Plant & Machinery.

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4.3 Investment Properties

	(Rs in Lacs) Freehold Land
Carrying Amount as at March 31, 2020	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2021	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2022	821.24

Information regarding Investment Properties

The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2022, fair valuation of the two properties is estimated to be Rs 1,053.35 Lacs (March 31, 2021: Rs. 977.55 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties

Significant Increase/(Decrease) in market rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2022 and March 31, 2021 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Market Rate for Land owned by the Group	5% Increase (Decrease) in the Market Rate would result in Increase (Decrease) in fair value by Rs. 52.67 Lacs (March 31, 2021: Rs. 48.88 Lacs)

4.4 Capital Work-in-Progress

(a) Ageing of CWIP as on March 31,2022

	Amounts in Capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	1,518.05	-	-	-	1,518.05
Total	1,518.05	-	-	-	1,518.05

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

(a) Ageing of CWIP as on March 31,2021

	Amounts in Capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	1,622.89	-	-	-	1,622.89
Total	1,622.89	-	-	-	1,622.89

(b) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan

4.5 Intangible Assets Under Development

(a) Ageing of Intangible assets under development as on March 31,2022

	Amounts in Intangible assets under development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress (Designs)	3,337.87	1,255.06	-	-	4,592.93
Total	3,337.87	1,255.06	-	-	4,592.93

(b) There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

(a) Ageing of Intangible assets under development as on March 31,2021

	Amounts in Intangible assets under development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress (Designs)	2,509.41	-	-	-	2,509.41
Total	2,509.41	-	-	-	2,509.41

(b) There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

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4.6 Right-of-use assets and leases (Rs in Lacs)

The Parent Company's leasing arrangement includes office space having a lease term of 5 years with a lock-in period of 4 years and Land having a fixed lease term of 10 years.

(i) Amount recognised in balance sheet

Right-of-use assets	Land	Buildings	Total
Gross Carrying Amount			
As at March 31, 2020	-	-	-
Additions		162.14	162.14
Disposals		-	-
As at March 31, 2021	-	162.14	162.14
Additions	6,136.05	-	6,136.05
Disposals	-	-	-
As at March 31, 2022	6,136.05	162.14	6,298.19
Accumulated Depreciation & Impairment			
As at March 31, 2020	-	-	-
Charge for the year	-	9.99	9.99
Disposals	-	-	-
As at March 31, 2021	-	9.99	9.99
Charge for the year	255.88	40.51	296.39
Disposals	-	-	-
As at March 31, 2022	255.88	50.50	306.38
Net Carrying Amount			
As at March 31, 2021	-	152.15	152.15
As at March 31, 2022	5,880.17	111.64	5,991.81

Lease liabilities	Non-current	Current	Total
March 31, 2021	117.20	30.85	148.05
March 31, 2022	5,665.56	260.81	5,926.37

(ii) Amount recognised in statement of profit and loss

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

Lease liabilities	March 31, 2022	March 31, 2021
Expenses relating to short term leases (included in other expenses)	507.20	913.12
Interest expense (included in finance costs) (Refer Note 25)	223.81	3.76
Total	731.01	916.88

(iii) The total cash outflow for leases for the year was Rs. 385.75 Lacs (March 31, 2021: Rs. 10.93 Lacs).

(iv) Extension and termination options:

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

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5. Investments (Non-current)

	No of Shares / Units As at March 31, 2022	2021	Face value per share/unit (Rs.)	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Investments in Equity Instruments					
In Others (Quoted) (at FVTPL) (a)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
Arshiya Limited	-	898,562	2	-	301.47
In Others (Unquoted) (at FVTPL) * (a)					
Titagarh Enterprises Limited	4,932,960	4,932,940	10	2,972.63	2,777.13
Traco International Investment Private Limited##	-	685,000	10	-	18.37
Titagarh Industries Limited	56,850	50,000	10	42.38	30.70
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
Total				3,015.26	3,127.92
Aggregate book value of quoted investments				0.05	301.52
Aggregate book value of unquoted investments				3,015.21	2,826.40
Market value of quoted investments				0.05	301.52

Quotation not available since suspended due to penal reasons.

Traco International Investment Private Limited (Traco) by an order dated November 8, 2021 passed by Honourable National Company Law Tribunal (Kolkata Bench) got amalgamated with Titagarh Industries Limited (TIL). In accordance with the share exchange ratio sanctioned by NCLT in its above mentioned order the Company got 6,850 shares of Rs 10 each of TIL, in lieu of the 685,000 Shares of Rs 10 each held by it in Traco

* Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Parent company (Also refer note 14(b)(i)(A)) :

Name of Investments	No. of Shares/Units As at March 31, 2022	2021	Face value per share/unit (Rs.)	Amount Pledged March 31, 2022 Rs. In Lacs	Amount Pledged March 31, 2021 Rs. In Lacs
Titagarh Enterprises Limited	4,932,940	4,932,940	10	493.29	493.29
Traco International Investment Private Limited	-	685,000	10	-	68.50
Titagarh Industries Limited	56,850	50,000	10	5.69	5.00
				498.98	566.79

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

(a) Refer Note 41 for determination of fair values and Note 42 for credit risk and market risk on investments.

(b) The Parent Company has investment of 7,000,500 equity shares of Titagarh Wagons AFR, a subsidiary of the Parent Company which is under liquidation, hence not consolidated. Refer Note 1(a).

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

	Non-Current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Trade Receivables				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	-	-	66,381.83	57,038.44
Unsecured, Considered Doubtful	-	-	251.31	628.35
Credit Impaired	-	-	-	-
	-	-	66,633.14	57,666.79
Less: Loss Allowances [Refer Note 42 (II) (c)]	-	-	251.31	628.35
Less: Liquidated Damages [Refer note 42 (II) (c)]	-	-	474.25	317.79
	-	-	65,907.58	56,720.65

Trade Receivable Ageing Schedule

Particulars	Outstanding as on March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	17,941.80	566.39	90.87	277.51	39.16	18,915.73
Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables						
Considered Good	-	-	-	568.24	112.39	680.63
Considered Doubtful	-	-	251.31	-	-	251.31
Total	17,941.80	566.39	342.18	845.75	151.55	19,847.67
Not Due						4,787.00
Unbilled						41,998.47
Total	17,941.80	566.39	342.18	845.75	151.55	66,633.14

Particulars	Outstanding as on March 31, 2021					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	8,600.48	496.87	413.26	77.02	-	9,587.63
Considered Doubtful	-	344.75	-	-	-	344.75
Disputed Trade Receivables						
Considered Good	-	-	551.26	-	112.39	663.65
Considered Doubtful	-	-	-	-	283.60	283.60
Total	8,600.48	841.62	964.52	77.02	395.99	10,879.63
Not Due						9,385.09
Unbilled						37,402.07
Total	8,600.48	841.62	964.52	77.02	395.99	57,666.79

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

b) Refer Note 14 for information on Trade Receivables pledged as security by the Group and Note 42 for information about credit risk and market risk on Trade Receivables.

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

	Non-Current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Security Deposits				
Considered Good	185.65	359.64	4,556.14	4,022.70
Credit Impaired	-	-	-	-
Considered Doubtful	-	-	-	253.08
	185.65	359.64	4,556.14	4,275.78
Less: Loss Allowances	-	-	-	253.08
	185.65	359.64	4,556.14	4,022.70
Measured at Fair Value through OCI				
Derivative Assets [Refer (a) below]	-	514.70	1,323.24	65.53
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months #	3,451.93	4,217.81	-	-
Interest Accrued on:				
Fixed Deposits with Banks	180.86	189.36	250.16	133.13
Claims Receivable [Refer (b) below]	-	-	2,361.23	2,361.23
Subsidy Receivable	-	-	-	69.96
Other Receivable	-	-	227.10	217.82
Charges Recoverable	-	-	18.99	188.72
Total	3,818.44	5,281.51	8,736.86	7,059.09

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

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

(b) Claim Receivables represents amount receivables from Indian Railway in relation to differential sub lease rentals for the last 3 years of primary sub lease period along with interest in terms of the Arbitration award dated February 3, 2016. The erstwhile Cimmco Limited (since merged with the Parent Company) had taken on lease 1,200 wagons from four lessors and given the same on sub-lease for a period of ten years to Indian Railways under four separate Sub-Lease Agreements, one dated May 28, 1997 and the other three dated October 20, 1997. During the subsistence of the sub-lease, erstwhile Cimmco Limited (since merged with the Parent Company) had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals and award was published on February 3, 2016.

8. Tax Assets (Net)

	Non-Current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Advance Tax (Including Tax Deducted at Source and Net of Provision for Taxation) (Net of provision for tax Rs. 21,018.28 Lacs ; March 31, 2021 Rs. 21,018.28 Lacs)	2,640.77	2,640.77	-	10.96
	2,640.77	2,640.77	-	10.96

9. Other Assets
(Unsecured, Considered Good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Capital Advances	1,170.22	262.85	-	-
Security Deposits	451.47	274.98	-	-
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	45.00	49.37
Considered Good - Others	-	-	6,923.43	9,057.92
Considered Doubtful - Others	-	-	209.98	195.73
	-	-	7,178.41	9,303.02
Less: Provision for Doubtful Advances - To Others	-	-	209.98	195.73
	-	-	6,968.43	9,107.29
Balances with Government Authorities				
Considered Good	-	-	12,191.05	15,644.34
Considered Doubtful	-	-	-	94.61
	-	-	12,191.05	15,738.95
Less: Provision for Doubtful Balances	-	-	-	94.61
	-	-	12,191.05	15,644.34
Prepaid Expenses	140.39	281.15	1,771.73	992.54
Total	1,762.08	818.98	20,931.21	25,744.17

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

10. Inventories

(Valued at Lower of Cost and Net Realisable Value)	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Raw Materials and Components [Includes Goods in Transit Rs. 1,030.04 Lacs (March 31, 2021: Rs. 606.06 Lacs)]	42,411.60	29,583.89
Work-in-progress	5,765.44	5,980.09
Finished Goods	-	883.85
Saleable Scrap	761.55	695.30
Stores and Spares	1,447.04	1,375.82
Total	50,385.63	38,518.95

(a) Refer Note 14 for information on inventories pledged as security by the Group.
(b) Work in progress includes project work in progress of Rs. 4,038.71 Lacs (March 31, 2021: Rs 3,239.02 Lacs)
(c) Write-downs of inventories to net realisable value amounted to Rs. 291.77 Lacs (March 31, 2021: Rs 11.00 Lacs).

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11. Cash and Bank Balances	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
11.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	635.76	7,936.82
Deposits with Original Maturity of Less Than Three Months @	-	22.20
Cash on hand (including Cheques in hand of Rs. 238.46 Lacs (March 31, 2021: Rs. NIL)	260.09	10.36
	895.85	7,969.38
11.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	14.45	17.18
On Unpaid Fractional Share Entitlement Accounts	8.59	-
Deposits @	3,286.72	4,417.12
	3,309.76	4,434.30
Total	4,205.61	12,403.68

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

12. Equity Share Capital

	As At March 31, 2022		As At March 31, 2021	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Authorised Shares				
Equity Shares of Rs. 2/- (March 31, 2021: Rs. 2/-) each	12,905.00	25,810.00	12,905.00	25,810.00
Preference shares of Rs. 10 /- each	1,270.00	12,700.00	1,270.00	12,700.00
		38,510.00		38,510.00
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2021 Rs. 2/-) each, fully paid-up	1,195.71	2,391.42	1,193.87	2,387.75
	1,195.71	2,391.42	1,193.87	2,387.75

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

	2021-22		2020-21	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Equity Shares				
Outstanding at the beginning of the year	1,193.87	2,387.75	1,156.06	2,312.12
Shares issued pursuant to Scheme of Amalgamation #	-	-	37.20	74.41
Shares issued pursuant to the Employee Stock Option Scheme @	1.84	3.67	0.61	1.22
Outstanding at the end of the year	1,195.71	2,391.42	1,193.87	2,387.75

@ During the year, 183,500 equity shares (March 31, 2021: 60,950 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Parent Company under the Employee Stock Option (ESOP) Scheme (Refer Note 34).

During the year ended March 31, 2021: 37,20,460 shares of Rs. 2 each were issued to the miniority shareholders of Cimmco Limited (erestwhile subsidiary of Parent company) pursuant its scheme of Amalgamation.

b) Terms and rights attached to Equity Shares

The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2021: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

d) Details of Shareholders holding more than 5% shares in the Parent Company

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2 (March 31, 2021: Rs. 2) each fully paid				
Titagarh Capital Management Services Private Limited	24,071,588	20.13%	21,670,165	18.15%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	15.22%	18,201,875	15.25%
Rashmi Chowdhary	12,816,105	10.72%	12,816,105	10.73%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	8,894,149	7.44%	10,425,560	8.73%

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

e) Details of Shreholders held by Promoters

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of shares	% of total share	No. of shares	% of total share	
Titagarh Capital Management Services Private Limited #	24,071,588	20.13%	21,670,165	18.15%	1.98%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	15.22%	18,201,875	15.25%	-0.03%
Jagdish Prasad Chowdhary	70,700	0.06%	70,700	0.06%	0.00%
Umesh Chowdhary	77,530	0.06%	77,530	0.06%	0.00%
Rashmi Chowdhary	12,816,105	10.72%	12,816,105	10.73%	-0.01%
Sumita Kandoi	5,751	0.00%	2,251	0.00%	0.00%
Vinita Bajoria	7,351	0.01%	7,351	0.01%	0.00%
Bimla Devi Kajaria	10,000	0.01%	-	-	0.01%
Gaurav Kajaria	7,583	0.01%	7,583	0.01%	0.00%
Titagarh Logistics Infrastructures Private Limited	1,235,000	1.03%	-	-	1.03%

Titagarh Capital Management Services Private Limited (PAN: AACCT5853F) ('TCMSPL') has acquired 134,722 and 111,777 equity shares of Titagarh Wagons Limited ('the Parent Company') on March 30, 2022 and March 31, 2022 respectively through market purchase from public category shareholder(s). However, the said shares were not credited into TCMSPL's demat account till March 31, 2022, and also did not appear in the BENPOS of the Company as at March 31, 2022 from the Depositories and furnished by the Company's Registrar. Therefore, the aforesaid 246,499 shares (representing 0.21% of the Company's paid-up share capital) could not be taken as held by TCMSPL in the shareholding pattern as on March 31, 2022 filed with BSE Limited and NSE Limited. However, the said 246,499 shares have been considered and included above.

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Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

13. Other Equity -Reserves and Surplus	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
A. Securities Premium Account		
Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
Balance as per the last Financial Statements	40,820.00	40,740.50
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 12(a)]	77.46	25.74
Transfer from ESOPs Outstanding Account on Exercise and Lapse	166.91	53.76
	41,064.37	40,820.00
B. General Reserve (Refer Note 13.1)		
Balance as per the last financial statements	5,411.39	5,411.39
	5,411.39	5,411.39
C. Capital Reserve		
Balance as per the last Financial Statements	7,462.07	9.18
Arisen Pursuant to the Scheme of Amalgamation	-	7,433.32
Arisen due to acquisition of equity shares resulting in a subsidiary	-	19.57
Balance as at the end of the year	7,462.07	7,462.07
D. Reserve Fund under Section 45-IC of the Reserve Bank of India Act, 1934		
Balance as per the last Financial Statements	-	15.62
Transfer Within Other Equity [Refer (g) below]	-	(15.62)
Balance as at the end of the year	-	-
F. Employee Stock Options (ESOPs) Outstanding Account (Refer Note 34)		
Employee Stock Options Outstanding Account relates to stock options granted by the Parent Company to employees under the Parent Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
Balance as per the last Financial Statements	166.62	249.84
Recognition of Share Based Payment (Refer Note 34)	16.67	9.33
Transfer from ESOPs Outstanding Account on Exercise and Lapse	(183.29)	(92.55)
	-	166.62
G. Retained Earnings		
Balance as per the last Financial Statements	25,183.97	26,597.86
Loss for the Year	(32.84)	(1,499.65)
Transactions with Non-controlling Interests	35.66	-
Transfer from ESOPs Outstanding Account on Options Lapsed	16.38	38.79
Item of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	14.59	31.35
Transfer within equity [Refer (d) above]	-	15.62
Net surplus in the statement of profit and loss	25,217.76	25,183.97
-Other Reserve		
H. Foreign Currency Translation Reserve (FCTR)		
Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2.20(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.		
Balance as per the last Financial Statements	1,673.71	1,324.79
Exchange Differences on Translation of Foreign Operations during the year	1.89	348.92
	1,675.60	1,673.71
I. Equity Component of compound financial instruments (Refer Note 13.2)		
Balance as per the last Financial Statements	515.69	-
Equity Component of Compound Financial Instruments derecognised during the year (net of deferred tax)	(515.69)	-
Equity Component of Compound Financial Instruments issued during the year	-	689.13
Tax impact on above	-	(173.44)
	-	515.69
J. Cash Flow hedge Reserve (Refer Note 13.3 and 13.4)		
Balance as per the Last Financial Statements	434.20	-
Changes in fair value recognised during the year	743.01	580.23
Tax impact on above	(187.00)	(146.03)
	990.21	434.20
Total Other Equity (A+B+C+D+E+F+G+H+I+J)	81,821.40	81,667.65

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

13.2 **Equity Component of compound financial instruments** :-
During the previous year, TBIPL has issued Optionally Fully Convertible Debentures (OFCD) to the individual promoters of the Company carrying a coupon rate of 4% during the financial year. Considering the accounting principles to be followed in line with Indian Accounting Standards, TBIPL has computed the liability portion of OFCD as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OFCD the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.
During the current year, the aforesaid OFCD has been redeemed fully and accordingly the equity component thereof has been derecognised, net of tax thereon.

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

13.4 During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to Rs. Nil (March 31, 2021: Rs. Nil).
The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the statement of profit and loss as below:
- within the next one year: gain Rs. 990.20 Lacs (March 31, 2021: Rs. 49.04 Lacs)
- later than one year: gain Rs. Nil Lacs (March 31, 2021: Rs. 385.16 Lacs)

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14. Borrowings

	Non-current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Secured				
Term Loan from Banks [Refer (a) below]	39,620.88	43,447.77	4,720.40	9,135.33
Cash Credits & Working Capital Demand Loan from Banks [Refer (b) below]	-	-	31,245.77	21,674.04
Unsecured				
Term Loan from Banks [Refer (c) below]	7,936.87	8,609.90	529.12	-
Loan from Related Party	2,000.00	-	-	-
Optionally Fully Convertible Debenture measured at FVTPL [Refer (d) below]				
4% Debentures of Rs. 10 /- each fully paid up	-	1,681.18	-	-
Total	49,557.75	53,738.85	36,495.29	30,809.37

Secured Borrowings

a) Term Loan from Banks

i) In case of Parent Company:

A) Term Loan of Rs. Nil (March 31, 2021: Rs. 4,392.87 lacs) carries interest @ 9.20% p.a. (March 31, 2021: 9.20% to 11.25% p.a.) linked to 1 year MCLR and has been prepaid during the year. Above term loan was secured by Immovable property (including land) at Gwalior and Bhind districts, Madhya Pradesh owned by the Company. The loan was further subservient charge over movable fixed assets of the borrower.

B) Term Loan of Rs. 5991.15 lacs (March 31, 2021: Rs. 5,907.97 Lacs) carries interest @ 7.00 % to 8.75 % p.a (March 31, 2021: 8.75% to 11.75%) linked to 1 year MCLR and is repayable in 7 quarterly installments starting from June 2022 to December 2023. Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on the Company's current assets relating to Bharatpur Plant.

ii) In case of Titagarh Firema S.p.A (TFA)

Term Loan from Bank of Baroda (UK Branch) of Rs. 38,350.13 Lacs (March 31, 2021: Rs. 42,282.25 Lacs) was sanctioned in the year 2018-19 and was fully drawn. Due to the Covid crisis and its consequent impact on the cash flows of the Company, it had applied to the Bank for a one time restructuring of the loan which interalia included rescheduling the pinciple repayments which as per the the original repayment terms were expected to start from September 2018. The restructuring proposal of the Company was approved by the Bank in the month of December and the outcome of the same on the principal repayments, interest rate and the overall security is as under:

Repayment Schedule	Year	Original	Revised	(In Euro)
	2021-22	10,500,000.00	4,250,000.00	
	2022-23	14,000,000.00	2,000,000.00	
	2023-24	12,500,000.00	4,000,000.00	
	2024-25	10,500,000.00	6,000,000.00	
	2025-26	2,250,000.00	8,000,000.00	
	2026-27	250,000.00	13,500,000.00	
	2027-28	-	12,250,000.00	
		50,000,000.00	50,000,000.00	

Original Security - The facility is secured by First pari-passu Charge on the entire fixed assets (movable and immovable) and current assets of the Company.

Revised Security - Same as above and additionally the parent company has provided a pari-passu charge over the land at Bharaptpur and the promoters of the Group (Mr Umesh Chowdhary) has provided charge over residential property at Mumbai and his personal guarantee.

Original Interest Rate - Euribor plus 265 bps

Revised Interest Rate - Euribor plus 295 bps

b) Cash Credits and Working Capital Demand Loan from Banks:

i) In case of Parent Company:

A) Cash Credits and Working Capital Demand Loans of Rs. 5,884.89 (March 31, 2021: Rs. NIL) are secured by first charge on the Company's current assets, movable fixed asset both present and future and further creating charge on immovable properties of the company by deposit of title deeds except immovable properties at Bharatpur, Rajasthan, Gwalior and Bhind district, Madhya Pradesh. The above facilities has also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari-passu with consortium member banks.

B) Cash Credits is repayable on demand and carry an interest rate ranging between 8.95 % to 12.35 % p.a. (March 31,2021: 7.65 % to 12.45 %) linked with MCLR.

C) Working Capital Demand Loans carry interest ranging from 5.25 % to 8.95% p.a. (March 31, 2021: 6.30% to 11.80% p.a.) and are repayable on demand.

ii) In case of Titagarh Firema S.P.A (TFA):

Short term loan from banks represents overdraft facility from Bank of Baroda (Uk Branch) of Rs.25,360.88 Lacs (March 31, 2021: Rs. 21,674.04 Lacs). The facility is secured similar to the Long term borrowing (Secured) from BOB. The short term loan bears interest rate of Euribor + 300 bps and is repayable on demand. Refer note 46 for certain breach of covenants.

Unsecured Borrowings

c) Term Loan from Banks

In case of Titagarh Firema S.P.A (TFA):

Term Loan of Rs. 8,465.99 Lacs (March 31, 2021: Rs. 8609.90 Lacs) has been received from Intesa San Paolo under the Liquidity Decree issued by the Government of Italy in order to support the companies from the Covid crisis. The loan is backed by the guarantee from SACE SPA. The loan carries interest of 1.73%p.a.

Repayment Schedule	Year	Original	(In Euro)
	upto 1 year	625,000	
	1 - 2 years	2,500,000	
	2 - 3 years	2,500,000	
	3 - 4 years	4,375,000	
	4 - 5 years	-	
	> 5 years	-	
		10,000,000	

(d) Financial Covenant - In case of TFA, The Term loan agreements with the banks stipulates certain key financial ratios that needs to be complied with as on 31st March 2022, all of which are not met. The Company has already applied for the waiver for testing of the said financial covenants which are not met with the respective banks. We have been informed by the banks that they have taken up our proposal with their competent authority on priority. Considering the ongoing discussions and email correspondences with the banks, the management is hopeful of receiving such waivers shortly, and moreover in the absence of a specific request by the banks for an immediate repayment of the debt exposure, the company continues to report the term loan repayable after one year as non-current in line with the terms of the existing loan agreements. Refer note 46 for certain breach of covenants.

e) Optionally Fully Convertible Debenture (OFCD)

In case of Titagarh Bridges & International Private Limited (TBIPL):

OFCD of Rs. 1,681.18 Lacs as on March 31, 2021 are unsecured, unlisted and non transferable debentures. The tenure of OFCD is 7 years from the date of allotment. The OFCDs shall be converted into Equity Shares at the option of the holder at the end of one year or three years or five years or seven years respectively from the date of allotment. The OFCD will be payable on annual basis on every March 31 with a rate of interest of 4% p.a. Pursuant to the conversion, OFCD shall Rank Pari Passu with existing Equity Shares of TBIPL. If OFCD holder does not choose the option of conversion then the OFCD will be compulsorily redeemed by TBIPL on the expiry of seven years from the date of allotment. During the current year, the aforesaid OFCD has been redeemed fully.

f) Loan from Related Party

In case of Titagarh Bridges & International Private Limited (TBIPL):

Loan from Related Party of Rs. 2,000 Lacs (March 31, 2021: Rs. Nil) are unsecured and are repayable on demand. The loan carries interest of 9.5% p.a.

g) Refer Note 42 for information about market risk and liquidity risk on borrowings.

h) Term Loan obtained in earlier years have been applied for the purpose for which it has been obtained.

15. Other Financial Liabilities

	Non-Current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Measured at Amortised Cost				
Interest accrued and due on Borrowings	-	-	-	14.82
Interest accrued and not due on Borrowings	-	-	93.33	6.20
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividends	-	-	14.45	17.18
Unpaid fractional share	-	-	8.59	-
Others				
Employee Related Liabilities	-	-	923.87	1,109.91
Payable for Purchase of Property, Plant and Equipment	-	-	125.89	-
Other Liabilities	-	-	16.26	-
Total	-	-	1,182.39	1,148.11

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16.1 Provisions

	Non-Current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	340.93	350.55	102.37	107.23
Leave Benefits [Refer Note 32(iii)]	-	-	1,100.77	1,139.15
	340.93	350.55	1,203.14	1,246.38
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	1,420.83	2,110.49
Loss on Onerous Contract [Refer (a) below for movement]	-	-	-	1,853.71
Litigation, Claims and Contingencies [Refer (b) below for movement] & [37 (i)]	-	-	5,369.15	2,073.34
Other Provisions [Refer (b) below for movement]	-	-	785.18	502.88
	-	-	7,575.16	6,540.42
Total	340.93	350.55	8,778.30	7,786.80

a) Movement of provisions for warranties and Loss on Onerous Contract are as follows:

	Warranties		Loss on Onerous Contract	
	2021-22 Rs. In Lacs	2020-21 Rs. In Lacs	2021-22 Rs. In Lacs	2020-21 Rs. In Lacs
At the Beginning of the Year	2,110.49	3,964.35	1,853.71	2,093.00
Made during the Year*	49.60	33.98	-	1,661.83
Utilised during the Year*	(681.48)	(1,887.84)	(1,853.71)	(1,901.13)
Unused amount reversed	(57.78)	-	-	-
At the End of the Year	1,420.83	2,110.49	-	1,853.71

b) Movement of Provisions for Litigation, Claims and Contingencies are as follows:

	Litigations, Claims and Contingencies		Other Provision	
	2021-22 Rs. In Lacs	2020-21 Rs. In Lacs	2021-22 Rs. In Lacs	2020-21 Rs. In Lacs
At the Beginning of the Year	2,073.34	2,083.87	502.88	-
Made during the Year*	3,295.81	121.09	282.30	502.88
Utilised during the Year*	-	-	-	-
Unused Amounts Reversed during the Year	-	(131.62)	-	-
At the End of the Year	5,369.15	2,073.34	785.18	502.88

*includes adjustment of exchange fluctuation on consolidation of Rs. (134.17) Lacs (March 31, 2021 Rs. 286.37 Lacs).

Information about individual provisions and significant estimates:

Warranties

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

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. Further in respect of a foreign subsidiary claims represents provisions made towards potential extra costs for closure of end of life / legacy contracts and increase in energy costs due to geopolitical situation. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

Onerous contract

Onerous contract represents provision made towards excess of contract costs over contract revenues pertaining to one of the subsidiary company "Titagarh Firema S.p.A".

Other Provisions

The amount represents provisions made towards one time employee costs for shifting the production of Tito to Caserta w.e.f January 01, 2022 and settlement of claims in relation to the ongoing disputes with ex-employees of Firema Trasporti (in extraordinary administration) as part of the acquisition process for is in respect of Titagarh Firema SpA, a step down subsidiary.

16.2 Current Tax Liabilities

	As at March 31, 2022 Rs. In Lacs	As at March 31,2021 Rs. In Lacs
Provision for Income Tax	1,589.45	22.90
(Net of Advance tax and TDS Rs. 1,049.95 Lacs; March 31, 2021 Rs. Nil)		
Total	1,589.45	22.90

17. Deferred Tax (Assets)/Liabilities

		As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Deferred Tax Liabilities			
Arising out of temporary differences in depreciable assets and non-depreciable assets		7,924.71	6,582.45
Unrealised Gain on Fair value through Profit & Loss (FVTPL) Securities *		498.74	572.95
Fair valuation of Derivative Assets		333.03	146.03
Others		30.41	104.72
Gross Deferred Tax Liabilities	(A)	8,786.89	7,406.15
Deferred Tax Assets			
Provision for fall in value of Investments		5,329.68	5,525.55
Provision for Doubtful Debts, Advances and Claims Receivable		147.46	302.95
Provision for Warranties and Liquidated Damages		3,890.04	3,914.77
Provision for Litigations, Claims and Contingencies		106.78	88.43
Provision for Employee Benefits		165.14	173.40
Lease Liabilities		1,491.55	37.26
Carried Forward Business Losses		-	3.57
Deferred Tax Assets	(B)	11,130.65	10,045.93
Deferred Tax Liabilities (Net)	(A-B)	(2,343.76)	(2,639.78)
Reflected in the Consolidated Balance Sheet as:			
Deferred Tax Assets		3,792.36	3,783.04
Deferred Tax Liabilities		1,448.60	1,143.26
Deferred Tax Liabilities (Net)		(2,343.76)	(2,639.78)

The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2021:

	As at April 1, 2020 Deferred tax Asset / (Liability)	Adjustment in Other Equity *	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2021 Deferred tax Asset / (Liability)	Adjustment in Other Equity *	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2022 Deferred tax Asset / (Liability)
Arising out of temporary differences in depreciable assets and non-depreciable assets	(6,329.91)		252.54	(6,582.45)		1,342.26	(7,924.71)
Unrealised Gain on FVTPL Securities	(294.81)	173.44	104.70	(572.95)	(173.44)	99.23	(498.74)
Fair valuation of Derivative Assets	-		146.03	(146.03)		187.00	(333.03)
Others	(68.54)		36.18	(104.72)		(74.31)	(30.41)
Total Deferred Tax Liabilities	(6,693.26)	173.44	539.45	(7,406.15)	(173.44)	1,554.18	(8,786.89)
Provision for fall in value of Investments	4,998.95		526.60	5,525.55		(195.87)	5,329.68
Provision for Doubtful Debts and Advances	744.28		(441.33)	302.95		(155.49)	147.46
Provision for Warranties & Liquidated Damages	3,921.67		(6.90)	3,914.77		(24.73)	3,890.04
Provision for Litigation, Claims & Contingencies	750.54		(662.11)	88.43		18.35	106.78
Provision for Employee Benefits	176.17		(2.77)	173.40		(8.26)	165.14
Lease Liabilities	-		37.26	37.26		1,454.29	1,491.55
Carried Forward Business Losses	85.17		(81.60)	3.57		(3.57)	-
Total Deferred Tax Assets	10,676.78	-	(630.85)	10,045.93	-	1,084.72	11,130.65
Deferred Tax Asset / (Liabilities) (Net)	3,983.52	173.44	(1,170.30)	2,639.78	(173.44)	(469.46)	2,343.76

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 4.91 Lacs [March 31, 2021 Rs. 10.55 Lacs] and income tax impact on Fair value change of cash flow hedges amounting to Rs. 187.00 Lacs [March 31, 2021 Rs. 146.03 Lacs] included in Other Comprehensive Income and income tax impact on exchange difference on consolidation of Rs. 64.85 Lacs [March 31, 2021 Rs. (130.27) Lacs] included in foreign currency translation reserve.

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18. Trade Payables (At Amortised Cost)

	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	686.99	771.78
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	43,185.84	39,027.03
Total	43,872.83	39,798.81

Trade Payable Ageing Schedule

Particulars	Outstanding as on March 31, 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	457.65	-	-	-	457.65
Others	23,660.16	1,286.94	115.16	352.93	25,415.19
Disputed Trade Payables					
Micro enterprises and small enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	24,117.81	1,286.94	115.16	352.93	25,872.84
Not Due					
Micro enterprises and small enterprises					229.34
Others					11,715.27
Unbilled					
Micro enterprises and small enterprises					-
Others					6,055.38
Total	24,117.81	1,286.94	115.16	352.93	43,872.83

Particulars	Outstanding as on March 31, 2021				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	377.72	92.48	-	-	470.20
Others	15,666.11	987.23	202.05	175.10	17,030.49
Disputed Trade Payables					
Micro enterprises and small enterprises					-
Others					-
Total	16,043.83	1,079.71	202.05	175.10	17,500.69
Not Due					
Micro enterprises and small enterprises					301.58
Others					9,277.58
Unbilled					
Micro enterprises and small enterprises					-
Others					12,718.96
Total	16,043.83	1,079.71	202.05	175.10	39,798.81

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

19. Other Liabilities

	Non-Current		Current	
	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2022 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs
Advances from Customers	-	17,535.77	33,790.89	9,660.26
Statutory Dues	-	-	680.76	781.06
Other Liabilities	-	-	-	390.63
	-	17,535.77	34,471.65	10,831.95

Non-current and current advance received from customers as at March 31, 2021 include an advance of Rs. 22,916.27, which will be adjusted over a period of more than one year against sale of passenger wagons. Out of such advance outstanding, Rs. 5,200.41 lacs would be recognised within a year and remaining thereafter

20. Revenue from Operations

	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Revenue from Contract with Customers:-		
Sale of Products		
Finished Goods	182,367.09	140,262.56
Raw Materials and Components	8,168.38	9,506.04
Other Operating Revenues		
Scrap Sales	2,543.72	2,282.51
Export Entitlement	-	12.84
Total	193,079.19	152,063.95

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 190,535.47 Lacs (March 31, 2021 Rs 149,768.60 Lacs). The details of which are given below:-

	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Revenue recognised at a point in time	120,598.90	95,474.64
Revenue recognised over time	69,936.57	54,293.96
	190,535.47	149,768.60

Reconciliation of revenue recognised with contract price:

	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Contract price	181,335.74	148,861.96
Adjustment for:		
Liquidated Damages	(359.85)	(829.41)
Escalation	9,559.58	1,736.05
Revenue from operation	190,535.47	149,768.60

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TITAGARH WAGONS LIMITED
Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

21. Other Income	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
21.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	525.73	356.01
On Others	50.65	1.75
From Income Tax Authorities	-	73.83
	576.38	431.59
21.2 Others		
Unspent Liabilities / Provisions No Longer Required Written Back	14.20	162.43
Net Gain on Sale of Investments	24.27	-
Irrecoverable debts written off in earlier years, now recovered	-	12.75
Net Gain on Disposal of Property, Plant and Equipment	290.32	61.57
Insurance Claim Received	684.28	-
Other Non-operating Income	1,810.83	1,563.11
	2,823.90	1,799.86
21.3 Other Gains / (Losses)		
Fair Value Gain / (Loss) on Investment - FVTPL	183.28	254.47
	183.28	254.47
Total	3,583.56	2,485.92

22. Cost of Raw Materials and Components Consumed	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Inventories at the Beginning of the Year	29,583.88	27,570.18
Add: Purchases #	135,326.49	106,579.95
	164,910.37	134,150.13
Less: Inventories at the End of the Year	42,285.33	29,583.89
Cost of Raw Materials and Components Consumed	122,625.04	104,566.24

This includes Project execution expenses of Rs 1,545.39 (March 31, 2021: Rs.386.27 Lacs) incurred at TBIPL.

23. Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap		For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Inventories at the end of the year			
Finished Goods		-	883.85
Work-in-Progress		5,765.44	5,980.09
Saleable Scrap		761.55	695.30
	(A)	6,526.99	7,559.24
Inventories at the beginning of the year			
Finished Goods		883.85	912.85
Work-in-Progress		5,980.09	7,035.71
Saleable Scrap		695.30	981.17
	(B)	7,559.24	8,929.73
Decrease in Inventories	(A-B)	1,032.25	1,370.49
Inventories Transferred to Property, Plant & Equipment		1,192.43	2,525.98
		(160.18)	(1,155.49)
Less: Reversal of provision for onerous contract and warranty cost		1,636.91	4,089.96
Add: Pre Acquisition Inventories of TBIPL		-	21.08
		(1,797.09)	(5,224.37)

24. Employee Benefits Expense	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Salaries, Wages and Bonus	21,831.61	20,626.44
Employee Stock Options Expense (Refer Note 34)	16.68	9.33
Contribution to Provident & Other Funds [Refer Note 32(ii) and 49]	229.56	187.62
Gratuity Expense [Refer Note 32(i)]	70.47	67.20
Staff Welfare Expenses	202.61	166.40
Total	22,350.93	21,056.99

25. Finance Costs	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.	6,715.11	6,328.22
Interest & Finance Charge on Lease Liabilities	223.81	3.76
Other Borrowing Costs (Bank Charges, etc.)	2,400.58	1,787.95
Total	9,339.50	8,119.93

Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs. 2,315.71 Lacs (March 31, 2021: Rs. 1,862.01 Lacs) representing cost of financing component @ 9% against long term advance from customers

26. Depreciation and Amortisation Expense	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Depreciation of Property, Plant and Equipments (Refer Note 4.1)	1,953.89	1,641.15
Depreciation of Right-of-use Assets (Refer Note 4.6)	296.39	9.99
Amortisation of Intangible Assets (Refer Note 4.2)	1,077.20	1,335.62
Total	3,327.48	2,986.76

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27. Other Expenses

		For the year ended March 31, 2022 Rs. In Lacs		For the year ended March 31, 2021 Rs. In Lacs
Consumption of Stores and Spares		4,996.13		2,972.32
Job Processing and Other Machining Charges (including Contract Labour Charges)		10,768.59		6,941.90
Power and Fuel		4,521.69		3,422.12
Design and Development Expenses		223.82		208.38
Repairs				
Plant and Machinery		188.28		327.76
Buildings		113.07		108.60
Others		205.00		582.32
Rent and Hire Charges		507.20		913.12
Rates and Taxes		924.88		1,104.63
Insurance		815.02		610.32
Security Services		563.76		529.22
Advertising and Sales Promotion		86.17		34.08
Brokerage and Commission		93.53		144.99
Travelling and Conveyance		855.43		452.49
Legal and Professional Fees		1,579.12		1,600.66
Commission to non-whole time directors		10.00		10.00
Directors Sitting Fees		66.60		38.20
Payment to Auditors:				
As Auditors				
Audit Fee	48.00		48.00	
Limited Review	12.00		12.00	
Other Certification Services	8.50		18.25	
Reimbursement of Expenses	2.98	71.48	2.19	80.44
Warranty Claims (net)	(8.18)		1,925.82	
Less: Adjusted with Provision	-	(8.18)	1,891.83	33.99
Provision for Claims		3,399.11		-
Irrecoverable Debts/ Advances Written Off	3,062.32		405.03	
Less: Adjusted with Provision	808.84	2,253.48	-	405.03
Loss on fair valuation of Financial Liabilities measured at FVTPL		-		12.32
Foreign Exchange Fluctuations (Refer Note 28.2)		159.73		178.13
Corporate Social Responsibility Expenses (Refer Note 28.1)		7.68		5.15
Miscellaneous Expenses		4,206.34		2,885.20
Total		**36,607.93**		**23,601.37**

28.1 Corporate Social Responsibility Expenses

		For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
(a)	Amount required to be spent by the Parent Company during the year	-	-
(b)	Amount spent during the year by the Parent Company on		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above (fully paid)	7.68	5.15
	Total	**7.68**	**5.15**

28.2 Foreign Exchange Fluctuations is net of gain of Rs. 127.20 Lacs (March 31, 2021: Rs. Nil) on account of cancellation of forward contracts during the year.

29. Exceptional Items

	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
Restructuring Cost [Refer Note (a) below]	1,313.44	-
	1,313.44	-

a) Exceptional costs represents costs incurred towards one time employee costs for shifting the Titagarh Firema SPA's production of Tito to Caserta w.e.f 1st January 2022 and settlement of litigation claims in relation to the ongoing disputes with ex-employees of Firema Trasporti (in extraordinary administration) as part of the acquisition process.

30. Income Tax Expense / (Benefit)

	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
(A) Amount Recognised in the Statement of Profit and Loss		
Current Tax	2,751.37	176.96
Deferred Tax	212.70	1,143.99
Total Income Tax Expense Recognised in Profit and Loss	2,964.07	1,320.95
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit /(Loss) before Tax	2,895.52	(557.70)
At India's Statutory Income Tax Rate of 25.168% (March 31, 2021: 25.168%)	**728.74**	**(140.36)**
Adjustments:		
Non-deductible Income / (Expenses) for Tax Purposes		
Expenses not allowed as deductions	76.40	(51.99)
Income not taxable	-	14.83
Deferred tax not recognised	2,337.70	1,768.95
Impact of lower tax rate (capital gains tax rate) on the fair valuation of land and Investment in equity shares through FVTPI	-	(70.25)
Adjustment for change in tax rate	(189.59)	20.63
Effect of Different Tax Rate for Foreign Subsidiaries.	-	(85.70)
Impact on Intercompany Elimination	24.94	(19.72)
Others	(14.12)	(115.44)
	2,964.07	1,320.95

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31 Earnings/(Loss) Per Equity Share

(Rs. In Lacs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	119,387,589	115,606,170
(ii) Number of Equity Shares at the End of the Year	119,571,089	119,387,589
(iii) Weighted Average Number of Equity Shares Outstanding during the year	119,491,175	116,995,927
(iv) Face Value of Each Equity Share (Rs)	2.00	2.00
(v) Profit / (Loss) after Tax Available for Equity Shareholders of the Parent Company (Rs. In Lacs):	(32.84)	(1,499.65)
(vi) Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)] #	(0.03)	(1.28)
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	-	-
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	119,491,175	116,995,927
(iii) Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)] #	(0.03)	(1.28)

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

32 Employee Benefits:

(i) Post-employment Defined Benefit Plans:

Gratuity

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

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

(Rs.in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year endec March 31, 2022	For the year ended March 31, 2021	For the year endec March 31, 2022	For the year ended March 31, 2021
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	7.65	5.10	36.84	35.92
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.74	4.05	23.24	22.13
Total	10.39	9.15	60.08	58.05
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	36.63	(15.48)	(56.13)	(26.42)
Total	36.63	(15.48)	(56.13)	(26.42)
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	123.07	96.30	366.89	408.15
Fair value of Plan Assets	46.66	46.67	-	-
Net Liability	76.41	49.63	366.89	408.15
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	-	8.05	102.37	99.18
Non-Current Liability (Long term)	76.41	41.58	264.52	308.97
	76.41	49.63	366.89	408.15
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	96.30	120.40	408.16	395.43
Current Service Cost	7.65	5.10	36.84	35.92
Interest Cost	5.30	6.62	23.25	22.13
Benefits Paid	(20.24)	(17.76)	(45.23)	(18.91)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	(1.26)	-	(2.11)	(1.72)
Demographic Assumptions	(0.03)	-	(1.53)	-
Experience Variance	35.35	(18.06)	(52.49)	(24.69)
Closing Defined Benefit Obligation	123.07	96.30	366.89	408.16
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	46.67	46.67		
Return on Plan Assets	(2.57)	(2.57)		
Investment Income	2.56	2.57		
Fair Value of Plan Assets at the end of the year	46.66	46.67		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	3 years	2 years	4 years	3/4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	42.64	54.72	102.37	99.18
Later than 1 year and not later than 5 years	74.72	43.27	216.99	241.65
Later than 5 year and not later than 10 years	25.31	5.37	107.99	122.95
More than 10 years	6.58	3.73	45.49	64.40
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	6.00%	5.50%	6.10%	5.70%
Rate of increase in Salary	6.50%	6.44%	5.00%	3.00-4.80%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India.

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

The Parent Company expects to contribute Rs 82.84 Lacs (March 31, 2021 Rs.53.07 Lacs) to the funded gratuity plans during the next financial year.

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

(Rs. in Lacs)

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2022		As at March 31, 2021		As at March 31, 2022		As at March 31, 2021	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	126.94	119.43	98.28	94.41	381.25	353.54	425.37	392.25
Salary Growth Rate (- / + 1%)	119.41	126.88	94.41	98.24	354.47	379.93	392.35	424.72

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

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

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(ii) Post-employment Defined Contribution Plans:

(A) Provident Fund and Employee State Insurance Scheme (ESI)

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

The amounts paid to Defined Contribution Plans are as follows:

	For the year ended March 31, 2022 Rs.in Lacs	For the year ended March 31, 2021 Rs.in Lacs
Provident Fund (refer note 49)	192.91	162.17
ESI	23.71	18.94
Total	216.62	181.11

(iii) Leave Benefits

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

The total provision recorded by the Parent Company and a subsidiary towards these benefits at year end was Rs.1,100.77 Lacs (March 31, 2021: Rs.1,139.15 Lacs). The amount of the provision is presented as current, since the Parent Company and the subsidiary does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Parent Company and the subsidiary does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	As at March 31, 2022 Rs.in Lacs	As at March 31, 2021 Rs.in Lacs
Leave provision not expected to be settled within the next 12 months	420.20	351.92

(iv) Risk Exposure

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

(a) Discount Rate Risk

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

(b) Salary Growth Risks

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

(c) Demographic Risk

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

33 Research and Development expenditure of revenue nature recognised in profit and loss during the year amounts to Rs. 322.96 Lacs (March 31, 2021: Rs. 13.14 Lacs)

34 Employee Stock Option Plan (ESOP)

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

Tranche 1 - First Allotment

a) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	March 4, 2015
Exercise price	Rs 44.20
Market price at March 4, 2015	Rs 135.60

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	-	-	2,500	44.20
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	2,500	44.20
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.Nil (March 31, 2021: Rs. Nil) and weighted average contractual life of the option as at March 31, 2022 is Nil years (March 31, 2021: Nil years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2021: Nil years). The weighted average fair value of stock options granted was Rs. Nil (March 31, 2021: Rs. Nil).

The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2021	
November 16, 2020	44.09

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

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Tranche 1 - Second Allotment

b) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of Options	Weighted Average Exercise Price (WAEP)	No. of Options	Weighted Average Exercise Price (WAEP)
Outstanding at the beginning of the year	57,500	44.20	86,250	44.20
Granted during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	57,500	44.20	28,750	44.20
Outstanding at the end of the year	-	-	57,500	44.20
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.Nil (March 31, 2021: Rs 90.97) and weighted average contractual life of the option as at March 31, 2022 is Nil years (March 31, 2021: 4 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2021: 0.13 years). The weighted average fair value of stock options granted was Rs.Nil (March 31, 2021: Rs 37.36 lacs).
The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2022	
August 10, 2021	86.53
March 31, 2021	
November 16, 2020	44.09

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

Tranche 2 - First Allotment

c) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

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

The movement of the option is summarised below:

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of Options	Weighted Average Exercise Price (WAEP)	No. of Options	Weighted Average Exercise Price (WAEP)
Outstanding at the beginning of the year	147,000	44.20	255,200	44.20
Granted during the year	-	-	-	-
Lapsed during the year	18,000	44.20	43,400	44.20
Forfeited during the year	3,000	44.20	32,600	44.20
Exercised during the year	126,000	44.20	32,200	44.20
Outstanding at the end of the year	-	-	147,000	44.20
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.Nil (March 31, 2021: Rs 90.97) and weighted average contractual life of the option as at March 31, 2022 is Nil years (March 31, 2021: 4 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2021: 0.13 years). The weighted average fair value of stock options granted was Rs.Nil (March 31, 2021: 129.25 lacs).
The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2022	
August 10, 2021	86.53
November 13, 2021	93.29
March 31, 2021	
November 16, 2020	44.09

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

Tranche 2 - Second Allotment

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

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The vesting schedule of the options is as follows:

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

The movement of the option is summarised below:

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of Options	Weighted Average Exercise Price (WAEP)	No. of Options	Weighted Average Exercise Price (WAEP)
Outstanding at the beginning of the year	-	-	4,900	44.20
Granted during the year	-	-	-	-
Lapsed during the year	-	-	500	44.20
Forfeited during the year	-	-	4,400	44.20
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the options as on the grant date is Rs. Nil (March 31, 2021: Rs Nil) and weighted average contractual life of the option as at March 31, 2022 is Nil years (March 31, 2021: Nil years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2021: Nil years). The weighted average fair value of stock options granted was Rs. Nil (March 31, 2021: Rs Nil).
The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2021	
November 16, 2020	44.09

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

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

During the year ended the Parent Company recorded an employee compensation expense of Rs. 16.68 Lacs (March 31, 2021: Rs.9.33 Lacs) in the Statement of Profit and loss.

35 There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties.

36 Commitments	As at March 31, 2022 Rs.in Lacs	As at March 31, 2021 Rs.in Lacs
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,258.98	3,288.11

37 Contingent Liabilities	As at March 31, 2022 Rs.in Lacs	As at March 31, 2021 Rs.in Lacs
(i) Claims against the Group not acknowledged as debt		
Disputed claims contested by the Group and pending at various courts/arbitration*	3,277.12	3,277.12
Matters under appeal with:		
Sales tax authorities	2,522.97	2,203.32
Income tax authorities	5,368.90	5,368.90
Customs and Excise Authorities	13,868.42	14,390.92
Goods and service tax Authorities	168.88	-
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,190.54
	26,396.83	26,430.80

* Includes Rs.1,360.45 Lacs (March 31, 2021: Rs.1,360.45 Lacs) which in terms of BIFR order, even if decided against the Group, would stand at Rs.136.04 Lacs (March 31, 2021: Rs.136.04 Lacs) only.

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

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

(ii) Further:
(a) Erstwhile Cimmco Limited (Since merged with the Parent Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of Rs. 1,128.95 lacs on erstwhile Cimmco Limited (since merged with the Parent Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Parent Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Company believes that there would not be any liability that would crystallise on account of the above.

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Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2022

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

	As at March 31, 2022 Rs.in Lacs	As at March 31, 2021 Rs.in Lacs
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	686.99	771.78
Interest	0.84	3.52
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
Principal	-	-
Interest	-	-
(iii) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
Principal	2,142.63	1,192.41
Interest	25.96	8.52
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	47.63	20.83

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

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39 Segment Information

The Parent Company's Board of Directors being the Chief Operating Decision Maker examines the Group's performance on the basis of its business and has identified the following reportable segments:

a) **Freight Rolling Stock** - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers and its components.

b) **Passenger Rolling Stock** - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

c) **Shipbuilding, Bridge & Defence** - Consists of Designing and Construction of Warships, Passenger Vessels, Tug and specialised equipment's for Defence, Bridge Girders etc

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the consolidated statement of profit and loss.

Segment Assets and Liabilities are measured in the same way as in the consolidated financial statements.

These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information about Operating Segments

For the year ended March 31, 2022

(Rs. in Lacs)

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding, Bridges and Defence	Total
Revenue from Operations				
Segment Revenue (External)	121,436.40	65,771.68	5,871.11	193,079.19
Segment Profit/(Loss)	15,781.12	(4,077.62)	1,521.35	13,224.85
Unallocated (Income) / Expenses				
Finance Costs				6,798.43
Interest Income				(754.07)
Depreciation and Amortisation Expense				275.38
Other Corporate Income				(3,007.18)
Other Corporate Expenses				7,016.77
Profit before Taxes				2,895.52
Tax Expenses /(Credit)				2,964.07
Profit for the year				(68.55)
Material Non-cash (Income) / Expenses:				
Depreciation and Amortisation Expense	1,259.31	1,746.05	46.74	3,052.10
Unspent Liabilities / Provisions No Longer Required Written Back	(3.59)	-	-	(3.59)
Segment Assets	74,928.27	146,729.78	6,801.60	228,459.65
Unallocated Assets				
Investments				3,015.26
Cash and Cash Equivalents				895.85
Other Bank Balances				3,309.76
Non-current / Current Tax Assets (Net)				2,640.77
Deferred Tax Assets (Net)				3,792.36
Other Unallocated Assets				25,777.14
Total Assets				267,890.79
Segment Liabilities	29,284.38	57,868.53	3,876.40	91,029.31
Unallocated Liabilities				
Borrowings				86,053.04
Current Tax Liabilities (Net)				1,589.45
Deferred Tax Liabilities (Net)				1,448.60
Other Unallocated Liabilities				3,543.16
Total Liabilities				183,663.56

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For the year ended March 31, 2021

(Rs. in Lacs)

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding, Bridges and Defence	Total
Revenue from Operations				
Segment Revenue (External)	96,374.16	54,107.07	1,582.72	152,063.95
Segment Profit/(Loss)	12,377.74	(4,282.63)	(407.16)	7,687.95
Unallocated (Income) / Expenses				
Finance Costs				6,334.97
Interest Income				(431.59)
Depreciation and Amortisation Expense				129.76
Other Corporate Income				(2,054.33)
Other Corporate Expenses				4,266.84
Loss before Taxes				(557.70)
Tax Expenses (Credit)				1,320.95
Loss for the year				(1,878.65)
Non-cash (Income) / Expenses:				
Depreciation and Amortisation Expense	1,278.87	1,427.59	150.54	2,857.00
Unspent Liabilities / Provisions No Longer Required Written Back	159.55	-	2.88	162.43
Segment Assets	74,610.15	128,947.67	4,471.90	208,029.72
Unallocated Assets				
Investments				3,127.92
Cash and Cash Equivalents				7,969.38
Other Bank Balances				4,434.30
Non-current / Current Tax Assets (Net)				2,651.73
Deferred Tax Assets (Net)				3,783.04
Other Unallocated Assets				17,373.73
Total Assets				247,369.82
Segment Liabilities	14,579.90	58,319.17	1,317.03	74,216.10
Unallocated Liabilities				
Borrowings				84,548.22
Lease Liabilities				148.05
Current Tax Liabilities (Net)				22.90
Deferred Tax Liabilities (Net)				1,143.26
Other Unallocated Liabilities				3,235.89
Total Liabilities				163,314.42

Entity-wide Disclosures:-

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

	For the year ended March 31, 2022 Rs.in Lacs	For the year ended March 31, 2021 Rs.in Lacs
India	146,753.97	99,469.51
Italy	46,325.22	52,103.74
Rest of the World	-	490.70
Total	193,079.19	152,063.95

(b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

	For the year ended March 31, 2022 Rs.in Lacs	For the year ended March 31, 2021 Rs.in Lacs
India	74,372.87	62,625.82
Italy	36,517.33	35,877.07
Total	110,890.20	98,502.89

(c) Total revenue from external customers includes sales to Indian Railways of Rs. 86,292.93 Lacs (March 31, 2021: Rs. 75,221.86 Lacs), and FCE of Rs. 20,607.26 Lacs (March 31, 2021: Rs. Nil) which represents more than 10% of the total revenue from external customers of the Group.

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40 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related Parties with whom transactions have taken place during the year:

Joint Venture Companies:	Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Private Limited)(Upto July 13, 2020) Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f. May 17, 2018)
Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Prithish Chowdhary - Non Executive Director (w.e.f. January 01, 2021) Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Ramsebak Bandyopadhyay - Independent Director (upto May 04, 2020) Mr. Atul Ravishanker Joshi - Independent Director Mr. Sunirmal Talukdar - Independent Director Mr. Sudipta Mukherjee - Director (Whole-time Director) Mr. Anil Kumar Agarwal - Director (Finance) & Chief Financial Officer Mr. Dinesh Arya - Company Secretary (Upto February 27, 2021) Mr. Sumit Jaiswal - Company Secretary (w.e.f February 28, 2021) Ms. Nayantara Palchoudhuri - Independent Director (w.e.f. June 22, 2020) Mr. K.K. Jalan - Independent Director (w.e.f. August 13, 2020) Mr. Sushil Kumar Roongta - Independent Director (w.e.f. January 01, 2021) Dr. G.B. Rao - Independent Director [Erstwhile Cimmco Limited (since merged with the Parent Company)] Mr. J.K.Shukla - Independent Director [Erstwhile Cimmco Limited (since merged with the Parent Company)] Mr. Kanwar Satya Brata Sanyal - Independent Director [Erstwhile Cimmco Limited (since merged with the Parent Company)]
Close Family Members of the KMPs:	Mrs. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary Mrs. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close Family Members of the KMPs have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Traco International Investment Private Limited (Since merge with Titagarh Industries Limited)

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

(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Payment for Lease Rental						
Titagarh Enterprises Limited	2021-22	-	675.86	-	-	675.86
	2020-21	-	675.86	-	-	675.86

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(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Interest expense						
Titagarh Enterprises Limited	2021-22	-	69.75	-	-	69.75
	2020-21	-	-	-	-	-
Interest Expense on 4% Optionally Fully Convertible Debentures						
Mr. J P Chowdhary	2021-22	-	-	6.65	-	6.65
	2020-21	-	-	0.82	-	0.82
Mr. Umesh Chowdhary	2021-22	-	-	2.22	-	2.22
	2020-21	-	-	0.27	-	0.27
Ms. Savitri Devi Chowdhary	2021-22	-	-	-	3.88	3.88
	2020-21	-	-	-	0.48	0.48
Ms. Rashmi Chowdhary	2021-22	-	-	1.66	-	1.66
	2020-21	-	-	0.20	-	0.20
Titagarh Enterprises Limited	2021-22	-	55.85	-	-	55.85
	2020-21	-	6.85	-	-	6.85
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]						
Mr. J P Chowdhary	2021-22	-	-	257.28	-	257.28
	2020-21	-	-	257.28	-	257.28
Mr. Umesh Chowdhary	2021-22	-	-	257.28	-	257.28
	2020-21	-	-	212.80	-	212.80
Mr. Pritish Chowdhary	2021-22	-	-	-	-	-
	2020-21	-	-	15.80	-	15.80
Ms. Vinita Bajoria	2021-22	-	-	-	-	-
	2020-21	-	-	-	17.52	17.52
Mr. Anil Agarwal	2021-22	-	-	83.69	-	83.69
	2020-21	-	-	61.59	-	61.59
Mr. Dinesh Arya	2021-22	-	-	-	-	-
	2020-21	-	-	26.78	-	26.78
Mr. Sudipta Mukherjee	2021-22	-	-	65.42	-	65.42
	2020-21	-	-	49.91	-	49.91
Mr. Sumit Jaiswal	2021-22	-	-	12.60	-	12.60
	2020-21	-	-	1.89	-	1.89
Employee Stock Option Expense						
Mr. Anil Agarwal	2021-22	-	-	0.91	-	0.91
	2020-21	-	-	7.37	-	7.37
Mr. Sudipta Mukherjee	2021-22	-	-	0.91	-	0.91
	2020-21	-	-	7.37	-	7.37
Mr. Dinesh Arya	2021-22	-	-	-	-	-
	2020-21	-	-	4.42	-	4.42
Commission to non-whole time directors						
Mr. Sunirmal Talukdar	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	2.30	-	2.30
Mr. Manoj Mohanka	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	2.30	-	2.30
Mr. Atul Ravishanker Joshi	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	2.30	-	2.30
Mr. Sushil Kumar Roongta	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	1.00	-	1.00
Ms. Nayantara Palchoudhri	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	1.05	-	1.05
Mr. Krishna Kumar Jalan	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	1.05	-	1.05
Sitting Fees to Directors						
Mr. Manoj Mohanka	2021-22	-	-	12.60	-	12.60
	2020-21	-	-	8.40	-	8.40
Mr. Atul Ravishanker Joshi	2021-22	-	-	14.40	-	14.40
	2020-21	-	-	9.20	-	9.20
Mrs. Rashmi Chowdhary	2021-22	-	-	3.20	-	3.20
	2020-21	-	-	1.20	-	1.20
Mr. Sunirmal Talukdar	2021-22	-	-	16.00	-	16.00
	2020-21	-	-	10.40	-	10.40
Mrs. Vinita Bajoria	2021-22	-	-	-	-	-
	2020-21	-	-	-	0.20	0.20
Dr. G.B. Rao	2021-22	-	-	-	-	-
	2020-21	-	-	0.20	-	0.20
Mr. J.K. Shukla	2021-22	-	-	-	-	-
	2020-21	-	-	0.40	-	0.40
Mr. Kanwar Satya Brata Sanyal	2021-22	-	-	-	-	-
	2020-21	-	-	0.40	-	0.40
Ms. Nayantara Palchoudhuri	2021-22	-	-	5.00	-	5.00
	2020-21	-	-	3.00	-	3.00
Mr. Krishan Kumar Jalan	2021-22	-	-	5.00	-	5.00
	2020-21	-	-	2.40	-	2.40
Mr. Sushil Kumar Roongta	2021-22	-	-	6.40	-	6.40
	2020-21	-	-	1.60	-	1.60
Mr. Prithish Chowdhary	2021-22	-	-	4.00	-	4.00
	2020-21	-	-	0.80	-	0.80

Chartered Accountants

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(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Balance Sheet						
Loan Taken						
Titagarh Enterprises Limited	2021-22	-	2,000.00	-	-	2,000.00
	2020-21	-	-	-	-	-
Advances to Employee						
Mr. Anil Agarwal	2021-22	-	-	-	-	-
	2020-21	-	-	0.49	-	0.49
Mr. Sudipta Mukherjee	2021-22	-	-	-	-	-
	2020-21	-	-	1.34	-	1.34
Redemption of 4% Optionally Fully Convertible Debentures						
Mr. J P Chowdhary	2021-22	-	-	84.93	-	84.93
	2020-21	-	-	-	-	-
Mr. Umesh Chowdhary	2021-22	-	-	28.31	-	28.31
	2020-21	-	-	-	-	-
Mrs. Savitri Devi Chowdhary	2021-22	-	-	-	49.54	49.54
	2020-21	-	-	-	-	-
Mrs. Rashmi Chowdhary	2021-22	-	-	21.23	-	21.23
	2020-21	-	-	-	-	-
Titagarh Enterprises Limited	2021-22	-	713.41	-	-	713.41
	2020-21	-	-	-	-	-
Balances Outstanding as at the Year end						
Advances Recoverable in Cash or Kind						
Mr. Anil Agarwal	2021-22	-	-	30.00	-	30.00
	2020-21	-	-	30.49	-	30.49
Mr. Sudipta Mukherjee	2021-22	-	-	15.00	-	15.00
	2020-21	-	-	16.65	-	16.65
Mr. Dinesh Arya	2021-22	-	-	-	-	-
	2020-21	-	-	2.23	-	2.23
Commission payable to non-whole time directors						
Mr. Sunirmal Talukdar	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	2.30	-	2.30
Mr. Manoj Mohanka	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	2.30	-	2.30
Mr. Atul Ravishanker Joshi	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	2.30	-	2.30
Mr. Sushil Kumar Roongta	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	1.00	-	1.00
Ms. Nayantara Palchoudhri	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	1.05	-	1.05
Mr. Krishna Kumar Jalan	2021-22	-	-	1.67	-	1.67
	2020-21	-	-	1.05	-	1.05
Investments						
Titagarh Enterprises Limited	2021-22	-	2,972.63	-	-	2,972.63
	2020-21	-	2,777.13	-	-	2,777.13
Traco International Investment Private Limited	2021-22	-	-	-	-	-
	2020-21	-	18.37	-	-	18.37
Titagarh Industries Limited	2021-22	-	42.38	-	-	42.38
	2020-21	-	30.70	-	-	30.70
Loan Payable						
Titagarh Enterprises Limited	2021-22	-	2,000.00	-	-	2,000.00
	2020-21	-	-	-	-	-
Private placement of 4% Optionally Fully Convertible Debentures						
Mr. J P Chowdhary	2021-22	-	-	-	-	-
	2020-21	-	-	120.00	-	120.00
Mr. Umesh Chowdhary	2021-22	-	-	-	-	-
	2020-21	-	-	40.00	-	40.00
Mrs. Savitri Devi Chowdhary	2021-22	-	-	-	-	-
	2020-21	-	-	-	70.00	70.00
Mrs. Rashmi Chowdhary	2021-22	-	-	-	-	-
	2020-21	-	-	30.00	-	30.00
Titagarh Enterprises Limited	2021-22	-	-	-	-	-
	2020-21	-	1,008.00	-	-	1,008.00
Interest Payable on Loan						
Titagarh Enterprises Limited	2021-22	-	62.78	-	-	62.78
	2020-21	-	-	-	-	-
Security Deposit Payable						
Titagarh Enterprises Limited	2021-22	-	16.26	-	-	16.26
	2020-21	-	-	-	-	-
Security Deposit						
Titagarh Enterprises Limited	2021-22	-	147.50	-	-	147.50
	2020-21	-	321.84	-	-	321.84

Notes :

a) **Terms and Conditions of Transactions with Related Parties**

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales/services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash.

b) The balances outstanding in respect of Titagarh Wagons AFR [entity not consolidated as refer to Note 1(a)] has been fully provided in earlier years and hence not disclosed in the table above

(Rs in Lacs)

c)

Compensation of Key Managerial Personnel	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	634.94	585.98
Contribution to provident and other funds	41.32	40.07
Share-based payment transactions	1.82	19.16
	678.08	645.21

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

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41 Fair Values

(i) Fair value hierarchy

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

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

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

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

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2022 and March 31, 2021.

The following table provides the fair value measurement hierarchy of the Group's assets:

(Rs. in Lacs)

		Level 1	Level 2	Level 3	Total
Quantitative disclosures Fair Value Measurement hierarchy for Assets:	**Date of Valuation**				
Assets Measured at Fair Value:					
Investments	March 31, 2022	-	-	3,015.06	3,015.06
	March 31, 2021	301.47	-	2,826.25	3,127.72
Derivative financial assets	March 31, 2022	-	1,323.24	-	1,323.24
	March 31, 2021	-	580.23	-	580.23
Total Financial Assets	**March 31, 2022**	-	1,323.24	3,015.06	4,338.30
	March 31, 2021	301.47	580.23	2,826.25	3,707.95

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2022 and March 31, 2021 are as shown below:

(Rs. In Lacs)

Significant Unobservable Input - Weighted Average Cost of Capital	**March 31, 2022**	**March 31, 2021**
Impact of 1% Increase	(187.90)	(228.63)
Impact of 1% Decrease	250.81	307.34
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company	**March 31, 2022**	**March 31, 2021**
Impact of 5% Increase	83.53	55.56
Impact of 5% Decrease	(83.53)	(55.56)

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

	Investment in equity shares
Closing Balance as on March 31, 2020	2,857.68
Re-measurement recognised in Consolidated Statement of Profit and Loss	270.04
Closing Balance as on March 31, 2021	3,127.72
Sale during the period	(295.95)
Re-measurement recognised in Consolidated Statement of Profit and Loss	183.29
Closing Balance as on March 31, 2022	3,015.06

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

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

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

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

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

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

42 Financial Risk Management Objectives and Policies

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

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

I) Market Risks

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

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(i) Foreign currency risks

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

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

(Rs. in Lacs)

	March 31, 2022				
PARTICULARS	NPR	USD	EURO	NOK	JPY
Financial Assets					
Trade Receivables	316.66	568.23	2,274.07	-	2,151.87
Derivative Assets					
Foreign exchange forward contracts	-	-	-	-	1,323.24
Net exposure to Foreign Currency Risk (Assets)	316.66	568.23	2,274.07	-	3,475.11
Financial Liabilities					
Trade Payables	-	-	686.88	-	-
Net exposure to Foreign Currency Risk (Liabilities)	-	-	686.88	-	-
Net exposure to Foreign Currency Risk (Assets less Liabilities)	316.66	568.23	1,587.19	-	3,475.11

(Rs. in Lacs)

	March 31, 2021				
PARTICULARS	NPR	USD	EURO	NOK	JPY
Financial Assets					
Trade Receivables	560.85	551.26	-	52.98	-
Cash & Cash Equivalents	-	-	-	289.64	-
Derivative Assets					
Foreign exchange forward contracts	-	-	-	-	580.23
Net exposure to Foreign Currency Risk (Assets)	560.85	551.26	-	342.62	580.23
Financial Liabilities					
Trade Payables	-	-	197.27	141.86	-
Net exposure to Foreign Currency Risk (Liabilities)	-	-	197.27	141.86	-
Net exposure to Foreign Currency Risk (Assets less Liabilities)	560.85	551.26	(197.27)	200.76	580.23

Foreign Currency Sensitivity

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

	Changes in EURO rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2022	5%	1,587.19	79.36	5%	568.23	28.41
	-5%		(79.36)	-5%		(28.41)
March 31, 2021	5%	(197.27)	(9.86)	5%	551.26	27.56
	-5%		9.86	-5%		(27.56)

	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in NOK rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2022	5%	316.66	15.83	5%	-	-
	-5%		(15.83)	-5%		-
March 31, 2021	5%	560.85	28.04	5%	200.76	10.04
	-5%		(28.04)	-5%		(10.04)

	Changes in JPY rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs
March 31, 2022	5%	3,475.11	173.76
	-5%		(173.76)
March 31, 2021	5%	580.23	29.01
	-5%		(29.01)

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(ii) Equity price risks

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

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

The Group's investment in quoted equity instruments is not material. For sensitivity analysis of Group's investments in equity instruments, Refer Note 41(ii).

(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Group continuously monitor the situation and takes remedial actions if required. The Group's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

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

	As at March 31, 2022 Rs in Lacs	As at March 31, 2021 Rs in Lacs
Variable Rate Borrowings	84,053.04	84,548.22
Fixed Rate Borrowings	2,000.00	-
Total Borrowings	86,053.04	84,548.22

Sensitivity

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

	Impact on Profit before Tax	
	March 31, 2022 Rs in Lacs	March 31, 2021 Rs in Lacs
Interest Rates - Increase by 100 basis points *	(840.53)	(845.48)
Interest Rates - Decrease by 100 basis points *	840.53	845.48

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

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2022 and March 31, 2021 is their carrying amounts except for the financial guarantees.

(a) Trade and Other Receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Group uses specific identification method in determining the allowance for credit losses of trade and other receivables considering historical credit loss experience and is adjusted for forward looking information.

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

(b) Other Financial Assets and Deposits

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

(c) Reconciliation of Impairment Provision

(Rs. In lacs)

	Trade Receivables	Other Financial Assets
Opening Balance as at March 31, 2020	2,257.79	148.35
Provision made during the year ended March 31, 2021	262.91	13.99
Provision transferred from Litigation Claim and Contingencies	-	131.62
Provision adjusted with corresponding receivable balance during the year ended March 31, 2021	(1,892.35)	(40.88)
Closing Balance as at March 31, 2021	628.35	253.08
Provision adjusted with corresponding receivable balance during the year ended March 31, 2022	(377.04)	(253.08)
Closing Balance as at March 31, 2022	251.31	-

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

Movement of Liquidated Damages:

Particulars	(Rs. In Lacs)
Opening Balance as at March 31, 2020	1,354.52
Provision made during the year ended March 31, 2021	829.41
Provision utilized / reversed during the year ended March 31, 2021	(1,866.14)
Opening Balance as at March 31, 2021	317.79
Provision made during the year ended March 31, 2022	359.85
Provision utilized / reversed during the year ended March 31, 2022	(203.39)
Closing Balance as at March 31, 2022	474.25

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III) Liquidity Risks

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

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

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

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under:

(Rs. In Lacs)

As at March 31, 2022	Upto 1 year	2-3 years	More than 3 years
Non-derivative Financial Liabilities			
Borrowings *			
- Revolving Credit Facility	31,245.77	-	-
- Term Loan	6,780.76	18,575.18	34,147.15
- Loan repayable on demand	-	-	2,000.00
Lease Liabilities	766.84	812.38	7,437.41
Trade Payables	43,872.83	-	-
Other Financial Liabilities	1,089.06	-	-
	83,755.26	19,387.56	43,584.56

As at March 31, 2021	Upto 1 year	2-3 years	More than 3 years
Non-derivative Financial Liabilities			
Borrowings *			
- Revolving Credit Facility	21,674.04	-	-
- Term Loan	11,327.68	38,741.58	17,488.69
- OFCD	-	-	2,358.00
Lease Liabilities	44.26	95.27	91.09
Trade Payables	39,798.81	-	-
Other Financial Liabilities	1,127.09	-	-
	73,971.88	38,836.85	19,937.78

* Includes interest and transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

43 Capital Management

(a) Risk Management

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

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

The following table summarises the capital of the Group:

	As at March 31, 2022 (Rs. in Lacs)	As at March 31, 2021 (Rs. in Lacs)
Total Borrowings	86,053.04	84,548.22
Less: Cash and Cash Equivalents	895.85	7,969.38
Net Debt	85,157.19	76,578.84
Equity	84,212.82	84,055.40
Total Capital (Equity + Net Debt)	169,370.01	160,634.24
Net Debt to Equity Ratio	101.12%	91.11%

(b) Dividends on Equity Shares

	For the year ended March 31, 2022 (Rs. in Lacs)	For the year ended March 31, 2021 (Rs. in Lacs)
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2022 of Rs. Nil (March 31, 2021 of Rs. Nil) per fully paid share	-	-
Dividend Distribution Tax on above	-	-

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44 Debt Reconciliation

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

	As at March 31, 2022 (Rs. in Lacs)	As at March 31, 2021 (Rs. in Lacs)
Non- current Borrowings	49,557.75	62,779.25
Current Maturities of Long-term Debt	5,249.52	94.93
Current Borrowings	31,245.77	21,674.04
Interest accrued on Borrowings	93.33	21.02
Lease Liabilities	5,926.37	148.05
Total	92,072.74	84,717.29

(Rs. in Lacs)

Particulars	Non-current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2020	55,446.75	17,747.11	-	73,193.86
New Leases	-	-	155.22	155.22
Finance Costs	4,544.76	3,571.41	3.76	8,119.93
Less: Finance cost Capitalised in Inventory	(1,862.01)	-		(1,862.01)
Cash Flows				
Principal repayment of Leases	-	-	(10.76)	(10.76)
Proceeds from Long-term Borrowings from Banks	11,162.04	-	-	11,162.04
Repayment of Long-term Borrowings from Banks	(4,650.00)	-	-	(4,650.00)
Short-term Borrowings - Receipts/(Payments)	-	4,147.15	-	4,147.15
Finance Costs Paid	(2,581.20)	(3,770.61)	(0.17)	(6,351.98)
Non-cash Transactions				
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	1,490.65	-	-	1,490.65
Loss on fair valuation of Financial Liabilities measured at FVTPL	12.32	-	-	12.32
Equity Portion of OFCD	(689.13)	-	-	(689.13)
Debt as at March 31, 2021	62,874.18	21,695.06	148.05	84,717.29
New Leases	-	-	5940.26	5,940.26
Finance Costs	4,296.30	4,819.39	223.81	9,339.50
Less: Finance cost Capitalised in Inventory	(2,315.71)	-		(2,315.71)
Cash Flows				
Principal repayment of Leases	-	-	(385.75)	(385.75)
Proceeds from Long-term Borrowings from Banks	2,000.00	-	-	2,000.00
Repayment of Long-term Borrowings from Banks	(10,325.53)	-	-	(10,325.53)
Short-term Borrowings - Receipts/(Payments)	-	9,571.73	-	9,571.73
Finance Costs Paid	(1,548.15)	(4,747.08)	-	(6,295.23)
Non-cash Transactions				
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	(850.64)	-	-	(850.64)
Loss on fair valuation of Financial Liabilities measured at FVTPL	-	-	-	-
Derecognition of Equity Portion of OFCD (net)	676.82	-	-	676.82
Debt as at March 31, 2022	54,807.27	31,339.10	5,926.37	92,072.74

45 Assets and liabilities related to contract with customers

	As at March 31, 2022 (Rs. in Lacs)	As at March 31, 2021 (Rs. in Lacs)
Contract Assets		
Unbilled Revenue	41,998.47	35,303.23
Total Contract assets	41,998.47	35,303.23
Contract Liabilities		
Advance from customers	33,790.89	27,196.03
Total Contract Liabilities	33,790.89	27,196.03

Revenue recognised in relation to contract liability

	As at March 31, 2022 (Rs. in Lacs)	As at March 31, 2021 (Rs. in Lacs)
Revenue recognised that was included in the contract liability balance at the beginning of the period	20,202.84	25,275.72

Trade receivables in respect of contract with customers has been included in Note-6

46 In case of Titagarh Firema SpA, during the the year, the Company reported a loss for Euro 9.2 million, shareholders' equity for Euro 2.4 million and has a significant bank debt for Euro 85.3 million, of which Euro 52.3 million is expiring beyond 12 months. Current assets exceed current liabilities by Euro 12.3 million. Trade payables, equal to Euro 28.6 million as at March 31, 2022, decreased by Euro 5.9 million during the year, and include an overdue payable to third party suppliers for Euro 18.1 million at same date. In particular, the Company is currently proceeding with the rescheduling and the payment of the overdue commercial debt for the main suppliers of the Company; at the moment, the negotiations are still underway for a residual overdue debt position of the Company. We highlight the Company has received n. 11 injunctions for payment from suppliers for some Euro 0.7 million.

The special purpose financial information have been prepared according to the assumption of the going concern, that is based on the expectation that the Company implements an important growth plan, envisaged by the Budget April 1, 2022 – March 31, 2023 (the "Budget"), approved by the Board of Directors on May 27, 2022, with the generation of significantly higher margins compared to the historical values achieved, the failure of which could affect the overall value of cash generation, also to meet the overdue debt to suppliers. In particular, the Budget's assumption is based on the financial debt renegotiation, currently in place with an Italian credit institution, towards which the Company had a debt exposure for some Euro 10 million as at March 31, 2022, and a foreign credit institution, towards which the Company had a debt exposure for some Euro 75.3 million as at March 31, 2022, that is aimed at obtaining waiver for certain financial covenants which are in breach as of March 31, 2022. Negotiations are in progress with the creditor banks to formalize the waiver letters.

Despite the aforementioned material uncertainty that may rise doubts on the Company's ability to continue as a going concern, the special purpose information have been drawn up on a going-concern basis, as the directors have a reasonable expectation that the Company will be able to reach a financial balance in a short time through the successful conclusion of the actions indicated above. Moreover, the Company expects a share capital increase of Euro 19.9 million through the issue of shares to new shareholders including Invitalia, to be completed shortly. Out of the said Euro 19.9 million, Euro 3.9 million has already been implemented by the existing shareholders.

Furthermore, as described, the formalizations of waiver letters with an Italian credit institution and a foreign credit institution are in progress due to the breach of some financial parameters. As of March 31, 2022, however, in the absence of a specific request by the banks for an immediate repayment of the debt exposure, the company continues to report the debt to the Italian credit institution, equal to Euro 10 million (of which Euro 0.6 million within twelve months and Euro 9.4 million beyond twelve months), and to the foreign credit institution, equal to Euro 75.3 million (of which Euro 32.4 million within twelve months and Euro 42.9 million beyond twelve months), maintaining the original classification in the financial statements as required by the financial agreements.

47 The Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated September 30, 2020 has sanctioned the Scheme of Amalgamation (the "Scheme") filed by Titagarh Wagons Limited (the Company or the Parent Company) and it's subsidiary Cimmco Limited (Cimmco), and its wholly owned subsidiary Titagarh Capital Private Limited (TCPL) for amalgamation of aforesaid subsidiaries with the Parent Company with effect from April 1, 2019, being the appointed date as per the Scheme. The certified true copy of the said Order has been received and filed with the Ministry of Company Affairs on October 2, 2020.

CIMMCO and TCPL were already consolidated as subsidiaries in the consolidated financial statements prior to the amalgamation in accordance with Indian Accounting Standard (IND AS) 110 Consolidated Financial Statements and accordingly amalgamation did not result in any significant impact on the consolidated financial statements. In terms of the Scheme, the Company made allotment of 37,20,469 equity shares of Rs. 2/- each of the Company to the eligible members of Cimmco as on 23rd October, 2020 (Record Date) in the share exchange ratio of 13 equity share of Rs. 2/- each of the Company for every 24 equity shares of Rs. 10/- each held in Cimmco by its non-controlling shareholders as on the record date stated therein. With the allotment on November 07, 2020, the paid-up Equity Share Capital of the Company has been increased to Rs. 23,86,53,278/- divided into 11,93,26,639 equity shares of Rs. 2/- each.

48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' comments. However, the date on which the Code will come into effect has not been notified. The Parent Company and its Indian Subsidiary will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

49 The Parent Company and its Indian Subsidiary has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the exposure is not material.

50 The Group has assessed the possible impact of COVID-19 on its consolidated financial statements based on the internal and external information and concluded no adjustments are required in these consolidated financial statements. The Group continues to monitor changes in future economic conditions.

51 Scheme of Amalgamation
In case of Parent Company, the Board of Directors at its meeting held on January 10, 2022 approved a draft scheme (the Scheme) for amalgamation of Titagarh Bridges and International Private Limited (TBIPL)- a wholly owned subsidiary with the Parent Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2021 as the Appointed Date, subject to intimation thereof to the stock exchanges concerned and such approvals as may be applicable including the sanction by the Hon'ble National Company Law Tribunal (NCLT). TBIPL being a wholly owned subsidiary of the Parent Company, no consideration is payable and the equity shares and optionally fully convertible debentures held by the Company in TBIPL shall stand cancelled upon the Scheme becoming effective. The Scheme was approved by the shareholders and creditors of the Company on May 10, 2022 at their respective meetings held pursuant to the order dated 16/03/2022 of NCLT. The Parent Company has filed the final confirmation petition for sanction of the Scheme before the NCLT on May 28, 2022 and awaits listing for its hearing.

52 The Parent Company has purchased the balance 50% equity shares held by Matiere SAS France in Matiere Titagarh Bridges Private Limited (MTBPL), the jointly controlled entity (JCE) at a consideration of Rs. 13.58 lacs on 14th July 2020 thereby making MTBPL a wholly owned subsidiary. Since the above acquisition falls under the definition of acquisition of business under IND AS 103 - Business Combination, the Group has carried out a fair valuation of all the assets and liabilities of the MTBPL business taken over and the difference between such fair value and the consideration paid amounting to Rs. 19.57 lacs has been shown as capital reserve. Subsequently on October 21, 2020, MTBPL has been renamed as Titagarh Bridges & International Private Limited.

53 (i) Details of benami property held
No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
(ii) Wilful defaulter
The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(iii) Relationship with struck off companies
The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
(iv) Compliance with number of layers of companies
The Group has complied with the number of layers prescribed under the Companies Act, 2013.
(v) Compliance with approved scheme(s) of arrangements
The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
(vi) Utilisation of borrowed funds and share premium
(A) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
b. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
(B) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
(vii) Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
(viii) Details of crypto currency or virtual currency
The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
(ix) Valuation of PP&E, intangible asset and investment property
The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
(x) The Group has one Core investment company (Titagarh Capital Management Services Private Limited) as a part of the group.

54 Previous year figures have been regrouped/restated wherever necessary

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

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 30, 2022

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

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated : May 30, 2022

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Caserta, Italy
Dated : May 30, 2022

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767
Place: Kolkata
Dated : May 30, 2022

Sumit Jaiswal
Company Secretary
Place: Kolkata
Dated : May 30, 2022

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report
To the Members of Titagarh Wagons Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Titagarh Wagons Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and joint venture (refer Note 1(a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2021, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

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

Emphasis of matter

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

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

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

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

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

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

Our opinion is not modified in respect of this matter.

Key Audit matter

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

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of Property, Plant and Equipment of the Holding Company (Refer to Note 2.3 – "Property, Plant and Equipment", Refer Note 2.34 – "Critical Estimates and Judgements – Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets", Note 4.1 – "Property, Plant and Equipment") Property, plant and equipment of the Holding Company represents 39.5% of total assets on the standalone balance sheet. If these were to be impaired, it would have a significant impact on the reported loss and the balance sheet position of the Group. Impairment assessment requires judgements and estimates towards future results of business including key assumptions like discount rate, growth rate etc. The carrying value of assets of the Holding Company is considered to be a key audit matter as the amount involved is significant and judgements inherent in impairment review.	Our audit procedures in respect of the Holding Company included the following: • Understanding, evaluating and validating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount. • Assessed the appropriateness of the methodology used in the impairment model, and the underlying assumptions used such as future levels of operations, discount rate etc and considered historical performance vis-à-vis budgets. In doing this assessment, we have involved auditors' experts, as appropriate. • Checked the mathematical accuracy of the impairment model. • Performed sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment of Property, Plant and Equipment; and • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we noted that the Holding Company's assessment of impairment of property, plant and equipment is reasonable.

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

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Kolkata

Other Information

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

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

8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 17 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Kolkata

Other Matters

17. We did not audit the financial statements/financial information of three subsidiaries whose financial statements/ financial information reflect total assets of Rs 132,624.60 lacs and net assets of Rs 11,424.08 lacs as at March 31, 2021, total revenue of Rs. 57,146.07 lacs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (9,751.59) lacs and net cash flows amounting to Rs 980.40 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors' of its subsidiary company and joint venture incorporated in India, none of the directors of the Holding Company, its subsidiary company and its joint venture incorporated in India are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint ventures - Refer Note 17.1 and Note 37 to the consolidated financial statements.

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(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2021 - Refer Note 17.1 to the consolidated financial statements.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Holding Company. During the year ended March 31, 2021, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary and joint venture incorporated in India.

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.

19. The Holding Company incorporated as public company in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number 056155
UDIN: 21056155AAAAAZ9683
Place: Gurugram
Date: June 8, 2021

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the consolidated financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one joint venture company incorporated in India namely Titagarh Mermec Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the consolidated financial statements for the year ended March 31, 2021

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number 056155
UDIN: 21056155AAAAAZ9683
Place: Gurugram
Date: June 8, 2021

TITAGARH WAGONS LIMITED
Consolidated Balance Sheet as at March 31, 2021

	Notes	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	83,303.29	82,535.06
b) Right-of-Use Assets	4.6	152.15	-
c) Capital Work-in-progress	4.4	1,622.89	-
d) Investment Properties	4.3	821.24	821.24
e) Intangible Assets (Other than Goodwill)	4.2	2,851.12	3,805.52
f) Intangible Assets Under Development	4.5	2,509.41	-
g) Investments Accounted for Using the Equity Method	3 (d)	-	29.81
h) Financial Assets			
i) Investments	5	3,127.92	2,857.88
ii) Trade Receivables	6	-	142.99
iii) Loans and Deposits	8	359.64	358.24
iv) Other Financial Assets	7	4,921.87	4,278.61
i) Deferred Tax Assets (Net)	18	3,783.04	3,983.52
j) Non-current Tax Assets (Net)	9	2,640.77	2,914.51
k) Other Non-current Assets	10	818.98	989.37
Total Non-current Assets		106,912.32	102,716.75
Current Assets			
a) Inventories	11	38,518.95	37,629.30
b) Financial Assets			
i) Trade Receivables	6	21,417.42	25,232.23
ii) Cash and Cash Equivalents	12.1	7,969.38	2,897.18
iii) Other Bank Balances	12.2	4,434.30	2,709.01
iv) Loans and Deposits	8	4,022.70	4,957.56
v) Other Financial Assets	7	38,339.62	31,588.39
c) Current Tax Assets (Net)	9	10.96	-
d) Other Current Assets	10	25,744.17	19,440.54
Total Current Assets		140,457.50	124,454.21
TOTAL - ASSETS		247,369.82	227,170.96
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	2,387.75	2,312.12
b) Other Equity	14	81,667.65	74,349.18
Equity Attributable to Owners of Titagarh Wagons Limited		84,055.40	76,661.30
Non-controlling Interests	3 (b)	-	7,886.73
Total Equity		84,055.40	84,548.03
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	53,738.85	55,346.44
ii) Lease Liabilities	4.6	117.20	-
b) Provisions	17.1	350.55	349.29
c) Deferred Tax Liabilities (Net)	18	1,143.26	-
d) Other Non-current Liabilities	20	17,535.77	14,406.29
Total Non-current Liabilities		72,885.63	70,102.02
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	30,714.44	17,526.89
ii) Trade Payables	19		
a) Total Outstanding dues of Micro Enterprise and Small Enterprises		771.78	158.31
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		39,027.03	34,957.17
iii) Other Financial Liabilities	16	1,273.89	3,564.20
b) Other Current Liabilities	20	10,831.95	6,469.40
c) Provisions	17.1	7,786.80	9,822.04
d) Current Tax Liabilities (Net)	17.2	22.90	22.90
Total Current Liabilities		90,428.79	72,520.91
TOTAL - LIABILITIES		163,314.42	142,622.93
TOTAL - EQUITY AND LIABILITIES		247,369.82	227,170.96
Summary of significant accounting policies	2		

The accompanying Notes are an integral part of the Consolidated financial statements

This is the Consolidated Balance Sheet referred to in our Report of even date.

For Price Waterhouse and Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Gurugram
Dated : June 08, 2021

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Sumit Jaiswal
Company Secretary

Place: Kolkata
Dated : June 08, 2021

TITAGARH WAGONS LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2021

	Notes	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Income			
Revenue from Operations	21	152,063.95	176,632.43
Other Income	22	2,485.92	3,402.20
Total Income		154,549.87	180,034.63
Expenses			
Cost of Raw Materials and Components Consumed	23	104,566.24	119,229.77
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	24	(5,224.37)	(4,080.53)
Employee Benefits Expense	25	21,056.99	15,177.44
Finance Costs	26	8,119.93	8,827.29
Depreciation and Amortisation Expense	27	2,986.76	2,912.68
Other Expenses	28	23,601.37	34,212.01
Total Expenses		155,106.92	176,278.66
Profit / (Loss) before Share of Net Loss of a Joint Venture Accounted for Using the Equity Method, Exceptional Items and Tax		(557.05)	3,755.97
Share of Net Loss of a Joint Venture Accounted for Using the Equity Method	3 (d)	(0.65)	(10.18)
Profit / (Loss) before Exceptional Items and Tax		(557.70)	3,745.79
Exceptional Items		-	-
Profit / (Loss) before Tax from continuing operations		(557.70)	3,745.79
Tax Expense	30 (A)		
Current Tax			
Pertaining to profit for the current year		176.96	-
Adjustment of Tax relating to earlier years		-	871.36
Deferred Tax		1,143.99	(2,921.91)
Total Tax Expense		1,320.95	(2,050.55)
Profit / (Loss) for the Year after Tax from continuing operations		(1,878.65)	5,796.34
Discontinued operations			
Loss from discontinued operations before tax		-	(9,410.55)
Tax expense of discontinued operations		-	-
Loss from discontinued operations		-	(9,410.55)
Loss for the Year after Tax		(1,878.65)	(3,614.21)
Attributable to:			
Owners of Titagarh Wagons Limited		(1,499.65)	(3,418.82)
Non-controlling Interests		(379.00)	(195.39)
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Gain / (Losses) on Defined Benefit Plans		41.90	(15.70)
Tax on above		(10.55)	3.95
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange Differences on Translation of Foreign Operations		348.92	540.03
Fair value change of cash flow hedges		580.23	-
Tax on above		(146.03)	-
Other Comprehensive Income for the Year (Net of Taxes)		814.47	528.28
Attributable to:			
Owners of Titagarh Wagons Limited		814.47	527.67
Non-controlling Interests		-	0.61
Total Comprehensive Income for the Year		(1,064.18)	(3,085.93)
Attributable to:			
Owners of Titagarh Wagons Limited		(685.18)	(2,891.15)
Non-controlling Interests		(379.00)	(194.78)
Attributable to owners of Titagarh Wagons Limited arises from:			
Continuing operations		(1,064.18)	6,324.62
Discontinued operations		-	(9,410.55)
Earnings per Equity Share			
[Nominal Value per Share Rs. 2/- (March 31, 2020: Rs 2/-)]	31		
For continuing operations			
Basic (In Rs.)		(1.28)	5.18
Diluted (In Rs.)		(1.28)	5.18
For discontinued operations			
Basic (In Rs.)		-	(8.14)
Diluted (In Rs.)		-	(8.14)
For continuing and discontinued operations			
Basic (In Rs.)		(1.28)	(2.96)
Diluted (In Rs.)		(1.28)	(2.96)
Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For Price Waterhouse and Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Gurugram
Dated : June 08, 2021

For and on behalf of the Board of Directors of Titagarh Wagons Limited

P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Sumit Jaiswal
Company Secretary

Place: Kolkata
Dated : June 08, 2021

TITAGARH WAGONS LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2021

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax from:		
Continuing Operations	(557.70)	3,745.79
Discontinued Operations	-	(9,410.55)
Loss before Tax including discontinued operations	(557.70)	(5,664.76)
Adjustments for:		
Depreciation and Amortisation Expense	2,986.76	2,912.68
Finance Cost	8,119.93	8,827.29
Employee Stock Option Expenses	9.33	67.81
Unrealised Foreign Exchange Fluctuations (Gain)/Loss	26.49	(13.48)
Goodwill Written-off	-	24.85
Irrecoverable Debts/ Advances Written Off (Net)	331.22	249.36
Provision for Doubtful Debts and Advances	73.81	495.34
Loss on fair valuation of Financial Liabilities measured at FVTPL	12.32	-
Net Gain on Disposal of Property, Plant and Equipment	(61.57)	(18.00)
Fair Value (Gain)/Loss on Investment in Equity Securities at FVTPL	(254.47)	89.86
Share of Loss of a Joint Venture's	0.65	10.18
Net Gain on Disposal of Investments	-	(237.74)
Unspent Liabilities / Provisions No Longer Required Written Back	(162.43)	(552.02)
Interest Income Classified as Investing Cash Flows	(431.59)	(392.36)
Exceptional Item-Impairment of Discontinued Operation	-	9,410.55
Operating Profit before Changes in Operating Assets and Liabilities	10,092.75	15,209.56
Increase / (Decrease) in Non-current and Current Financial and Non-financial Liabilities and Provisions	7,467.18	(9,334.40)
Decrease in Trade Receivables	3,701.51	4,393.14
(Increase) / Decrease in Inventories	(2,730.58)	7,363.08
Increase in Non-current and Current Financial and Non-financial Assets	(11,892.63)	(1,238.57)
Cash Generated From Operations	6,638.23	16,392.81
Income Taxes (Paid) / Refund (net)	137.37	(1,019.37)
Net Cash From Operating Activities	6,775.60	15,373.44
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development	(5,999.31)	(3,550.91)
Proceeds from Disposal of Property, Plant and Equipment	105.00	1,100.12
Proceeds from Sale of Investments	-	5,948.05
Purchase of Business	(13.59)	-
Fixed Deposits Made	(6,800.72)	(6,845.74)
Fixed Deposits Matured	5,256.21	1,960.29
Investment in a Joint venture	-	(0.50)
Dividend Received	-	3.01
Interest Received	245.10	430.58
Net Cash (Used in) Investing Activities	(7,207.31)	(955.10)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Employee Stock Option Scheme	26.96	19.11
Transactions with Non-controlling Interests	-	365.23
Proceeds from Long-term Borrowings	11,162.04	10,987.38
Repayment of Long-term Borrowings	(4,650.00)	(15,833.88)
Repayment of Lease Liabilities	(10.76)	-
Receipts/(Payments) of Short-term Borrowings (Net)	4,147.15	(9,346.95)
Finance Costs Paid	(6,358.01)	(8,481.72)
Dividend Paid (including Dividend Distribution Tax)	(2.08)	(417.44)
Net Cash From / (Used in) Financing Activities	4,315.30	(22,708.27)
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	790.28	1,321.86
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	4,673.87	(6,968.07)
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	2,897.18	9,865.25
Cash acquired on account of Purchase of Business	398.33	-
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	7,969.38	2,897.18

(a) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
(b) Refer Note 44 for Debt Reconciliation.

The accompanying Notes form an integral part of the Consolidated financial statements

This is the Consolidated Cash Flow Statement referred to in our Report of even date.

For Price Waterhouse and Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Gurugram
Dated : June 08, 2021

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Sumit Jaiswal
Company Secretary

Place: Kolkata
Dated : June 08, 2021

TITAGARH WAGONS LIMITED
Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A) Equity Share Capital (Refer Note 13)

(Rs in Lacs)

Particulars	Number in Lacs	Amount
Balance as at March 31,2019	1,155.28	2,310.56
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	0.78	1.56
Balance as at March 31,2020	1,156.06	2,312.12
Issue of Equity Shares Pursuant to Employee Stock Option Scheme and amalgamation during the year (Refer Note 13)	37.81	75.63
Balance as at March 31,2021	1,193.87	2,387.75

B) Other Equity

(Rs. in Lacs)

Particulars	Reserves and Surplus (Refer Note 14)								Other Reserve (Refer Note 14)			Total Other Equity	Non-controlling Interests	Total
	Securities Premium Account	General Reserve	Capital Reserve	Reserve Fund	Legal Reserve	Employee Stock Options Outstanding Account	Equity Component of compound financial instruments	Retained Earnings	Foreign Currency Translation Reserve	Hedge Reserve Account	Share Pending Allotment			
Balance as at March 31, 2019	40,632.78	5,411.39	9.18	15.62	55.33	353.96	-	30,804.07	2,009.21	-	15.47	79,307.01	7262.14	86,569.15
Loss for the Year	-	-	-	-	-	-	-	(3,418.82)	-	-	-	(3,418.82)	(195.39)	(3,614.21)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	(12.36)	(684.42)	-	-	(696.78)	0.61	(696.17)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(3,431.18)	(684.42)	-	-	(4,115.60)	(194.78)	(4,310.38)
Transfer to Discontinued Operations	-	-	-	-	(55.33)	-	-	-	-	-	-	(55.33)	-	(55.33)
Transactions with Owners in their Capacity as Owners:												-		
Premium on Issue of Equity Shares Pursuant to Employee Stock Option	33.02	-	-	-	-	-	-	-	-	-	-	33.02	-	33.02
Transfer from ESOPs Outstanding Account on Exercise and Lapse	74.70	-	-	-	-	(171.93)	-	97.23	-	-	-	-	-	-
Recognition of Share Based Payment	-	-	-	-	-	67.81	-	-	-	-	-	67.81	-	67.81
Transactions with Non-controlling Interests [Refer Note 3(c)]	-	-	-	-	-	-	-	(454.14)	-	-	-	(454.14)	819.37	365.23
Final Dividend for the Year ended March 31, 2019	-	-	-	-	-	-	-	(346.83)	-	-	-	(346.83)	-	(346.83)
Dividend Distribution Tax on above	-	-	-	-	-	-	-	(71.29)	-	-	-	(71.29)	-	(71.29)
Issue of Equity Shares during the year	-	-	-	-	-	-	-	-	-	-	(15.47)	(15.47)	-	(15.47)
Balance as at March 31, 2020	40,740.50	5,411.39	9.18	15.62	-	249.84	-	26,597.86	1,324.79	-	-	74,349.18	7,886.73	82,235.91
Loss for the Year	-	-	-	-	-	-	-	(1,499.65)	-	-	-	(1,499.65)	(379.00)	(1,878.65)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	31.35	348.92	434.20	-	814.47	-	814.47
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(1,468.30)	348.92	434.20	-	(685.18)	(379.00)	(1,064.18)
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 45)	-	-	7,433.32	-	-	-	-	-	-	-	-	7,433.32	(7,507.73)	(74.41)
Arisen due to acquisition of equity shares resulting in a subsidiary (Refer Note 52)	-	-	19.57	-	-	-	-	-	-	-	-	19.57	-	19.57
Transactions with Owners in their Capacity as Owners:												-		
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	25.74	-	-	-	-	-	-	-	-	-	-	25.74	-	25.74
Transfer from ESOPs Outstanding Account on Exercise and Lapse	53.76	-	-	-	-	(92.55)	-	38.79	-	-	-	-	-	-
Recognition of Share Based Payment	-	-	-	-	-	9.33	-	-	-	-	-	9.33	-	9.33
Transfer Within Equity	-	-	-	(15.62)	-	-	-	15.62	-	-	-	-	-	-
Gain on Fair Valuation of Debentures (Net of Taxes)	-	-	-	-	-	-	515.69	-	-	-	-	515.69	-	515.69
Balance as at March 31, 2021	40,820.00	5,411.39	7,462.07	-	-	166.62	515.69	25,183.97	1,673.71	434.20	-	81,667.65	-	81,667.65

The accompanying Notes are an integral part of the Consolidated financial statements

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For Price Waterhouse and Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Gurugram
Dated : June 08, 2021

For and on behalf of the Board of Directors of Titagarh Wagons Limited

P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Sumit Jaiswal
Company Secretary

Place: Kolkata
Dated : June 08, 2021

TITAGARH WAGONS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2021

1 **Group Background**

Titagarh Wagons Limited (the 'Parent Company') is a public limited company incorporated and domiciled in India. The registered office of the Parent Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107 and its manufacturing facilities are located in West Bengal and Rajasthan. The equity shares of the Parent Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Parent Company, its subsidiaries (collectively referred to as 'the Group') and a joint venture are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, etc. as detailed under segment information in Note 39.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on June 8, 2021.

(a) The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiary companies and a joint venture as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2021	March 31, 2020	
Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Pvt Ltd)#	India	100%	NA	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges
Titagarh Singapore Pte. Limited (TSPL)*	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA) **	France	100%	100%	Engaged in manufacture of freight wagons
Titagarh Firema S.p.A (TFA) ***	Italy	100%	100%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

TBIPL has become a wholly owned subsidiary of the Parent Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

*The Parent Company holds 100% equity in TSPL through its wholly owned subsidiary company, TBIPL.
**The Parent Company holds 100% equity in TWA together with TSPL.
The Commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder and ordered for liquidation of TWA. Currently TWA is under liquidation and the Company is no longer in control of the subsidiary under French law.
***The Company holds 100% equity in TFA through its wholly owned subsidiary company, TBIPL along with TSPL.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2021	March 31, 2020	
Titagarh Mermec Pvt Ltd	India	50%	50%	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety
Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Pvt Ltd)#	India	NA	50%	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges

TBIPL has become a wholly owned subsidiary of the Parent Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

(b) Refer Note 3 for further details of interest in other entities.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The consolidated financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments)
- Defined benefits plan- plan assets
- Share based payments

(iii) Current versus Non-current Classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:
a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
b) held primarily for the purpose of trading,
c) expected to be realised within twelve months after the reporting period, or
d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is classified as current when:
a) it is expected to be settled in the normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period, or
d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as Non-current.

(iv) Rounding of Amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lacs and decimals thereof (Rs. 00,000.00) as per the requirement of Schedule III to the Act, unless otherwise stated.

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(iv) Joint Arrangements:
Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only one joint venture.

Joint Venture
Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(v) Equity Method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in 2.5 below.

2.3 Property, Plant and Equipment
All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values
Depreciation is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013 in respect of factory buildings / other buildings , plant and equipment and railway sidings, in order to reflect the actual usage of assets. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 35 / 60 / 65 years
Plant and Equipment's	15 / 20 / 30 years
Railway Sidings	15 / 30 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Computers	3 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter.

Leasehold improvement are amortised on straight - line basis over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

2.4 Intangible Assets
Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software
Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

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Brand and Design and Drawings
The Group had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies during the year ended March 31, 2017 which was capitalised.

Prototype
The Group had developed prototype for tractors which was capitalised.

Patents

Patents acquired are capitalised as intangible assets when it is probable that associated future economic benefits would flow to the Group.

Research and Development
Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

Amortisation Method and Period
Computer Software and Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years.
Prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).
Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.5 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.6 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
Cost of raw materials and components consumed is a derived figure out of opening stock, closing stock and purchases including adjustment if any during the period.

2.8 Leases

As a Lessee
Leases are recognised as right of use assets and a correspondence liability at the date at which the leased asset is available for use by the group. Contract may contain both lease and non lease components. The Group allocates the consideration in the contract to the lease and non lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-
a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.
b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.
c) Amount expected to be paid by the Group as under residual value guarantees.
d) Exercise price of a purchase option if the Group is reasonably certain to exercise that option.
e) Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

To determine the incremental borrowing rate, the Group:
a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received
b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by Titagarh Wagons Limited, which does not have recent third party financing.
Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-
i) the amount of the initial measurement of lease liability
ii) any lease payment made at or before the commencement date less any lease incentive received
iii) any initial direct cost and
iv) restoration costs.

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Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the statement of profit and loss. Short term leases are leases with a lease term of less than 12 months or less.

As a Lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.9 Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

•**Amortised Cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

•**Fair Value through Other Comprehensive Income (FVOCI)**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.

•**Fair Value through Profit or Loss (FVTPL)**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Gain / (Losses)' in the period in which it arises. Interest income / expense on the financial instruments measured at FVTPL is included as part of fair value changes.

Equity Instruments

The Group subsequently measures all equity investments (other than investments in joint venture) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Gain / (Losses)' in the Consolidated Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42(II) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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(iv) Modification of Financial Instruments

The Group if renegotiates or otherwise modifies the contractual cash flows of financial instrument, the Group assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the original financial instrument is derecognised and recognizes a 'new' instrument at fair value and recalculates a new effective interest rate for the instrument. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the management recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

-the Group has transferred the rights to receive cash flows from the financial asset or

-retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(vii) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. These are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

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2.13 Other Financial Liabilities

Other financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Other financial liabilities are initially measured at the fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Derivatives

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges for highly probable forecast transactions.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

2.15 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.16 Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

2.17 Cash and Cash Equivalents

For the purpose of presentation in the Consolidated Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet.

2.18 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.19 Revenue Recognition

Effective April 1, 2018, the Group has applied Ind AS 115 'Revenue from Contracts with Customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The Group has adopted Ind AS 115 using the modified retrospective effect method.

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.
Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

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Sale of Products

Revenue for sale of products mainly comprises of wagons/locomotive shells and related items, where revenue is recognised at a point in time, when control of the asset is transferred to the customer, which generally occurs on receipts of dispatch memo / inspection certificate from customer as per terms of contract. On receipt of same, the title of goods passes on to the customer basis the laid down criteria under the standard.

Revenue from sale of specialized products

Revenue from specialized products mainly consists of defence related products (i.e Bailey bridge, Shelters etc), Ship building, Metro Trains, Train Electricals, Mainline electric multiple unit and Electric multiple unit in respect of which revenue is recognised over a period of time as performance obligations are satisfied over time as per criteria laid down under the standard and specified above.

Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

The outcome of a construction contract is considered as estimated reliably when (a) all approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches reasonable level of development. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc. For determining the expected cost to completion of the contracts, cost of steel, labour and other related items are considered at current market price based on fixed cost purchase orders placed or firm
commitments received from suppliers / contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.
When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less. The Group adjusts the promised amount of consideration if the contract contains significant financing component.

Sale of Services

Revenue from service contracts are recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised at point in time on fulfilment of respective performance obligation. In case, the service contracts include one performance obligation revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

Revenue from services rendered is recognised as the services are rendered and is booked based on agreement / arrangements with the concerned parties.

Other Operating Revenues

Export entitlement are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Management fees are recognised on an accrual basis as per the terms of the agreement/arrangement with the concerned party.

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's and a subsidiary functional and the Group's presentation currency.

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(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange difference are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

Termination benefits, in the nature of voluntary retirement benefits, are recognised as expense in the Statement of Profit and Loss if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.22 Share Based Payments

Share-based compensation benefits are provided to employees of the Parent Company via the Titagarh Wagons Limited Employee Stock Option Scheme namely ESOP Scheme 2014.

Employees of the Parent Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Parent Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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2.23 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Group's entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.24 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties

Provisions for warranty related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations, deduction made by the customers, as the case may be based on management's best estimate of the expenditure required to settle the obligations.

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystallising against the Group in due course. Also refer Note 2.25.

Onerous Contract

Provision is recognised for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.25 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.26 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

- the profit / (loss) attributable to owners of the Parent Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings Per Equity Share

Diluted earnings per equity share adjusts the figures used in the determination of basic earnings per equity share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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2.27 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company. Refer Note 39 for segment information presented.

2.28 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

2.29 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to purchase of property , plant and equipment are included in non current liabilities as deferred income and are credited to statement of profit and loss on straight line basis over the expected lives of related assets and presented within other income

2.30 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the group entities, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.31 Exceptional items

When items of income and expenses within statement of profit and loss from ordinary activities are of as such size, nature and or incidence that there disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.32 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

2.33 Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:
- If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

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2.34 Critical Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

· Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 32

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

· Impairment of Trade and Other Receivables — Notes 2.9(iii) and 42(II)(c)

The risk of uncollectibility of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful receivables, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

· Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets— Notes 2.3, 2.4, 2.8, 4.1, 4.2 and 4.6

Management reviews its estimate of the useful lives of property, plant and equipment, Right of use assets and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment, right of use assets and intangible assets.

· Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time- Notes 2.19 and 21

For contracts wherein performance obligation are satisfied over time, a group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, in order to depict Group Entity's performance in transferring control of goods or services promised to a customer. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract and price variations etc. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

· Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 37

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with their legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

· Valuation of Deferred Tax Assets — Notes 2.23 and 18

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

· Warranties and Liquidated Damages— Notes 2.24 and 17.1

The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

Liquidated damages on supply of products are provided based on the contractual obligations or deduction made by the customers considering the current situation and status of the project, the reasons for delays and past experience with the customers.

Changes in estimated frequency and amount of future warranty claims/ liquidated damages can materially affect warranty / liquidated damage expenses.

· Fair Value Measurements — Notes 2.9(vii) , 2.22 and 41

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

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3 Interest in Other Entities
(a) Information required by Schedule III to the Act

Name of the entity	As at/ for the year ended March 31, 2021							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	115.48%	97,060.71	-263.56%	4,951.49	57.16%	465.55	-509.03%	5,417.04
Subsidiaries								
Titagarh Bridges & International Private Limited #	-0.09%	(73.39)	3.91%	(73.39)	-	-	6.90%	(73.39)
Foreign								
Titagarh Firema S.p.A	-11.50%	(9,666.28)	334.19%	(6,278.31)	54.70%	445.52	548.10%	(5,832.79)
Titagarh Singapore Pte Limited	-3.89%	(3,265.64)	5.26%	(98.79)	-11.86%	(96.60)	18.36%	(195.39)
Non-controlling Interests in all Subsidiaries	-	-	20.17%	(379.00)	-	-	35.61%	(379.00)
Joint Venture (Investments as per the Equity Method)								
Indian								
Titagarh Bridges & International Private Limited #	-	-	0.03%	(0.65)	-	-	0.06%	(0.65)
Titagarh Mermec Pvt Ltd	-	-	-	-	-	-	-	-
TOTAL	100.00%	84,055.40	100.00%	(1,878.65)	100.00%	814.47	100.00%	(1,064.18)

Name of the entity	As at / for the year ended March 31, 2020							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	98.84%	83,565.04	-235.22%	8,501.49	-81.76%	(431.93)	-261.50%	8,069.56
Foreign								
Titagarh Firema S.p.A	-4.53%	(3,833.49)	38.90%	(1,406.06)	161.02%	850.65	18.00%	(555.41)
Titagarh Singapore Pte Limited	-3.63%	(3,070.25)	30.26%	(1,093.52)	20.62%	108.95	31.91%	(984.57)
Non-controlling Interests in all Subsidiaries	9.33%	7,886.73	5.41%	(195.39)	0.12%	0.61	6.31%	(194.78)
Joint Venture (Investments as per the Equity Method)								
Indian								
Titagarh Bridges & International Private Limited #	-	-	0.27%	(9.68)	-	-	0.31%	(9.68)
Titagarh Mermec	-	-	0.01%	(0.50)	-	-	0.02%	(0.50)
Discontinued Operations	-	-	260.37%	(9,410.55)	-	-	304.95%	(9,410.55)
TOTAL	100.00%	84,548.03	100.00%	(3,614.21)	100.00%	528.28	100.00%	(3,085.93)

TBIPL has become a wholly owned subsidiary of the Parent Company w.e.f. 14th July, 2020 by acquiring balance 754,882 equity shares from Matiere SAS, France.

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(b) Non-controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company elimination.

(Rs. in Lacs)

Summarised Balance Sheet	Cimmco Limited	
	March 31, 2021	March 31, 2020
Current Assets	-	19,796.67
Current Liabilities	-	19,079.73
Net Current Assets / (Liabilities)	-	716.94
Non-current Assets	-	27,282.28
Non-current Liabilities	-	9,760.04
Net Non-current Assets	-	17,522.24
Net Assets	-	18,239.18
Accumulated NCI	-	7,886.73

(Rs. in Lacs)

Summarised Statement of Profit and Loss	Cimmco Limited	
	March 31, 2021	March 31, 2020
Revenue	-	31,220.12
Profit / (Loss) for the Year	-	(781.55)
Other Comprehensive Income / (Loss)	-	2.45
Total Comprehensive Income / (Loss)	-	(779.10)
Profit / (Loss) allocated to NCI	(379.00)	(194.78)

(Rs. in Lacs)

Summarised Cash Flows	Cimmco Limited	
	March 31, 2021	March 31, 2020
Cash Flows From / (Used in) Operating Activities	-	4,528.79
Cash Flows From / (Used in) Investing Activities	-	192.77
Cash Flows From / (Used in) Financing Activities	-	(4,716.38)
Net Increase / (Decrease) in Cash and Cash Equivalents	-	5.18

(c) Transactions with Non-controlling Interests

(Rs. In Lacs)

	March 31, 2021	March 31, 2020
Carrying Amount of Non- controlling Interest transferred/(acquired)	-	819.37
Consideration received/(paid) from/(to) Non-controlling Interest	-	365.23
Excess of Consideration received Recognised in Retained Earnings within Equity	-	454.14

(d) Interests in Joint Venture

The Group had formed a Joint Venture Company 'Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd)' with Matiere SAS, France on January 2, 2017 to carry the business of manufacturing, marketing and selling Matiere panel bridges, unibridges, and other auxiliary products. However, Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd) has become a wholly owned subsidiary of the Company w.e.f. 14th July, 2020 by acquiring balance 7,548,820 equity shares from Matiere SAS, France.

The Group has formed a Joint Venture Company 'Titagarh Mermec Pvt Ltd.' on May 17, 2018 for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. However, as on March 31, 2019 there has been no transactions in the joint venture company.

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Summarised Financial Information for Joint Venture

The tables below provides summarised financial information for the joint venture Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd) and Titagarh Mermec Pvt Ltd. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Summarised Balance Sheet		Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd)		Titagarh Mermec Pvt Ltd	
		As at March 31, 2021 (Rs in Lacs)	As at March 31, 2020 (Rs in Lacs)	As at March 31, 2021 (Rs in Lacs)	As at March 31, 2020 (Rs in Lacs)
Non-Current Assets					
Inventory		-	21.08	-	-
Other Financial Assets		-	2.29	-	-
Total	(A)	-	23.37	-	-
Current Assets					
Cash and Cash Equivalents		-	231.10	0.77	1.00
Other Current Assets		-	97.82	-	-
Total	(B)	-	328.92	0.77	1.00
Current Liabilities					
Financial Liabilities					
Trade Payables		-	3.94	6.24	4.24
Other Current Liabilities		-	300.30	-	-
Total	(C)	-	304.24	6.24	4.24
Net Assets	(A+B-C)	-	48.05	(5.47)	(3.24)

Summarised Statement of Profit and Loss	Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd)		Titagarh Mermec Pvt Ltd	
	For the year ended March 31. 2021 (Rs in Lacs)	For the year ended March 31. 2020 (Rs in Lacs)	For the year ended March 31. 2021 (Rs in Lacs)	For the year ended March 31. 2020 (Rs in Lacs)
Income				
Revenue from Operation	-	21.79	-	-
Other Income	-	0.32	-	-
	-	22.11	-	-
Expenses				
Project Development Expenses	-	17.84	-	-
Change in Inventory	-	(21.08)	-	-
Employee Benefits Expense	-	12.57	-	-
Finance Costs	0.39	0.10	0.23	-
Other Expenses	0.91	32.04	2.00	2.02
Total Expenses	1.30	41.47	2.23	2.02
Loss for the Period/Year	(1.30)	(19.36)	(2.23)	(2.02)
Other Comprehensive Income for the Period/ year	-	-	-	-
Total Comprehensive Income for the period/year	(1.30)	(19.36)	(2.23)	(2.02)
Group Share in %	50.00	50.00	50.00	50.00
Group Share of Loss for the Period/Year	(0.65)	(9.68)	(1.12)	(1.01)

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Reconciliation to Carrying Amounts		Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd)		Titagarh Mermec Pvt Ltd	
		As at March 31, 2021 (Rs in Lacs)	As at March 31, 2020 (Rs in Lacs)	As at March 31, 2021 (Rs in Lacs)	As at March 31, 2020 (Rs in Lacs)
Opening Net Assets		(23.61)	(4.25)	(2.02)	-
Profit for the Year		(1.30)	(19.36)	(2.23)	(2.02)
Issue of Equity Share Capital		-	-	-	-
Less: Conversion to Subsidiary		(24.91)	-	-	-
Closing Net Assets		-	(23.61)	(4.25)	(2.02)
Group Share in %		50.00	50.00	50.00	50.00
Cost of Investments	(A)	29.81	39.49	-	0.50
Group Share of Loss for the Period/Year	(B)	0.65	9.68	-	0.50
Acquire of balance share	(C)	29.16	-	-	-
Carrying Amount	(A- B-C)	-	29.81	-	-

The Group has no contingent liability and capital commitments relating to its interest in Titagarh Bridges & International Pvt Ltd. (erstwhile Matiere Titagarh Bridges Pvt Ltd) and Titagarh Mermec Pvt Ltd as at March 31, 2021 (March 31, 2020: Rs. Nil).

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4.1 Property, Plant and Equipment

(Rs in Lacs)

	Freehold Land [Refer (a) below]	Leasehold Land	Leasehold Improvement	Buildings [Refer (a) below]	Plant and Equipments	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2019	33,918.50	20,059.70	70.94	27,159.59	22,270.31	691.68	409.32	361.18	127.99	291.24	278.68	105,639.13
Additions	-	-	-	954.62	741.16	-	-	20.80	30.41	24.46	13.43	1,784.88
Disposals	-	-	-	181.91	-	-	-	-	-	-	15.58	197.49
Transfer to Discontinued Operations	740.42	-	-	5,040.89	7,437.53	-	-	-	-	-	-	13,218.84
Exchange Differences on Consolidation	671.44	-	-	968.78	469.23	-	-	-	-	-	-	2,109.45
As at March 31, 2020	33,849.52	20,059.70	70.94	23,860.19	16,043.17	691.68	409.32	381.98	158.40	315.70	276.53	96,117.13
Additions	-	-	-	-	1,206.91	-	-	4.75	4.95	40.17	6.30	1,263.08
Disposals	-	-	-	612.68	255.96	27.83	-	-	-	-	-	896.47
Reclassification	-	-	-	-	255.00	-	-	-	-	-	-	255.00
Exchange Differences on Consolidation	382.91	-	-	552.48	257.12	-	-	-	-	-	-	1,192.51
As at March 31, 2021	34,232.43	20,059.70	70.94	23,799.99	17,506.23	663.85	409.32	386.73	163.35	355.87	282.83	97,931.25
Accumulated Depreciation & Impairment												
As at March 31, 2019	-	666.27	52.27	3,708.40	9,981.27	49.01	112.06	132.10	105.02	150.00	66.95	15,023.35
Charge for the year	-	166.13	3.21	530.23	941.84	-	12.51	39.31	7.70	99.79	35.58	1,836.30
Transfer to Discontinued Operation	-	-	-	534.31	3,154.64	-	-	-	-	-	-	3,688.95
Disposals	-	-	-	9.25	-	-	-	-	-	-	6.12	15.37
Exchange Differences on Consolidation	-	-	-	145.45	278.93	-	-	-	-	-	-	424.38
As at March 31, 2020	-	832.40	55.48	3,840.52	8,047.40	49.01	124.57	171.41	112.72	249.79	96.41	13,579.71
Charge for the year	-	166.68	2.89	556.38	799.81	-	12.51	37.02	9.16	24.07	32.63	1,641.15
Disposals	-	-	-	582.03	243.15	11.88	-	-	-	-	-	837.06
Exchange Differences on Consolidation	-	-	-	83.16	158.64	-	-	-	-	-	-	241.80
As at March 31, 2021	-	999.08	58.37	3,898.03	8,762.70	37.13	137.08	208.43	121.88	273.86	129.04	14,625.60
Impairment												
As at March 31, 2019	-	-	-	2,138.90	2.36	-	-	-	-	-	-	2,141.26
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Discontinued Operations	-	-	-	2,138.90	-	-	-	-	-	-	-	2,138.90
As at March 31, 2020	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Net Carrying Amount												
As at March 31, 2020	33,849.52	19,227.30	15.46	20,019.67	7,993.41	642.67	284.75	210.57	45.68	65.91	180.12	82,535.06
As at March 31, 2021	34,232.43	19,060.62	12.57	19,901.96	8,741.17	626.72	272.24	178.30	41.47	82.01	153.79	83,303.29

a) The title deeds of immovable properties, as disclosed above are held in the name of the respective entities in the Group, except for the following:

Particulars	No. of Cases		Gross Carrying Amount (Rs. in Lacs)		Net Carrying Amount (Rs. in Lacs)		Remarks
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
Freehold Land	2	2	14,144.61	14,144.61	14,144.61	14,144.61	Original copy of title deeds not available with the Parent Company. The Parent Company has photocopy of the same.
Freehold Land	2	1	3,550.15	3,391.29	3,550.15	3,391.29	Title deeds not in the name of the Parent Company
Freehold Land	-	1	-	97.96	-	97.96	Title deed not found
Buildings	-	-	-	-	-	-	Registration of title deeds is pending
Buildings	1	1	117.04	117.04	103.16	105.12	Title deeds not in the name of the Parent Company

b) The Group had opted to fair value its Property, Plant and Equipment other than Railway Wagon as on April 1, 2015 (transition date to Ind A5) and considered the same as deemed cost as at April 1, 2015.
c) Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
d) Refer Note 15 for information on Property, Plant and Equipment pledged as security by the Group.
Erstwhile Titagarh Capital Private Limited (TCPL) (since merged with the Parent Company) had given 887 wagons to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has sub-leased those Wagons to Indian Railways. Due to various disputes, matter was referred to the sole Arbitration of Hon'ble Mr. Justice (Retd.) S.S.Nijjar.The sole Arbitrator vide its award dated July 03, 2019 has restricted the Indian Railways for further using of the 887 Wagons and allowed the repossession of said Wagons to the Parent Company being the sole and beneficial owner of the wagons. During the year, the Parent Company has obtained possession of 215 wagons whose carrying value was Rs. 15.95 lacs and has discarded the same as scrap, being not usable. The said scrap has been sold for Rs. 1,363.80 Lacs.
The Parent Company is in the process of obtaining possession of the balance 672 wagons, realisable value of which as per management estimate is more than the book value of Rs. 626.72 lacs.
e) During the year, reclassification represents Rs. 255.00 lacs relating to certain assets pertaining to Titagarh Firema S.p.A regrouped from Plant & Machinery to Computer Softwares.

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4.2 Intangible Assets

(Rs in Lacs)

	Goodwill on Consolidation	Other Intangible Assets						
		Computer Software	Patents	Project Development	Brand	Design and Drawings	Prototype	Total
Gross Carrying Amount								
As at March 31, 2019	402.25	2,746.22	681.52	2,129.05	227.79	1,537.86	880.39	8,202.83
Additions	-	1,207.27	-	-	-	-	-	1,207.27
Written-off	(24.85)	-	-	-	-	-	-	-
Transfer to Discontinued Operations	(377.40)	-	681.52	2,129.05	-	-	-	2,810.57
Others including Exchange Differences on Consolidation	-	213.40	-	-	-	18.60	-	232.00
As at March 31, 2020	-	4,166.89	-	-	227.79	1,556.46	880.39	6,831.53
Additions	-	537.63	-	-	-	-	-	537.63
Reclassification	-	(255.00)	-	-	-	-	-	(255.00)
Others including Exchange Differences on Consolidation	-	125.73	-	-	-	-	-	125.73
As at March 31, 2021	-	4,575.25	-	-	227.79	1,556.46	880.39	7,239.89
Accumulated Amortisation								
As at March 31, 2019	-	554.01	311.88	1,918.81	28.47	314.19	396.17	3,523.53
Charge for the year	-	557.97	-	-	56.95	461.46	-	1,076.38
Transfer to Discontinued Operations	-	-	311.88	1,918.81	-	-	-	2,230.69
Others including Exchange Differences on Consolidation	-	49.52	-	-	28.47	72.04	-	150.03
As at March 31, 2020	-	1,161.50	-	-	113.89	847.69	396.17	2,519.25
Charge for the year	-	817.24	-	-	56.94	461.44	-	1,335.62
Others including Exchange Differences on Consolidation	-	27.14	-	-	-	-	-	27.14
As at March 31, 2021	-	2,005.88	-	-	170.83	1,309.13	396.17	3,882.01
Impairment								
As at March 31, 2019	377.40	22.54	-	-	-	-	484.22	506.76
Charge for the year	-	-	-	-	-	-	-	-
Transfer to Discontinued Operations	377.40	-	-	-	-	-	-	-
As at March 31, 2020	-	22.54	-	-	-	-	484.22	506.76
Charge for the year	-	-	-	-	-	-	-	-
As at March 31, 2021	-	22.54	-	-	-	-	484.22	506.76
Net Carrying Amount								
As at March 31, 2020	-	2,982.85	-	-	113.90	708.77	-	3,805.52
As at March 31, 2021	-	2,546.83	-	-	56.96	247.33	-	2,851.12

a) The Group based on technical evaluation, has revised estimated useful life of Brand and Design & Drawings effective from January 01, 2020. As a result, the depreciation expense and profit before tax for the year ended March 31, 2020 is higher by Rs. 260.64 Lacs (Brand - Rs. 28.47 lacs, Design & Drawings effective - Rs. 232.17 lacs).

b) During the year, reclassification represents Rs. 255.00 lacs relating to certain assets pertaining to Titagarh Firema S.p.A regrouped to Computer Softwares from Plant & Machinery.

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4.3 Investment Properties

	(Rs in Lacs) Freehold Land
Carrying Amount as at March 31, 2019	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2020	821.24
Additions/(Deletion)	-
Carrying Amount as at March 31, 2021	821.24

The original title deeds in respect of above Investment Properties are not traceable. However, the Group has the photo copy of the same.

Information regarding Investment Properties

The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2021, fair Valuation of the two properties is estimated to be Rs. 977.55 Lacs (March 31, 2020: Rs. 977.55 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2021 and March 31, 2020 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Circle Rate for Land owned by the Group	5% Increase (Decrease) in the Circle Rate would result in Increase (Decrease) in fair value by Rs. 48.88 Lacs (March 31, 2020: Rs. 48.88 Lacs)

4.4 Capital Work-in-Progress

(Rs. In Lacs)

	As at March 31, 2021	As at March 31, 2020
Total	1,622.89	-

a) Capital work in progress as on March 31, 2021 are in respect of Plant and Equipment Rs. 371.69 Lacs and Building Rs. 1,250.90 Lacs. (March 31, 2020 Rs. Nil).

4.5 Intangible Assets under Development

(Rs. In Lacs)

	As at March 31, 2021	As at March 31, 2020
Total	2,509.41	-

a) Intangible assets under development as on March 31, 2021 Rs. 2,509.41 Lacs [March 31, 2020 Rs Nil]

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4.6 Right-of-use assets and leases (Rs in Lacs)

The Parent Company's leasing arrangement includes office space having a lease term of 5 years with a lock-in period of 4 years. It has extension options as described in (iv) below.

(i) Amount recognised in balance sheet

Right-of-use assets	Buildings	Total
Gross Carrying Amount		
As at March 31, 2019	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2020	-	-
Additions	162.14	162.14
Disposals	-	-
As at March 31, 2021	162.14	162.14
Accumulated Depreciation & Impairment		
As at March 31, 2019	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Charge for the year	9.99	9.99
Disposals	-	-
As at March 31, 2021	9.99	9.99
Net Carrying Amount		
As at March 31, 2020	-	-
As at March 31, 2021	152.15	152.15

Lease liabilities	March 31, 2021	March 31, 2020
Current	30.85	-
Non-current	117.20	-
Total	148.05	-

(ii) Amount recognised in statement of profit and loss
The statement of profit or loss shows the following amounts relating to leases:

Lease liabilities	March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets (Refer Note 27)	9.99	-
Interest expense (included in finance costs) (Refer Note 26)	3.76	-
Total	13.75	-

(iii) The total cash outflow for leases for the year was Rs. 10.93 lacs (March 31, 2020: Rs. Nil).
(iv) Extension and termination options

Extension and termination options are included in the parent company's lease contract. These are used to maximise operational flexibility in terms of managing the assets used in the parent company's operations. The extension and termination options held are exercisable by mutual consent of both the lessor and the lessee.

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5. Investments (Non-current)

Investments in Equity Instruments	No of Shares / Units As at March 31, 2021	2020	Face value per share/unit (Rs.)	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
In Others (Quoted) (at FVTPL) (a)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
Arshiya Limited	898,562	898,562	2	301.47	60.83
In Others (Unquoted) (at FVTPL) * (a)					
Titagarh Enterprises Limited	4,932,940	4,932,940	10	2,777.13	2,746.28
Traco International Investment Private Limited	685,000	685,000	10	18.37	18.32
Titagarh Industries Limited	50,000	50,000	10	30.70	32.20
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
Total				3,127.92	2,857.88
Aggregate book value of quoted investments				301.52	60.88
Aggregate book value of unquoted investments				2,826.40	2,797.00
Market value of quoted investments				301.52	60.88

Quotation not available since suspended due to panal reasons.
* Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Parent company (Also refer note 15(b)(i)(A)) :

Name of Quoted Investments	No. of Shares/Units As at March 31, 2021	2020	Face value per share/unit (Rs.)	Amount Pledged March 31, 2021 Rs. In Lacs	Amount Pledged March 31, 2020 Rs. In Lacs
Titagarh Enterprises Limited	4,932,940	4,932,940	10	49,329,400	49,329,400
Traco International Investment Private Limited	685,000	685,000	10	6,850,000	6,850,000
Titagarh Industries Limited	50,000	50,000	10	500,000	500,000
				56,679,400	56,679,400

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit.
(a) Refer Note 41 for determination of fair values and Note 42 for credit risk and market risk on investments.

6. Trade Receivables (At Amortised Cost)
(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Trade Receivables				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	-	142.99	21,735.21	26,586.75
Unsecured, Considered Doubtful	-	117.67	628.35	463.53
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	1,676.59
	-	260.66	22,363.56	28,726.87
Less: Loss Allowances [Refer Note 42 (II) (c)]	-	117.67	628.35	2,140.12
Less: Liquidated Damages [Refer note 42 (II) (c)]	-	-	317.79	1,354.52
	-	142.99	21,417.42	25,232.23

a) Liquidated damages provisions has been adjusted with trade receivable in accordance with the requirement of IND AS 115.
b) Refer Note 15 for information on Trade Receivables pledged as security by the Group and Note 42 for information about credit risk and market risk on Trade Receivables.
c) Trade Receivables- Considered Good include dues from related parties of Rs. Nil (March 31, 2020 Rs. 1.40 Lacs). Refer Note 40 for details.

7. Other Financial Assets
(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Measured at Fair Value through OCI				
Derivative Assets [Refer (a) below]	514.70	-	65.53	-
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months #	4,217.81	4,278.61	-	-
Receivable from Related Parties (Refer Note 40)				
Considered Good	-	-	-	25.51
Considered Doubtful	-	-	-	-
	-	-	-	25.51
Less: Provision for Doubtful Recoverable from Related Parties	-	-	-	-
	-	-	-	25.51
Interest Accrued on:				
Fixed Deposits with Banks	189.36	-	133.13	135.70
Claims Receivable [Refer (b) below]	-	-	2,361.23	2,361.23
Unbilled Revenue	-	-	35,303.23	24,443.47
Subsidy Receivable	-	-	69.96	1,044.78
Other Receivable	-	-	217.82	3,191.76
Charges Recoverable				
Considered Good	-	-	188.72	385.94
Considered Doubtful	-	-	-	40.88
	-	-	188.72	426.82
Less: Provision for Doubtful Charges Recoverable	-	-	-	40.88
	-	-	188.72	385.94
Total	4,921.87	4,278.61	38,339.62	31,588.39

Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

(a) Derivative instruments used by the Parent Company is in nature of forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Parent Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. All the instruments are hedge effective as at year end.

(b) Claim Receivables represents amount receivables from Indian Railway in relation to differential sub lease rentals for the last 3 years of primary sub lease period along with interest in terms of the Arbitration award dated February 3, 2016. The erstwhile Cimmco Ltd (since merged with the Parent Company) had taken on lease 1,200 wagons from four lessors and given the same on sub-lease for a period of ten years to Indian Railways under four separate Sub-Lease Agreements, one dated May 28, 1997 and the other three dated October 20, 1997. During the subsistence of the sub-lease, erstwhile Cimmco Ltd (since merged with the Parent Company) had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals and award was published on February 3, 2016.

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8. Loans and Deposits (At Amortised Cost)
(Unsecured, Considered Good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Security Deposits				
Considered Good	359.64	358.24	4,022.70	4,957.56
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
Considered Doubtful	-	66.72	253.08	40.75
	359.64	424.96	4,275.78	4,998.31
Less: Loss Allowances	-	66.72	253.08	40.75
	359.64	358.24	4,022.70	4,957.56
	359.64	358.24	4,022.70	4,957.56

9. Tax Assets (Net)

	Non-Current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Advance Tax (Including Tax Deducted at Source and Net of Provision for Taxation) (Net of provision for tax Rs. 21,018.28 Lacs ; March 31, 2020 Rs. 20,841.32 Lacs)	2,640.77	2,914.51	10.96	-
	2,640.77	2,914.51	10.96	-

10. Other Assets
(Unsecured, Considered Good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Capital Advances	262.85	199.96	-	-
Security Deposits	274.98	317.60	-	-
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	49.37	45.31
Considered Good - Others	-	2.55	9,057.92	5,640.18
Considered Doubtful - Others	-	88.40	195.73	100.74
	-	90.95	9,303.02	5,786.23
Less: Provision for Doubtful Advances - To Others	-	88.40	195.73	100.74
	-	2.55	9,107.29	5,685.49
Balances with Government Authorities				
Considered Good	-	-	15,644.34	12,702.72
Considered Doubtful	-	-	94.61	103.18
	-	-	15,738.95	12,805.90
Less: Provision for Doubtful Balances	-	-	94.61	103.18
	-	-	15,644.34	12,782.72
Prepaid Expenses	281.15	469.26	992.54	1,052.33
Total	818.98	989.37	25,744.17	19,440.54

a) Represents recoverable from Officers of the Parent Company. Also Refer Note 40.

11. Inventories

(Valued at Lower of Cost and Net Realisable Value)	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Raw Materials and Components [Includes Goods in Transit Rs. 606.06 Lacs (March 31, 2020: Rs. Nil)]	29,583.89	27,570.18
Work-in-progress	5,980.09	7,041.71
Finished Goods	883.85	912.85
Saleable Scrap	695.30	981.17
Stores and Spares	1,375.82	1,123.39
Total	38,518.95	37,629.30

(a) Refer Note 15 for information on inventories pledged as security by the Group.
(b) Work in progress includes project work in progress of Rs. 3,239.02 Lacs (March 31, 2020: Rs 956.16 Lacs)
(c) Write-downs of inventories to net realisable value amounted to Rs. 11.00 Lacs (March 31, 2020: Rs 24.65 Lacs).

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12. Cash and Bank Balances	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
12.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	7,936.82	2,836.19
Deposits with Original Maturity of Less Than Three Months @	22.20	48.45
Cash on Hand	10.36	12.54
	7,969.38	2,897.18
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	17.18	19.26
Deposits @	4,417.12	2,689.75
	4,434.30	2,709.01
Total	12,403.68	5,606.19

@ Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

13. Equity Share Capital	As At March 31, 2021		As At March 31, 2020	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Authorised Shares				
Equity Shares of Rs. 2/- (March 31, 2020: Rs. 2/-) each	12,905.00	25,810.00	12,905.00	25,810.00
Preference shares of Rs. 10 /- each	1,270.00	12,700.00	1,270.00	12,700.00
		38,510.00		38,510.00
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2020 Rs. 2/-) each, fully paid-up	1,193.87	2,387.75	1,156.06	2,312.12
	1,193.87	2,387.75	1,156.06	2,312.12

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	2020-21		2019-20	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Equity Shares				
At the Beginning of the Year	1,156.06	2,312.12	1,155.28	2,310.56
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.61	1.22	0.78	1.56
Shares Issued pursuant to Scheme of Amalgamation (Refer Note 45)	37.20	74.41	-	-
Outstanding at the end of the Year	1,193.87	2,387.75	1,156.06	2,312.12

@ During the year, 60,950 equity shares (March 31, 2020: 78,250 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Parent Company under the Employee Stock Option (ESOP) Scheme.

b) Shares reserved for issue under Employee Stock Options
For details of shares reserved for issue under ESOP of the Parent Company, Refer Note 34.

c) Terms and rights attached to Equity Shares
The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2020: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of Shareholders holding more than 5% shares in the Parent Company

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2 (March 31, 2020: Rs. 2) each fully paid				
Titagarh Capital Management Services Private Limited	21,670,165	18.15%	21,670,165	18.74%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	18,201,875	15.25%	-	-
Savitri Devi Chowdhary	-	-	12,466,034	10.78%
Rashmi Chowdhary	12,816,105	10.73%	12,816,105	11.09%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	10,425,560	8.73%	6,151,556	5.32%

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

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14. Other Equity -Reserves and Surplus	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
A. Securities Premium Account		
Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ('the Act').		
Balance as per the last Financial Statements	40,740.50	40,632.78
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(a)]	25.74	33.02
Transfer from ESOPs Outstanding Account on Exercise and Lapse	53.76	74.70
	40,820.00	40,740.50
B. General Reserve (Refer Note 14.1)		
Balance as per the last financial statements	5,411.39	5,411.39
Movement during the year	-	-
	5,411.39	5,411.39
C. Capital Reserve		
Balance as per the last Financial Statements	9.18	9.18
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 45)	7,433.32	-
Arisen due to acquisition of equity shares resulting in a subsidiary (Refer Note 52)	19.57	-
Balance as at the end of the year	7,462.07	9.18
Capital Reserve represents amount transferred from transferor company pursuant to Scheme of Amalgamation / other restructuring.		
D. Reserve Fund under Section 45-IC of the Reserve Bank of India Act, 1934		
According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a Reserve Fund and transfer therein a sum not less than twenty per cent of its Net Profit every year as disclosed in the Statement of Profit and Loss and before dividend is declared.		
Balance as per the last Financial Statements	15.62	15.62
Transfer Within Equity [Refer (g) below]	(15.62)	-
Balance as at the end of the year	-	15.62
E. Legal Reserve		
Legal Reserve represents reserve created as per the local laws in certain foreign subsidiaries out of the profits for the year		
Balance as per the last Financial Statements	-	55.33
Add: Transfer during the year	-	(55.33)
	-	-
F. Employee Stock Options (ESOPs) Outstanding Account (Refer Note 34)		
Employee Stock Options Outstanding Account relates to stock options granted by the Parent Company to employees under the Parent Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
Balance as per the last Financial Statements	249.84	353.96
Recognition of Share Based Payment (Refer Note 34)	9.33	67.81
Transfer from ESOPs Outstanding Account on Exercise and Lapse	(92.55)	(171.93)
	166.62	249.84
G. Retained Earnings		
Balance as per the last Financial Statements	26,597.86	30,804.07
Loss for the Year	(1,499.65)	(3,418.82)
Transactions with Non-controlling Interests	-	(454.14)
Transfer from ESOPs Outstanding Account on Options Lapsed	(38.79)	(97.23)
Item of Other Comprehensive Income recognised directly in Retained Earnings		
-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	31.35	(12.36)
Final Dividend for the Year ended March 31, 2019	-	(346.83)
Dividend Distribution Tax on above	-	(71.29)
Transfer within equity [Refer (d) above]	15.62	-
Net surplus in the statement of profit and loss	25,183.97	26,597.86
-Other Reserve		
H. Foreign Currency Translation Reserve (FCTR)		
Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2.20(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.		
Balance as per the last Financial Statements	1,324.79	2,009.21
Exchange Differences on Translation of Foreign Operations during the year	348.92	(684.42)
	1,673.71	1,324.79
I. Share Application Money Pending Allotment	-	-
J. Equity Component of compound financial instruments (Refer Note 14.2)		
Balance as per the last Financial Statements	-	-
Equity Component of Compound Financial Instruments issued during the year	689.13	-
Tax impact on above	(173.44)	-
	515.69	-
K. Cash Flow hedge Reserve (Refer Note 14.3 and 14.4)		
Balance as per the Last Financial Statements	-	-
Changes in fair value recognised during the year	580.23	-
Tax impact on above	(146.03)	-
	434.20	-
Total Other Equity (A+B+C+D+E+F+G+H+I+J+K)	81,667.65	74,349.18

14.1 General Reserve :- Under the erstwhile Indian Companies Act, 1956, a general reserve was created in the books of the Parent Company through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Parent Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14.2 Equity Component of compound financial instruments :-TBIPL has issued Optionally Fully Convertible Debentures (OFCD) to the individual promoters of the Company carrying a coupon rate of 4% during the financial year ended March 31, 2021. Considering the accounting principles to be followed in line with Indian Accounting Standards, TBIPL has computed the liability portion of OFCD as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OFCD the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

14.3 Cash Flow Hedge Reserve:-The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item. The Parent Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

14.4 During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to Rs. Nil (March 31, 2020: Rs. Nil).
The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the statement of profit and loss as below:
- within the next one year: gain Rs. 49.04 lacs (March 31, 2020: Rs. Nil)
- later than one year: gain Rs. 385.16 lacs (March 31, 2020: Rs. Nil)

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15. Borrowings

	Non-current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Secured				
Term Loan from Banks [Refer (a) below]	43,447.77	55,346.44	9,135.33	100.31
Cash Credits & Working Capital Demand Loan from Banks [Refer (b) below]	-	-	21,674.04	17,526.89
Unsecured				
Term Loan from Banks [Refer (c) below]	8,609.90	-	-	-
Optionally Fully Convertible Debenture measured at FVTPL [Refer (d) below]				
4% Debentures of Rs. 10 /- each fully paid up	1,681.18	-	-	-
	53,738.85	55,346.44	30,809.37	17,627.20
Amount disclosed under other current financial liabilities (Refer Note 16)	-	-	(94.93)	(100.31)
Total	53,738.85	55,346.44	30,714.44	17,526.89

Secured Borrowings
a) Term Loan from Banks
i) In case of Parent Company:
A) Term Loan of Rs. 4,392.87 lacs (March 31, 2020: Rs. 9,023.35 lacs) carries interest @ 9.20% to 11.25% p.a. (March 31, 2020: 10.20% to 11.25% p.a.) linked to 1 year MCLR and is repayable in 2 halfyearly installments starting from April 2023 to October 2023.
Above term loan is secured by Immovable property (including land) at Gwalior district (Steel Foundry Division), Medhya Pradesh. The loan is further subservient charge over movable fixed assets of the borrower. During the previous year, the above facilities were also been secured by way of pledge / to be pledged investment in equity shares of Titagarh Firema S.p.A and Titagarh Singapore Pte Limited.

B) Term Loan of Rs. 5,907.97 lacs (March 31, 2020: Rs. 5,825.94 Lacs) carries interest @ 8.75% to 11.75% p.a (March 31, 2020: 9.85% to 11.75%) linked to 1 year MCLR and is repayable in 7 quarterly installments starting from June 2022 to December 2023.
Above term loan is secured by a first Pari Passu by way of mortgage upon all land and building, plant and machinery and other immovable assets of Bharatpur factory and by way of hypothecation on all moveable fixed assets at Bharatpur plant and further second Charge on the current assets (both present and future) belonging to Bharatpur factory of Titagarh Wagons Limited

ii) In case of Titagarh Firema S.p.A (TFA)
Term Loan from Bank of Baroda (UK Branch) of Rs. 42,282.25 Lacs (March 31, 2020: Rs. 40,597.46 Lacs) carries an interest rate of Euribor +265 bps. The facility is secured by first pari passu charge on the entire fixed assets (movable and immovable) & current assets of the company.

b) Cash Credits and Working Capital Demand Loan from Banks:
i) In case of Parent Company:
A) Cash Credits and Working Capital Demand Loans of Rs. Nil (March 31, 2020 : Rs. 6,330.59 Lacs) are secured by first charge on the Company's current assets, movable fixed assets both present and future at Titagarh, and Mouza, Bhadrakali, Uttarpara, West Bengal.and further creating charge on immovable properties by way of depositing tittle deeds of various lands of the company. The above facilities have also been secured by way of pledge of investment in equity shares of Titagarh Enterprises Limited, Traco International Investment Private Limited and Titagarh Industries Limited.

B) Cash Credits is repayable on demand and carry an interest rate ranging between 7.65 % to 12.45 % p.a. linked with MCLR.

C) Working Capital Demand Loans carry interest at Bank's MCLR plus spreed ranging from 6.30 % to 11.80 % p.a (March 31, 2020: 8.2 % to 10.5 % p.a.) and are repayable within six months.
ii) In case of Titagarh Firema S.P.A (TFA):
Short term loan from banks represents overdraft facility from Bank of Baroda (Uk Branch) of Rs.21,674.04 Lacs (March 31, 2020: Rs. 11,196.30 Lacs). The facility is secured by First Pari Passu Charge on the entire fixed assets (movable and immovable) and current assets of the Company. The short term loan bears interest rate of Euribor + 300 bps and is repayable on demand.

Unsecured Borrowings
c) Term Loan from Banks
In case of Titagarh Firema S.P.A (TFA):
Term Loan of Rs. 8,609.90 Lacs (March 31, 2020: Rs. Nil) has been received from Intesa San Paolo under the Liquidity Decree issued by the Government of Italy in order to support the companies from the Covid crisis. The loan is backed by the guarantee from SACE SPA. The loan carries interest of 1.73%p.a.
d) Optionally Fully Convertible Debenture (OFCD)
In case of Titagarh Bridges & International Pvt Ltd (TBIPL):
DFCD of Rs. 1,681.18 Lacs (March 31, 2020: Rs. Nil) are unsecured, unlisted and non transferable debentures. The tenure of DFCD is 7 years from the date of allotment. The OFCDs shall be converted into Equity Shares at the option of the holder at the end of one year or three years or five years or seven years respectively from the date of allotment. The OFCD will be payable on annual basis on every March 31 with a rate of interest of 4% p.a. Pursuant to the conversion, OFCD shall Rank Pari Passu with existing Equity Shares of TBIPL. If DFCD holder does not choose the option of conversion then the OFCD will be compulsorily redeemed by TBIPL on the expiry of seven years from the date of allotment.

i) Refer Note 42 for information about market risk and liquidity risk on borrowings.

16. Other Financial Liabilities

	Non-Current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Current Maturities of Long Term Debt (Refer Note 15) #	-	-	94.93	100.31
Current Maturities of Lease Liabilities (Refer Note 4.6)	-	-	30.85	-
Measured at Amortised Cost				
Interest accrued and due on Borrowings	-	-	14.82	220.22
Interest accrued and not due on Borrowings	-	-	6.20	-
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividends	-	-	17.18	19.26
Others				
Employee Related Liabilities	-	-	1,109.91	652.86
Payable for Purchase of Property, Plant and Equipment :-				
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	-	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	-	-	-	12.31
Other Liabilities	-	-	-	2,559.24
Total Other Financial Liabilities	-	-	1,273.89	3,564.20

This amount refers to the amortisation within next one year of upfront processing fees paid to bank in respect of long term loan.

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17.1 Provisions

	Non-Current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	350.55	349.29	107.23	119.87
Leave Benefits [Refer Note 32(iii)]	-	-	1,139.15	1,560.95
	350.55	349.29	1,246.38	1,680.82
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	2,110.49	3,964.35
Loss on Onerous Contract [Refer (a) below for movement]	-	-	1,853.71	2,093.00
Litigation, Claims and Contingencies [Refer (b) below for movement] & [37 (i)]	-	-	2,576.22	2,083.87
	-	-	6,540.42	8,141.22
Total	350.55	349.29	7,786.80	9,822.04

a) Movement of provisions for warranties and Loss on Onerous Contract are as follows:

	Warranties		Loss on Onerous Contract	
	2020-21 Rs. In Lacs	2019-20 Rs. In Lacs	2020-21 Rs. In Lacs	2019-20 Rs. In Lacs
At the Beginning of the Year	3,964.35	6,924.13	2,093.00	2,923.88
Made during the Year	33.98	124.28	1,661.83	786.39
Transfer to Discontinued Operations	-	(65.06)	-	-
Re-classified from Trade Payable	-	(1,079.63)	-	-
Utilised during the Year	(1,887.84)	(1,939.37)	(1,901.13)	(1,617.27)
At the End of the Year	2,110.49	3,964.35	1,853.71	2,093.00

b) Movement of Provisions for Litigation, Claims and Contingencies are as follows:

	Litigations, Claims and Contingencies	
	2020-21 Rs. In Lacs	2019-20 Rs. In Lacs
At the Beginning of the Year	2,083.87	462.76
Made during the Year	623.97	1,881.69
Utilised during the Year	-	(173.23)
Transferred to provision against security deposit	(131.62)	-
Unused Amounts Reversed during the Year	-	(87.35)
At the End of the Year	2,576.22	2,083.87

Information about individual provisions and significant estimates:

Warranties

Warranties represents provision made for estimated warranty Claims in respect of products sold and annual maintenance (AMC) to be provided after the sale of coaches to the customer over the period as agreed in the contract which are under warranty / AMC at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

Onerous contract

Onerous contract represents provision made towards excess of contract costs over contract revenues pertaining to one of the subsidiary company "Titagarh Firema S.p.A".

17.2 Current Tax Liabilities

	As at March 31, 2021 Rs. In Lacs	As at March 31,2020 Rs. In Lacs
Provision for Income Tax	22.90	22.90
(Net of Advance tax and TDS Rs. Nil; March 31, 2020 Rs. Nil)		
Total	22.90	22.90

18. Deferred Tax (Assets)/Liabilities

		As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Deferred Tax Liabilities			
Arising out of Temporary Differences in Depreciable Assets		6,582.45	6,329.91
Unrealised Gain on FVTPL Securities *		572.95	294.81
Fair valuation of Derivative Assets		146.03	-
Others		104.72	68.54
Gross Deferred Tax Liabilities	(A)	7,406.15	6,693.26
Deferred Tax Assets			
Provision for fall in value of Investments		5,525.55	4,998.95
Provision for Doubtful Debts, Advances and Claims Receivable		302.95	744.28
Provision for Warranties and Liquidated Damages		3,914.77	3,921.67
Provision for Litigations, Claims and Contingencies		88.43	750.54
Provision for Employee Benefits		173.40	176.17
Lease Liabilities		37.26	-
Carried Forward Business Losses		3.57	85.17
Deferred Tax Assets	(B)	10,045.93	10,676.78
Deferred Tax Liabilities (Net)	(A-B)	(2,639.78)	(3,983.52)
Reflected in the Consolidated Balance Sheet as:			
Deferred Tax Assets		3,783.04	3,983.52
Deferred Tax Liabilities		1,143.26	-
Deferred Tax Liabilities (Net)		(2,639.78)	(3,983.52)

The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020:

	As at April 1, 2019 Deferred tax Asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2020 Deferred tax Asset / (Liability)	Adjustment in Other Equity *	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2021 Deferred tax Asset / (Liability)
Arising out of Temporary Differences in Depreciable Assets	(7,748.08)	(1,418.17)	(6,329.91)	-	252.54	(6,582.45)
Unrealised Gain on FVTPL Securities	(332.85)	(38.04)	(294.81)	173.44	104.70	(572.95)
Fair valuation of Derivative Assets	-	-	-	-	146.03	(146.03)
Others	-	68.54	(68.54)	-	36.18	(104.72)
Total Deferred Tax Liabilities	(8,080.93)	(1,387.67)	(6,693.26)	173.44	539.45	(7,406.15)
Provision for fall in value of Investments	-	4,998.95	4,998.95	-	526.60	5,525.55
Provision for Doubtful Debts and Advances	954.51	(210.23)	744.28	-	(441.33)	302.95
Provision for Warranties & Liquidated Damages	3,638.25	283.42	3,921.67	-	(6.90)	3,914.77
Provision for Litigation, Claims & Contingencies	161.71	588.83	750.54	-	(662.11)	88.43
Provision for Employee Benefits	290.45	(114.28)	176.17	-	(2.77)	173.40
MAT Credit Entitlement	839.84	(839.84)	-	-	-	-
Fair valuation of Derivative Assets	15.63	(15.63)	-	-	-	-
Lease Liabilities	-	-	-	-	37.26	37.26
Carried Forward Business Losses	5,148.10	(5,062.93)	85.17	-	(81.60)	3.57
Gross Deferred Tax Assets	11,048.49	(371.71)	10,676.78	-	(630.85)	10,045.93
Deferred Tax Assets Not Recognised	2,377.49	(2,377.49)	-	-	-	-
Deferred Tax Assets	8,671.00	2,005.78	10,676.78	-	(630.85)	10,045.93
Deferred Tax Asset / (Liabilities) (Net)	590.07	3,393.45	3,983.52	173.44	(1,170.30)	2,639.78

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 10.55 Lacs [March 31, 2020 Rs. (3.95) Lacs] and income tax impact on Fair value change of cash flow hedges amounting to Rs. 146.03 Lacs [March 31, 2020 Rs. Nil)] included in Other Comprehensive Income and income tax impact on exchange difference on consolidation of Rs. (130.27) lacs [March 31, 2020 Rs. (467.59) Lacs] included in foreign currency translation reserve.

* Rs. 173.44 lacs (March 31, 2020 Rs. Nil) represents deferred tax assets on equity component of compound financial instruments. Also refer note 14.J and 14.2 above

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19. Trade Payables (At Amortised Cost)

	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	771.78	158.31
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	39,027.03	34,957.17
	39,798.81	35,115.48

a) Refer Note 42 for information about market risk and liquidity risk on trade payables.

20. Other Liabilities

	Non-Current		Current	
	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2021 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs
Advances from Customers	17,535.77	14,406.29	9,660.26	5,932.57
Statutory Dues	-	-	781.06	147.57
Other Liabilities	-	-	390.63	389.26
	17,535.77	14,406.29	10,831.95	6,469.40

Non-current and current advance received from customers include an advance of Rs. 22,916.27 Lacs (March 31, 2020: 14,406.29 Lacs) which will be adjusted over a period of 3 years against sale of passenger wagons. Out of such advance outstanding as at March 31, 2021 Rs. 5,380.50 lacs will be recognised by March 31, 2022, and remaining thereafter.

21. Revenue from Operations

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Revenue from Contract with Customers:-		
Sale of Products		
Finished Goods	140,262.56	168,614.41
Raw Materials and Components	9,506.04	7,277.59
Other Operating Revenues		
Scrap Sales	2,282.51	291.31
Subsidy Income	-	331.01
Export Entitlement (MEIS Benefit, etc.)	12.84	24.52
Others	-	93.59
Total	152,063.95	176,632.43

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 149,768.60 Lacs (March 31, 2020 Rs 175,892.00 Lacs). The details of which are given below:-

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Revenue recognised at a point in time	95,474.64	138,074.96
Revenue recognised over time	54,293.96	37,817.04
	149,768.60	175,892.00

Reconciliation of revenue recognised with contract price:	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Contract price	148,861.96	173,499.36
Adjustment for:		
Liquidated Damages	(829.41)	(1,695.50)
Escalation	1,736.05	4,088.14
Revenue from operation	149,768.60	175,892.00

22. Other Income

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
22.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	356.01	392.36
On Others	1.75	-
From Income Tax Authorities	73.83	1.70
	431.59	394.06
22.2 Others		
Unspent Liabilities / Provisions No Longer Required Written Back	162.43	552.02
Irrecoverable debts written off in earlier years, now recovered	12.75	-
Net Gain on Disposal of Property, Plant and Equipment	61.57	18.00
Other Non-operating Income	1,563.11	2,290.24
	1,799.86	2,860.26
22.3 Other Gains / (Losses)		
Fair Value Gain / (Loss) on Investment - FVTPL	254.47	(89.86)
Net Gain on Sale of Investments	-	237.74
	254.47	147.88
Total	2,485.92	3,402.20

23. Cost of Raw Materials and Components Consumed

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Inventories at the Beginning of the Year	27,570.18	34,775.26
Add: Purchases	106,579.95	112,024.69
	134,150.13	146,799.95
Less: Inventories at the End of the Year	29,583.89	27,570.18
Cost of Raw Materials and Components Consumed	104,566.24	119,229.77

24. Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap

		For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Inventories at the end of the year			
Finished Goods		883.85	912.85
Work-in-Progress		5,980.09	7,035.71
Saleable Scrap		695.30	981.17
	(A)	7,559.24	8,929.73
Inventories at the beginning of the year			
Finished Goods		912.85	1,214.33
Work-in-Progress		7,035.71	7,720.03
Saleable Scrap		981.17	621.03
	(B)	8,929.73	9,555.39
Decrease in Inventories	(A-B)	1,370.49	625.66
Inventories Transferred to Property, Plant & Equipment		2,525.98	906.39
		(1,155.49)	(280.73)
Less: Reversal of provision for onerous contract and warranty cost		4,089.96	3,799.80
Add: Pre Acquisition Inventories of TBIPL		21.08	-
		(5,224.37)	(4,080.53)

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25. Employee Benefits Expense

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Salaries, Wages and Bonus	20,626.44	14,579.81
Employee Stock Options Expense (Refer Note 34)	9.33	67.81
Contribution to Provident & Other Funds (Refer Note 32(ii) and 49)	187.62	230.57
Gratuity Expense (Refer Note 32(i))	67.20	70.89
Staff Welfare Expenses	166.40	228.36
Total	21,056.99	15,177.44

26. Finance Costs

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.	6,328.22	7,252.07
Interest & Finance Charge on Lease Liabilities	3.76	-
Other Borrowing Costs (Bank Charges, etc.)	1,787.95	1,575.22
Total	8,119.93	8,827.29

Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs.1,862.01 Lacs (March 31, 2020: Rs. 820.41 Lacs) representing cost of financing component @ 9% against long term advance from customers

27. Depreciation and Amortisation Expense

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
Depreciation of Property, Plant and Equipments (Refer Note 4.1)	1,641.15	1,836.30
Depreciation of Right-of-use Assets (Refer Note 4.6)	9.99	-
Amortisation of Intangible Assets (Refer Note 4.2)	1,335.62	1,076.38
Total	2,986.76	2,912.68

28. Other Expenses

		For the year ended March 31, 2021 Rs. In Lacs		For the year ended March 31, 2020 Rs. In Lacs
Consumption of Stores and Spares		2,972.32		5,802.42
Job Processing and Other Machining Charges (including Contract Labour Charges)		6,941.90		13,576.18
Power and Fuel		3,422.12		4,557.78
Design and Development Expenses		208.38		332.58
Repairs				
Plant and Machinery		327.76		447.67
Buildings		108.60		77.18
Others		582.32		538.24
Rent and Hire Charges		913.12		720.27
Rates and Taxes		1,104.63		1,208.68
Insurance		610.32		463.29
Security Services		529.22		468.01
Advertising and Sales Promotion		34.08		107.29
Brokerage and Commission		144.99		208.85
Travelling and Conveyance		452.49		721.57
Legal and Professional Fees		1,600.66		1,508.80
Commission to non-whole time directors		10.00		
Directors Sitting Fees		38.20		33.88
Payment to Auditors:				
As Auditors				
Audit Fee	48.00		37.92	
Limited Review	12.00		12.00	
Other Certification Services	18.25		22.75	
Reimbursement of Expenses	2.19	80.44	6.81	79.48
Warranty Claims	1,925.82		1,939.37	
Less: Adjusted with Provision	1,891.83	33.99	1,939.37	-
Provision for Warranties		-		124.29
Irrecoverable Debts/ Advances Written Off		405.03		249.36
Provision for Doubtful Debts and Advances		-		495.34
Goodwill Written-off		-		24.85
Loss on fair valuation of Financial Liabilities measured at FVTPL		12.32		-
Foreign Exchange Fluctuations		178.13		168.74
Corporate Social Responsibility Expenses (Refer Note 29)		5.15		34.57
Miscellaneous Expenses		2,885.20		2,262.69
Total		23,601.37		34,212.01

29. Corporate Social Responsibility Expenses

		For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
(a)	Amount required to be spent by the Parent Company during the year	-	-
(b)	Amount spent during the year by the Parent Company on		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above (fully paid)	5.15	34.57
	Total	5.15	34.57

30. Income Tax Expense / (Benefit)

	For the year ended March 31, 2021 Rs. In Lacs	For the year ended March 31, 2020 Rs. In Lacs
(A) Amount Recognised in the Statement of Profit and Loss		
Current Tax	176.96	-
Adjustment of Tax relating to Earlier Years	-	871.36
Deferred Tax	1,143.99	(2,921.91)
Total Income Tax Expense Recognised in Profit and Loss	1,320.95	(2,050.55)
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit /(Loss) before Tax	(557.70)	(5,664.76)
At India's Statutory Income Tax Rate of 25.168% (March 31, 2020: 25.168%)	(140.36)	(1,425.71)
Adjustments:		
Non-deductible Income / (Expenses) for Tax Purposes		
Expenses not allowed as deductions	(51.99)	1,464.26
Income not taxable	14.83	(177.54)
Deferred tax not recognised	1,768.95	-
Adjustment relating to earlier years	-	504.93
Impact of lower tax rate (capital gains tax rate) on the fair valuation of land and Investment in equity shares through FVTPL	(70.25)	(24.04)
Adjustment for change in tax rate	20.63	(842.80)
Effect of Different Tax Rate for Foreign Subsidiaries.	(85.70)	561.79
MAT Credit written-off	-	(839.84)
Impact on Intercompany Elimination	(19.72)	(1,150.70)
Others	(115.44)	(120.90)
	1,320.95	(2,050.55)

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31 Earnings/(Loss) Per Equity Share

(Rs. In Lacs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	115,606,170	115,527,920
(ii) Number of Equity Shares at the End of the Year*	119,387,589	115,606,170
(iii) Weighted Average Number of Equity Shares Outstanding during the year	116,995,927	115,596,762
(iv) Face Value of Each Equity Share (Rs)	2.00	2.00
(v) Profit / (Loss) after Tax Available for Equity Shareholders of the Parent Company (Rs. In Lacs):		
From Continuing Operation (Rs.in Lacs)	(1,499.65)	5,991.73
From Discontinuing Operation (Rs.in Lacs)	-	(9,410.55)
From Continuing and Discontinuing Operation (Rs.in Lacs)	(1,499.65)	(3,418.82)
(vi) Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)] #		
From Continuing Operation	(1.28)	5.18
From Discontinuing Operation	-	(8.14)
From Continuing and Discontinuing Operation	(1.28)	(2.96)
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	-	36,336
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	116,995,927	115,633,098
(iii) Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)] #		
From Continuing Operation	(1.28)	5.18
From Discontinuing Operation	-	(8.14)
From Continuing and Discontinuing Operation	(1.28)	(2.96)

Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.
* Includes Nil (Previous year - 3,720,470) equity shares issued pursuant to the scheme of amalgamation.

32 Employee Benefits:

(I) Post-employment Defined Benefit Plans:

Gratuity

The Parent Company has a defined benefit gratuity plan which is unfunded (except for one unit where it is edministered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The following tables sets forth the particulars in respect of the gratuity plan.

(Rs.in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.10	5.30	35.92	35.19
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.05	4.12	22.13	26.28
Total	9.15	9.42	58.05	61.47
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(15.48)	2.04	(26.42)	13.66
Total	(15.48)	2.04	(26.42)	13.66
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	96.30	120.40	408.15	395.43
Fair value of Plan Assets	46.67	46.67	-	-
Net Liability	49.63	73.73	408.15	395.43
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	8.05	23.24	99.18	96.63
Non-Current Liability (Long term)	41.58	50.49	308.97	298.80
	49.63	73.73	408.15	395.43
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	120.40	118.95	395.43	368.58
Current Service Cost	5.10	5.30	35.92	35.19
Interest Cost	6.62	7.87	22.13	26.28
Benefits Paid	(17.76)	(17.87)	(18.91)	(48.28)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	-	0.96	(1.73)	2.03
Demographic Assumptions	-	4.53	-	22.60
Experience Variance	(18.06)	0.66	(24.69)	(10.97)
Closing Defined Benefit Obligation	96.30	120.40	408.15	395.43
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	46.67	56.68		
Return on Plan Assets	(2.57)	4.11		
Benefits Paid	-	(17.87)		
Investment Income	2.57	3.75		
Fair Value of Plan Assets at the end of the year	46.67	46.67		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	2 years	2 years	4 years	3/4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	54.72	69.90	99.18	96.64
Later than 1 year and not later than 5 years	43.27	53.86	241.65	231.85
Later than 5 year and not later than 10 years	5.37	5.98	122.95	119.31
More than 10 years	3.73	31.51	64.40	62.94
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	5.50%	5.50%	5.70%	5.50-5.60%
Rate of increase in Salary	6.44%	6.44%	3.00-4.80%	3.00-4.80%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India.
The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
The Parent Company expects to contribute Rs.53.07 Lacs (March 31, 2020 Rs.77.53 Lacs) to the funded gratuity plans during the next financial year.

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs. In Lacs)

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2021		As at March 31, 2020		As at March 31, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	98.28	94.41	122.76	118.13	425.37	392.25	412.35	379.83
Salary Growth Rate (- / + 1%)	94.41	98.24	118.13	122.76	392.35	424.72	379.83	411.81

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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(ii) **Post-employment Defined Contribution Plans:**

(A) Provident Fund and Employee State Insurance Scheme (ESI)

Certain categories of employees of the Parent Company receive benefits from a provident fund and ESI, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Parent Company have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

	For the year ended March 31, 2021 Rs.in Lacs	For the year ended March 31, 2020 Rs.in Lacs
Provident Fund	162.17	190.47
ESI	18.94	29.29
Total	181.11	219.76
Also, refer note 49		

(iii) **Leave Benefits**

The Parent Company and a subsidiary provide for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the respective company's policy. The Parent Company and the subsidiary records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Parent Company and a subsidiary towards these benefits at year end was Rs.1,139.15 Lacs (March 31, 2020: Rs.1,560.95 Lacs). The amount of the provision is presented as current, since the Parent Company and the subsidiary does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Parent Company and the subsidiary does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	As at March 31, 2021 Rs.in Lacs	As at March 31, 2020 Rs.in Lacs
Leave provision not expected to be settled within the next 12 months	351.92	253.47

(iv) **Risk Exposure**

Through its defined benefit plans, the Parent Company and the subsidiary is exposed to some risks, the most significant of which are detailed below:

(a) **Discount Rate Risk**

The Parent Company and the subsidiary is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(b) **Salary Growth Risks**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(c) **Demographic Risk**

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Parent Company and the subsidiary are exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

33 Research and Development expenditure of revenue nature recognised in profit and loss during the year amounts to Rs. 13.14 Lacs (March 31, 2020 : Rs. 7.10 Lacs)

34 **Employee Stock Option Plan (ESOP)**

The Parent Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Tranche 1 - First Allotment

a) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	March 4, 2015
Exercise price	Rs 44.20
Market price at March 4, 2015	Rs 135.60

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	2,500	44.20	127,500	44.20
Lapsed during the year	-	-	77,500	44.20
Forfeited during the year	2,500	44.20	-	-
Exercised during the year	-	-	47,500	44.20
Outstanding at the end of the year	-	-	2,500	44.20
Exercisable at the end of the year	-	-	2,500	44.20

The weighted average fair value of the option as on the grant date is Rs.Nil (March 31, 2020: Rs.97.36) and weighted average contractual life of the option as at March 31, 2021 is Nil years (March 31, 2020: 1.60 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2020: Nil years). The weighted average fair value of stock options granted was Rs.Nil (March 31, 2020: Rs. 2.44 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
March 4, 2019	65.74
June 3, 2019	67.90

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

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Tranche 1 - Second Allotment

b) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	86,250	44.20	103,500	44.20
Granted during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	15,000	44.20	-	-
Exercised during the year	28,750	44.20	17,250	44.20
Outstanding at the end of the year	42,500	44.20	86,250	44.20
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.90.97 (March 31, 2020: Rs 90.05) and weighted average contractual life of the option as at March 31, 2021 is 4 years (March 31, 2020: 3.67 years). The weighted average remaining contractual life of options outstanding at end of period is 0.13 years (March 31, 2020: 0.80 years). The weighted average fair value of stock options granted was Rs.37.36 Lacs (March 31, 2020: Rs 61.73 lacs).
The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
June 4, 2019	68.39
June 6, 2019	66.40
June 7, 2019	65.94

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	255,200	44.20	306,250	44.20
Granted during the year	-	-	-	-
Lapsed during the year	43,400	44.20	17,000	44.20
Forfeited during the year	32,600	44.20	20,550	44.20
Exercised during the year	32,200	44.20	13,500	44.20
Outstanding at the end of the year	147,000	44.20	255,200	44.20
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs.90.97 (March 31, 2020: Rs 90.09) and weighted average contractual life of the option as at March 31, 2021 is 4 years (March 31, 2020: 3.68 years). The weighted average remaining contractual life of options outstanding at end of period is 0.13 years (March 31, 2020: 0.82 years). The weighted average fair value of stock options granted was Rs.129.25 Lacs (March 31, 2020: 181.90 lacs).
The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
March 31, 2021	
November 16, 2020	44.09
March 31, 2020	
June 1, 2019	69.66
June 4, 2019	68.39
June 5, 2019	68.39
June 6, 2019	66.40

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	November 9, 2017
Exercise price	Rs 44.20
Market price at November 9, 2017	Rs 146.75

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The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	4,900	44.20	29,400	44.20
Granted during the year	-	-	-	-
Lapsed during the year	500	44.20	-	-
Forfeited during the year	4,400	44.20	24,500	44.20
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	4,900	44.20
Exercisable at the end of the year	-	-	500	44.20

The weighted average fair value of the options as on the grant date is Rs. Nil (March 31, 2020: Rs 112.20) and weighted average contractual life of the option as at March 31, 2021 is Nil years (March 31, 2020: 3.51 years). The weighted average remaining contractual life of options outstanding at end of period is Nil years (March 31, 2020: 1.16 years). The weighted average fair value of stock options granted was Rs. Nil (March 31, 2020: Rs 3.81 Lacs).
The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
November 16, 2020	44.09

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Parent Company recorded an employee compensation expense of Rs.9.33 Lacs (March 31, 2020: Rs.67.81 Lacs) in the Statement of Profit and loss.

35 Assets and liabilities related to contract with customers

	March 31, 2021 (Rs. in Lacs)	March 31, 2020 (Rs. in Lacs)
Contract Assets		
Unbilled Revenue	35,303.23	24,443.47
Total Contract assets	35,303.23	24,443.47
Contract Liabilities		
Advance from customers	27,196.03	20,338.86
Total Contract Liabilities	27,196.03	20,338.86

Revenue recognised in relation to contract liability

	March 31, 2021 (Rs. in Lacs)	March 31, 2020 (Rs. in Lacs)
Revenue recognised that was included in the contract liability balance at the beginning of the period	25,275.72	18,017.48

Trade receivables in respect of contract with customers has been included in Note-6

36 Commitments

	As at March 31, 2021 Rs.in Lacs	As at March 31, 2020 Rs.in Lacs
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	3,288.11	684.20

37 Contingent Liabilities

	As at March 31, 2021 Rs.in Lacs	As at March 31, 2020 Rs.in Lacs
(i) Claims against the Group not acknowledged as debt		
Disputed claims contested by the Group and pending at various courts/arbitration*	3,277.12	3,199.86
Matters under appeal with:		
Sales tax authorities	2,203.32	2,608.49
Income tax authorities	5,368.90	3,063.80
Customs and Excise Authorities	14,390.92	15,258.62
Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,190.54
	26,430.80	25,321.31

* Includes Rs.1,360.45 Lacs (March 31, 2020: Rs.1,360.45 Lacs) which in terms of BIFR order, even if decided against the Group, would stand at Rs.136.04 Lacs (March 31, 2020: Rs.136.04 Lacs) only.

In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Group/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the consolidated financial statements.

In respect of above contingent liabilities, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

(ii) Further:

(a) Erstwhile Cimmco Limited (Since merged with the Parent Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of Rs. 1,128.95 lacs on erstwhile Cimmco Limited (since merged with the Parent Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Parent Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Company believes that there would not be any liability that would crystallise on account of the above.

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38 Information relating to Micro and Small Enterprises (MSEs):

	As at March 31, 2021 Rs.in Lacs	As at March 31, 2020 Rs.in Lacs
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	771.78	158.31
Interest	3.52	2.39
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
Principal	-	-
Interest	-	-
(iii) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
Principal	1,192.41	208.27
Interest	8.52	3.76
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	20.83	6.15

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Group.

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39 Segment Information

During the year, the Group revisited its operating segment and segregated the "Wagons and Coaches" segment into "Freight Rolling Stock" and "Passenger Rolling Stock". The reason for such segregation is to provide additional information to Chief Operating Decision Maker ('CODM') in order to enable them to benchmark and set the performance targets for both the businesses in line with the industry norms and the CODM believes that the margin drivers for both the business would be different going forward considering the demand, growing competition, changes in the tendering conditions, scope of supplies etc. Accordingly, in accordance with Ind AS 108 - Segment Reporting, Operating segments based on the Group's products have been identified by the CODM as "Freight Rolling Stock", "Passenger Rolling Stock", "Shipbuilding" and "Others". Segment "Others" consists of miscellaneous items like specialised equipment's for Defence, Bridge Girders, Tractors etc which comprises of less than 10% revenue on individual basis. In view of the aforesaid change, "Wagons & Coaches" and "Specialised equipments & Bridges" are no longer reportable segment. Accordingly, all comparative figures have been restated for comparability purpose in keeping with said standard.
The Parent Company's Board of Directors being the Chief Operating Decision Maker examines the Group's performance on the basis of its business and has identified the following reportable segments:
a) Freight Rolling Stock - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers and its components.
b) Passenger Rolling Stock - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.
c) Shipbuilding - Consists of Designing and Construction of Warships, Passenger Vessels, Tug and other specialised self - propelled vessels and its components.
d) Others - Consists of miscellaneous items like specialised equipment's for Defence, Bridge Girders, Tractors etc which comprises of less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Information about Operating Segments

For the year ended March 31, 2021

(Rs. in Lacs)

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	96,374.16	54,107.07	329.62	1,253.10	152,063.95
Segment Profit/(Loss)	12,377.74	(4,282.63)	(229.81)	(177.35)	7,687.95
Unallocated (Income) / Expenses					
Finance Costs					6,334.97
Interest Income					(431.59)
Depreciation and Amortisation Expense					129.76
Other Corporate Income					(2,054.33)
Other Corporate Expenses					4,266.84
Loss before Taxes					(557.70)
Tax Expenses (Credit)					1,320.95
Profit for the year from Continuing Operations					(1,878.65)
Loss from Discontinued Operations before Taxes					-
Tax Expenses on Discontinued Operation					-
Loss from Discontinued Operations after Taxes					-
Loss for the year					(1,878.65)
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,278.87	1,557.35	10.79	139.75	2,986.76
Unspent Liabilities / Provisions No Longer Required Written Back	159.55	-	-	2.88	162.43
Segment Assets	74,610.15	128,947.67	917.57	3,554.33	208,029.72
Unallocated Assets					
Investments					3,127.92
Cash and Cash Equivalents					7,969.38
Other Bank Balances					4,434.30
Non-current / Current Tax Assets (Net)					2,651.73
Deferred Tax Assets (Net)					3,783.04
Other Unallocated Assets					17,373.73
Total Assets					247,369.82
Segment Liabilities	14,579.90	58,319.17	151.70	1,165.33	74,216.10
Unallocated Liabilities					
Borrowings					84,548.22
Lease Liabilities					148.05
Current Tax Liabilities (Net)					22.90
Deferred Tax Liabilities (Net)					1,143.26
Other Unallocated Liabilities					3,235.89
Total Liabilities					163,314.42

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For the year ended March 31, 2020

(Rs. in Lacs)

	Freight Rolling Stock	Passenger Rolling Stock	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	143,037.10	28,962.93	2,520.07	2,112.33	176,632.43
Segment Profit/(Loss)	13,968.48	64.50	318.21	345.82	14,697.01
Unallocated (Income) / Expenses					
Finance Costs					8,114.19
Interest Income					(394.06)
Depreciation and Amortisation Expense					20.00
Other Corporate Income					(3,008.14)
Other Corporate Expenses					6,219.23
Profit before Taxes					3,745.79
Tax Expenses (Credit)					(2,050.55)
Profit for the year from Continuing Operations					5,796.34
Loss from Discontinued Operations before Taxes					(9,410.55)
Tax Expenses on Discontinued Operation					-
Loss from Discontinued Operations after Taxes					(9,410.55)
Loss for the year					(3,614.21)
Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,713.89	1,098.79	50.00	50.00	2,912.68
Provision for Doubtful Debts and Advances	222.33	-	-	273.01	495.34
Unspent Liabilities / Provisions No Longer Required Written Back	549.88	-	2.14	-	552.02
Segment Assets	91,477.82	94,727.50	3,112.32	4,169.24	193,486.88
Unallocated Assets					
Investments					2,857.88
Cash and Cash Equivalents					2,897.18
Other Bank Balances					2,709.01
Non-current / Current Tax Assets (Net)					2,914.51
Deferred Tax Assets (Net)					3,983.52
Other Unallocated Assets					18,321.98
Total Assets					227,170.96
Segment Liabilities	22,269.62	40,733.67	268.17	1,116.61	64,388.07
Unallocated Liabilities					
Borrowings					72,973.64
Current Tax Liabilities (Net)					22.90
Other Unallocated Liabilities					5,238.32
Total Liabilities					142,622.93

Entity-wide Disclosures:-

(a) The Parent Company is domiciled in India. The amount of Group's revenue from external customers broken down by location of the customers is shown below:-

	For the year ended March 31, 2021 Rs.in Lacs	For the year ended March 31, 2020 Rs.in Lacs
India	99,469.51	146,404.42
Italy	52,103.74	28,210.94
Rest of the World	490.70	2,017.07
Total	152,063.95	176,632.43

(b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

	For the year ended March 31, 2021 Rs.in Lacs	For the year ended March 31, 2020 Rs.in Lacs
India	62,625.82	58,960.98
Italy	35,877.07	32,134.53
Total	98,502.89	91,095.51

(c) Total revenue from external customers includes sales to Indian Railways of Rs. 75,221.86 Lacs (March 31, 2020: Rs. 92,529.68 Lacs) and EAV of Rs. 15,508.68 Lacs (March 31, 2020: Rs. 10,728.07 Lacs) which represents more than 10% of the total revenue from external customers of the Group.

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40 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Other Related Parties with whom transactions have taken place during the year:

Joint Venture Companies:	Titagarh Bridges & International Private Limited (TBIPL) (erstwhile Matiere Titagarh Bridges Pvt Ltd)(Upto July 13, 2020) Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f. May 17, 2018)
Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Prithish Chowdhary - Vice President (From July 08, 2019 to December 31, 2020), Non Executive Director (w.e.f. January 01, 2021) Mr. Dharmendar Nath Davar - Independent Director (upto September 13, 2019) Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Ramsebak Bandyopadhyay - independent Director (upto May 04, 2020) Mr. Atul Ravishanker Joshi - Independent Director Mr. Sunirmal Talukdar - Independent Director (w.e.f. December 10, 2019) Mr. Sudipta Mukherjee - Director (Whole-time Director) Mr. Anil Kumar Agarwal - Chief Financial Officer (upto May 28, 2019), Director (Finance) & Chief Financial Officer (w.e.f. May 29, 2019) Mr. Dinesh Arya - Company Secretary (Upto February 27, 2021) Mr. Sumit Jaiswal - Company Secretary (w.e.f February 28, 2021) Mr. Vinod Kumar Sharma - Independent Director (from August 29, 2019 to February 28, 2020) Ms. Nayantara Palchoudhuri - Independent Director (w.e.f. June 22, 2020) Mr. K.K. Jalan - independent Director (w.e.f. August 13, 2020) Mr. Sushil Kumar Roongta - Independent Director (w.e.f. January 01, 2021) Dr. G.B. Rao - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)] Mr. J.K.Shukla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)] Mr. Kanwar Satya Brata Sanyal - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)] Mr. Matlubul Jamil Zillay Mowla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)] Mr. Nikhil Kumar Barat- Independent Director [Erstwhile Titagarh Capital Private Limited (since merged with the Parent Company)] (from August 3, 2019)
Close Family Members of the KMPs:	Mrs. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Mrs. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary Mrs. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close Family Members of the KMPs have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Traco International investment Private Limited

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below:

(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Reimbursement of Expenses Received						
Titagarh Enterprises Limited	2020-21	-	-	-	-	-
	2019-20	-	19.57	-	-	19.57
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
	2019-20	9.24	-	-	-	9.24
Rent Paid						
Titagarh Enterprises Limited	2020-21	-	675.86	-	-	675.86
	2019-20	-	513.30	-	-	513.30
Other Income						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
	2019-20	2.75	-	-	-	2.75
Dividend paid						
Ms. Savitri Devi Chowdhary	2020-21	-	-	-	-	-
	2019-20	-	-	-	54.35	54.35
Ms. Rashmi Chowdhary	2020-21	-	-	-	-	-
	2019-20	-	-	38.45	-	38.45
Mr. J P Chowdhary	2020-21	-	-	-	-	-
	2019-20	-	-	0.47	-	0.47
Mr. Umesh Chowdhary	2020-21	-	-	-	-	-
	2019-20	-	-	0.23	-	0.23
Ms. Vinita Bajoria	2020-21	-	-	-	-	-
	2019-20	-	-	-	*	*
Ms. Sumita Kandoi	2020-21	-	-	-	-	-
	2019-20	-	-	-	*	*
Mr. Anil Agarwal	2020-21	-	-	-	-	-
	2019-20	-	-	0.17	-	0.17
Mr. Dinesh Arya	2020-21	-	-	-	-	-
	2019-20	-	-	0.09	-	0.09
Mr. Sudipta Mukherjee	2020-21	-	-	-	-	-
	2019-20	-	-	0.04	-	0.04
Titagarh Capital Management Services Private Limited	2020-21	-	-	-	-	-
	2019-20	-	65.01	-	-	65.01
Bimla Devi Kajaria	2020-21	-	-	-	-	-
	2019-20	-	-	-	*	-

*Amounts are below the rounding off norm adopted by the Group.

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(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Interest Expense on 4% Optionally Fully Convertible Debentures						
Mr. J P Chowdhary	2020-21	-	-	0.82	-	0.82
	2019-20	-	-	-	-	-
Mr. Umesh Chowdhary	2020-21	-	-	0.27	-	0.27
	2019-20	-	-	-	-	-
Ms. Savitri Devi Chowdhary	2020-21	-	-	-	0.48	0.48
	2019-20	-	-	-	-	-
Ms. Rashmi Chowdhary	2020-21	-	-	0.20	-	0.20
	2019-20	-	-	-	-	-
Titagarh Enterprises Ltd	2020-21	-	6.85	-	-	6.85
	2019-20	-	-	-	-	-
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]						
Mr. J P Chowdhary	2020-21	-	-	257.28	-	257.28
	2019-20	-	-	257.28	-	257.28
Mr. Umesh Chowdhary	2020-21	-	-	212.80	-	212.80
	2019-20	-	-	257.28	-	257.28
Mr. Pritish Chowdhary	2020-21	-	-	15.80	-	15.80
	2019-20	-	-	16.33	-	16.33
Ms. Vinita Bajoria	2020-21	-	-	-	17.52	17.52
	2019-20	-	-	-	27.64	27.64
Mr. Anil Agarwal	2020-21	-	-	61.59	-	61.59
	2019-20	-	-	58.51	-	58.51
Mr. Dinesh Arya	2020-21	-	-	26.78	-	26.78
	2019-20	-	-	25.59	-	25.59
Mr. Sudipta Mukherjee	2020-21	-	-	49.91	-	49.91
	2019-20	-	-	36.14	-	36.14
Mr. Sumit Jaiswal	2020-21	-	-	1.89	-	1.89
	2019-20	-	-	-	-	-
Employee Stock Option Expense						
Mr. Anil Agarwal	2020-21	-	-	7.37	-	7.37
	2019-20	-	-	11.23	-	11.23
Mr. Sudipta Mukherjee	2020-21	-	-	7.37	-	7.37
	2019-20	-	-	11.23	-	11.23
Mr. Dinesh Arya	2020-21	-	-	4.42	-	4.42
	2019-20	-	-	6.74	-	6.74
Sitting Fees to Directors						
Mr. Dharmendar Nath Davar	2020-21	-	-	-	-	-
	2019-20	-	-	1.40	-	1.40
Mr. Manoj Mohanka	2020-21	-	-	8.40	-	8.40
	2019-20	-	-	7.20	-	7.20
Mr. Atul Ravishanker Joshi	2020-21	-	-	9.20	-	9.20
	2019-20	-	-	4.60	-	4.60
Mr. Ramsebak Bandyopadhyay	2020-21	-	-	-	-	-
	2019-20	-	-	6.80	-	6.80
Mrs. Rashmi Chowdhary	2020-21	-	-	1.20	-	1.20
	2019-20	-	-	2.40	-	2.40
Mr. Sunirmal Talukdar	2020-21	-	-	10.40	-	10.40
	2019-20	-	-	1.20	-	1.20
Mr. Vinod Kumar Sharma	2020-21	-	-	-	-	-
	2019-20	-	-	1.20	-	1.20
Mrs. Vinita Bajoria	2020-21	-	-	-	0.20	0.20
	2019-20	-	-	-	1.00	1.00
Mr. Anil Agarwal	2020-21	-	-	-	-	-
	2019-20	-	-	0.30	-	0.30
Mr. Dinesh Arya	2020-21	-	-	-	-	-
	2019-20	-	-	0.25	-	0.25
Dr. G.B. Rao	2020-21	-	-	0.20	-	0.20
	2019-20	-	-	1.20	-	1.20
Mr. J.K. Shukla	2020-21	-	-	0.40	-	0.40
	2019-20	-	-	2.60	-	2.60
Mr. Kanwar Satya Brata Sanyal	2020-21	-	-	0.40	-	0.40
	2019-20	-	-	1.00	-	1.00
Mr. Matlubul Jamil Zillay Mowla	2020-21	-	-	-	-	-
	2019-20	-	-	2.40	-	2.40
Mr. Nikhil Kumar Barat	2020-21	-	-	-	-	-
	2019-20	-	-	0.33	-	0.33
Ms. Nayantara Palchoudhuri	2020-21	-	-	3.00	-	3.00
	2019-20	-	-	-	-	-
Mr. Krishan Kumar Jalan	2020-21	-	-	2.40	-	2.40
	2019-20	-	-	-	-	-
Mr. Sushil Kumar Roongta	2020-21	-	-	1.60	-	1.60
	2019-20	-	-	-	-	-
Mr. Prithish Chowdhary	2020-21	-	-	0.80	-	0.80
	2019-20	-	-	-	-	-
Legal and Professional Fees						
Mr. Dharmendar Nath Davar	2020-21	-	-	-	-	-
	2019-20	-	-	1.70	-	1.70

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(Rs. in Lacs)

Nature of transactions	Year	Joint Venture	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Balance Sheet						
Investment Made						
Titagarh Mermec Pvt Ltd	2020-21	-	-	-	-	-
	2019-20	0.50	-	-	-	0.50
Security Deposit Given						
Titagarh Enterprises Ltd	2020-21	-	-	-	-	-
	2019-20	-	207.64	-	-	207.64
Advances to Employee						
Mr. Anil Agarwal	2020-21	-	-	0.49	-	0.49
	2019-20	-	-	-	-	-
Mr. Sudipta Mukherjee	2020-21	-	-	1.34	-	1.34
	2019-20	-	-	-	-	-
Balances Outstanding as at the Year end						
Trade Receivable						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
	2019-20	1.40	-	-	-	1.40
Receivable from Related Party						
Titagarh Bridges & international Private Limited	2020-21	-	-	-	-	-
	2019-20	25.51	-	-	-	25.51
Advances Recoverable in Cash or Kind						
Mr. Anil Agarwal	2020-21	-	-	30.49	-	30.49
	2019-20	-	-	30.00	-	30.00
Mr. Sudipta Mukherjee	2020-21	-	-	16.65	-	16.65
	2019-20	-	-	15.31	-	15.31
Mr. Dinesh Arya	2020-21	-	-	2.23	-	2.23
	2019-20	-	-	-	-	-
Advances from Customers						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
	2019-20	41.05	-	-	-	41.05
Investments						
Titagarh Bridges & International Private Limited	2020-21	-	-	-	-	-
Net of share of Loss Rs. 0.65 Lacs (March 31, 2020: Rs. 36 Lacs)	2019-20	29.81	-	-	-	29.81
Titagarh Mermec Pvt Ltd	2020-21	-	-	-	-	-
Net of share of Loss Rs. Nil (March 31, 2020: Rs. 0.50 Lacs)	2019-20	-	-	-	-	-
Titagarh Enterprises Limited	2020-21	-	2,777.13	-	-	2,777.13
	2019-20	-	2,746.28	-	-	2,746.28
Traco International Investment Private Limited	2020-21	-	18.37	-	-	18.37
	2019-20	-	18.32	-	-	18.32
Titagarh Industries Limited	2020-21	-	30.70	-	-	30.70
	2019-20	-	32.20	-	-	32.20
Private placement of 4% Optionally Fully Convertible Debentures						
Mr. J P Chowdhary	2020-21	-	-	120.00	-	120.00
	2019-20	-	-	-	-	-
Mr. Umesh Chowdhary	2020-21	-	-	40.00	-	40.00
	2019-20	-	-	-	-	-
Mrs. Savitri Devi Chowdhary	2020-21	-	-	-	70.00	70.00
	2019-20	-	-	-	-	-
Mrs. Rashmi Chowdhary	2020-21	-	-	30.00	-	30.00
	2019-20	-	-	-	-	-
Titagarh Enterprises Ltd	2020-21	-	1,008.00	-	-	1,008.00
	2019-20	-	-	-	-	-
Security Deposit						
Titagarh Enterprises Limited	2020-21	-	321.84	-	-	321.84
	2019-20	-	321.84	-	-	321.84
Trade Payables						
Titagarh Enterprises Limited	2020-21	-	-	-	-	-
	2019-20	-	60.83	-	-	60.83

Notes :

a) **Terms and Conditions of Transactions with Related Parties**

The sales/services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. The Group has not recorded any impairment of investments relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

(Rs in Lacs)

b)

Compensation of Key Managerial Personnel	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits	585.98	607.79
Contribution to provident and other funds	40.07	43.34
Share-based payment transactions	19.16	29.20
	645.21	680.33

The remuneration to key management personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Parent Company as a whole.

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41 Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2021 and March 31, 2020.

The following table provides the fair value measurement hierarchy of the Group's assets:

(Rs. In Lacs)

	Date of Valuation	Level 1	Level 2	Level 3	Total
Quantitative disclosures Fair Value Measurement hierarchy for Assets:					
Assets Measured at Fair Value:					
Investments	March 31, 2021	301.47	-	2,826.25	3,127.72
	March 31, 2020	60.83	-	2,796.85	2,857.68
Derivative financial assets	March 31, 2021	-	580.23	-	580.23
	March 31, 2020	-	-	-	-
Total Financial Assets	**March 31, 2021**	301.47	580.23	2,826.25	3,707.95
	March 31, 2020	60.83	-	2,796.85	2,857.68
Quantitative disclosures Fair Value Measurement hierarchy for Liabilities:					
Liabilities Measured at Fair Value:					
Derivative financial liabilities	March 31, 2021	-	-	-	-
	March 31, 2020	-	-	-	-
Total Financial Liabilities	**March 31, 2021**	-	-	-	-
	March 31, 2020	-	-	-	-

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2021 and March 31, 2020 are as shown below:

(Rs. In Lacs)

Significant Unobservable Input - Weighted Average Cost of Capital	**March 31, 2021**	**March 31, 2020**
Impact of 1% Increase	(228.63)	(233.68)
Impact of 1% Decrease	307.34	315.07

Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company	**March 31, 2021**	**March 31, 2020**
Impact of 5% Increase	55.56	58.59
Impact of 5% Decrease	(55.56)	(58.59)

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

(Rs. In Lacs)

	Investment in equity shares
Closing Balance as on March 31, 2019	2,838.35
Addition during the period	139.28
Deletion during the period	(30.09)
Re-measurement recognised in Consolidated Statement of Profit and Loss	(89.86)
Closing Balance as on March 31, 2020	2,857.68
Re-measurement recognised in Consolidated Statement of Profit and Loss	270.04
Closing Balance as on March 31, 2021	3,127.72

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(c) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

42 Financial Risk Management Objectives and Policies

The Group's financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Parent Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Group and also reviews these risks and related risk management policy, which are summarised below:

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk and other price risk, such as equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, other receivables etc.

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(i) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and borrowings. Such foreign currency exposures are primarily hedged by the Group through use of foreign exchange forward contracts. The Group has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Group, and any additional remedial measures to be taken.

The Group's foreign currency exposure at the end of the reporting period are as follows:

(Rs. in Lacs)

	March 31, 2021				
PARTICULARS	NPR	USD	EURO	NOK	JPY
Financial Assets					
Trade Receivables	560.85	551.26	-	52.98	-
Other Financial Assets	-	-	-	-	-
Cash & Cash Equivalents	-	-	-	289.64	-
Derivative Assets					
Foreign exchange forward contracts	-	-	-	-	580.23
Net exposure to Foreign Currency Risk (Assets)	560.85	551.26	-	342.62	580.23
Financial Liabilities					
Trade Payables	-	-	197.27	141.86	-
Provisions	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Derivative Liabilities					
Foreign Exchange Forward Contracts and Currency and Interest Rate Swap	-	-	-	-	-
Net exposure to Foreign Currency Risk (Liabilities)	-	-	197.27	141.86	-
Net exposure to Foreign Currency Risk (Assets less Liabilities)	560.85	551.26	(197.27)	200.76	580.23

(Rs. in Lacs)

	March 31, 2020			
PARTICULARS	NPR	USD	EURO	NOK
Financial Assets				
Trade Receivables #	408.07	565.40	-	5.07
Other Financial Assets #	-	25.00	2,661.25	-
Cash & Cash Equivalents	-	294.87	-	19.19
Derivative Assets				
Foreign exchange forward contracts	-	-	-	-
Net exposure to Foreign Currency Risk (Assets)	408.07	885.27	2,661.25	24.26
Financial Liabilities				
Trade Payables	-	-	886.68	13.58
Provisions	-	-	2,559.26	-
Other Liabilities	-	-	15.41	-
Derivative Liabilities				
Foreign Exchange Forward Contracts and Currency and Interest	-	-	-	-
Net exposure to Foreign Currency Risk (Liabilities)	-	-	3,461.35	13.58
Net exposure to Foreign Currency Risk (Assets less Liabilities)	408.07	885.27	(800.10)	10.68

The above balances for March 31, 2020 does not include balances pertaining to Titagarh Wagon AFR (TWA) which has been fully provided for by the management

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, Euro, NPR, JPY & NOK exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Changes in EURO rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2021	5%	(197.27)	(9.86)	5%	551.26	27.56
	-5%		9.86	-5%		(27.56)
March 31, 2020	5%	(800.10)	(40.01)	5%	885.27	44.26
	-5%		40.01	-5%		(44.26)

	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in NOK rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2021	5%	560.85	28.04	5%	200.76	10.04
	-5%		(28.04)	-5%		(10.04)
March 31, 2020	5%	408.07	20.40	5%	10.68	0.53
	-5%		(20.40)	-5%		(0.53)

	Changes in JPY rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Lacs	Rs in Lacs
March 31, 2021	5%	580.23	29.01
	-5%		(29.01)
March 31, 2020	5%	-	-
	-5%		-

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(ii) Equity price risks

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Group only invests in the equity shares of some of the group companies as part of the Group's overall business strategy and policy. The Group manages the equity price risk through placing limits on individual and total equity investment in each of group companies based on the respective business plan of each of the companies. Reports on the investment portfolio alongwith the financial performance of the group companies are submitted to the Group's management on a regular basis. The Parent Company's Board of Directors reviews and approves all investment decisions.

The Group's investment in quoted equity instruments is not material. For sensitivity analysis of Group's investments in equity instruments, Refer Note 41(ii).

(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Group continuously monitor the situation and takes remedial actions if required.

The Group's investments in bonds and term deposits with banks are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2021 Rs in Lacs	As at March 31, 2020 Rs in Lacs
Variable Rate Borrowings	84,548.22	72,973.64
Total Borrowings	84,548.22	72,973.64

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on Profit before Tax	
	March 31, 2021 Rs in Lacs	March 31, 2020 Rs in Lacs
Interest Rates - Increase by 100 basis points *	845.48	729.74
Interest Rates - Decrease by 100 basis points *	(845.48)	(729.74)

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2021 and March 31, 2020 is their carrying amounts except for the financial guarantees.

(a) Trade and Other Receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Group uses specific identification method in determining the allowance for credit losses of trade and other receivables considering historical credit loss experience and is adjusted for forward looking information.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc. is managed by the Group's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Group's policy.

(c) Reconciliation of Impairment Provision

(Rs. In lacs)

	Loans & Deposits	Trade Receivables	Other Financial Assets
Opening Balance as at March 31, 2019	64.45	2,369.65	24.48
Provision made during the year ended March 31, 2020	46.65	345.94	40.87
Provision adjusted with corresponding receivable balance during the year ended March 31, 2020	-	(362.01)	(24.47)
Provision written back during the year ended March 31, 2020	(3.63)	(95.79)	-
Closing Balance as at March 31, 2020	107.47	2,257.79	40.88
Provision made during the year ended March 31, 2021	13.99	262.91	-
Provision transferred from Litigation Claim and Contingencies	131.62	-	-
Provision adjusted with corresponding receivable balance during the year ended March 31, 2021	-	(1,892.35)	(40.88)
Provision written back during the year ended March 31, 2021	-	-	-
Closing Balance as at March 31, 2021	253.08	628.35	-

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit losses rates. The Group uses judgement in making these assumptions based on the Group's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.

Movement of Liquidated Damages:

Particulars	(Rs. In Lacs)
Opening Balance as at March 31, 2019	943.62
Provision made during the year ended March 31, 2020	1,695.50
Provision utilized / reversed during the year ended March 31, 2020	(1,284.60)
Opening Balance as at March 31, 2020	1,354.52
Provision made during the year ended March 31, 2021	829.41
Provision utilized / reversed during the year ended March 31, 2021	(1,866.14)
Closing Balance as at March 31, 2021	317.79

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III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposits , which carry no market risk. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under:

(Rs. in Lacs)

As at March 31, 2021	Upto 1 year	2-3 years	More than 3 years
Non-derivative Financial Liabilities			
Borrowings *			
- Revolving Credit Facility	21,674.04	-	-
- Term Loan	11,327.68	38,741.58	17,488.69
- OFCD	-	-	2,358.00
Lease Liabilities	44.26	95.27	91.09
Trade Payables	39,798.81	-	-
Other Financial Liabilities	1,133.29	-	-
	73,978.07	38,836.85	19,937.78

As at March 31, 2020	Upto 1 year	2-3 years	More than 3 years
Non-derivative Financial Liabilities			
Borrowings *			
- Revolving Credit Facility	17,526.89	-	-
- Term Loan	2,182.78	33,189.49	28,925.08
- OFCD	-	-	-
Lease Liabilities	-	-	-
Trade Payables	35,115.48	-	-
Other Financial Liabilities	3,243.67	-	-
	58,068.82	33,189.49	28,925.08

* Includes interest and transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

43 Capital Management

(a) Risk Management

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

The Group monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Group is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Group:

	As at March 31, 2021 (Rs. in Lacs)	As at March 31, 2020 (Rs. in Lacs)
Total Borrowings	84,548.22	72,973.64
Less: Cash and Cash Equivalents	7,969.38	2,897.18
Net Debt	76,578.84	70,076.46
Equity	84,055.40	76,661.30
Total Capital (Equity + Net Debt)	160,634.24	146,737.76
Net Debt to Equity Ratio	91.11%	91.41%

(b) Dividends on Equity Shares

	For the year ended March 31, 2021 (Rs. in Lacs)	For the year ended March 31, 2020 (Rs. in Lacs)
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2020 of Rs. Nil (March 31, 2019 of Rs. 0.30) per fully paid share	-	346.83
Dividend Distribution Tax on above	-	71.29

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44 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year :

	March 31, 2021 (Rs. in Lacs)	March 31, 2020 (Rs. in Lacs)
Non- current Borrowings	62,779.25	55,346.44
Current Maturities of Long-term Debt	94.93	100.31
Current Borrowings	21,674.04	17,526.89
Interest accrued and due on Borrowings	14.82	220.22
Lease Liabilities	148.05	-
Total	**84,711.09**	**73,193.86**

(Rs. in Lacs)

Particulars	Non-current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2019	**61,082.32**	**29,439.73**	-	**90,522.05**
Finance Costs	3,971.07	4,856.22	-	8,827.29
Less: Finance cost Capitalised in Inventory	(820.41)	-	-	(820.41)
Cash Flows				
Proceeds from Long-term Borrowings from Banks	10,987.38	-	-	10,987.38
Repayment of Long-term Borrowings from Banks	(15,833.88)	-	-	(15,833.88)
Short-term Borrowings - Receipts/(Payments)	-	(9,346.95)	-	(9,346.95)
Finance Costs Paid	(3,845.72)	(4,636.00)	-	(8,481.72)
Non-cash Transactions				
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	2,604.20	-	-	2,604.20
Impairment of Discontinued Operation Borrowings	(2,698.21)	(2,565.89)	-	(5,264.10)
Debt as at March 31, 2020	**55,446.75**	**17,747.11**	-	**73,193.86**
New Leases	-	-	155.22	155.22
Finance Costs	4,544.76	3,571.41	3.76	8,119.93
Less: Finance cost Capitalised in Inventory	(1,862.01)	-		(1,862.01)
Cash Flows				
Principal repayment of Leases	-	-	(10.76)	(10.76)
Proceeds from Long-term Borrowings from Banks	11,162.04	-	-	11,162.04
Repayment of Long-term Borrowings from Banks	(4,650.00)	-	-	(4,650.00)
Short-term Borrowings - Receipts/(Payments)	-	4,147.15	-	4,147.15
Finance Costs Paid	(2,581.20)	(3,776.81)	(0.17)	(6,358.18)
Non-cash Transactions				
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	1,490.65	-	-	1,490.65
Loss on fair valuation of Financial Liabilities measured at FVTPL	12.32	-	-	12.32
Equity Portion of OFCD	(689.13)	-	-	(689.13)
Debt as at March 31, 2021	**62,874.18**	**21,688.86**	**148.05**	**84,711.09**

45 The Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated September 30, 2020 has sanctioned the Scheme of Amalgamation (the "Scheme") filed by Titagarh Wagons Limited (the Company or the Parent Company) and it's subsidiary Cimmco Limited (Cimmco), and its wholly owned subsidiary Titagarh Capital Private Limited (TCPL) for amalgamation of aforesaid subsidiaries with the Parent Company with effect from April 1, 2019, being the appointed date as per the Scheme. The certified true copy of the said Order has been received and filed with the Ministry of Company Affairs on October 2, 2020.

CIMMCO and TCPL were already consolidated as subsidiaries in the consolidated financial statements prior to the amalgamation in accordance with Indian Accounting Standard (IND AS) 110 Consolidated Financial Statements and accordingly amalgamation did not result in any significant impact on the consolidated financial statements. In terms of the Scheme, the Company made allotment of 37,20,469 equity shares of Rs. 2/- each of the Company to the eligible members of Cimmco as on 23rd October, 2020 (Record Date) in the share exchange ratio of 13 equity share of Rs. 2/- each of the Company for every 24 equity shares of Rs. 10/- each held in Cimmco by its non-controlling shareholders as on the record date stated therein. With this allotment on November 07, 2020, the paid-up Equity Share Capital of the Company has been increased to Rs. 23,86,53,278/- divided into 11,93,26,639 equity shares of Rs. 2/- each.

46 In case of Titagarh Firema SpA, during the year ended 31 March 2021, the Company incurred a net loss of some 6.9 million of Euro (Euro 2.3 million as on 31st March 2020), has a shareholders' equity for some 11.5 million of Euro and has a significant bank debt for some 84.3 million of Euro, of which some 48.6 million of Euro expiring beyond twelve months. As of 31 March 2021, the Company reported significant negative differences on net result as compared to the budget / plan 2021 - 2025, approved by the Board of Directors on 30 June 2020 which provided for a substantial financial balance of the Company, assuming the achievement of significant volumes of turnover. Trade payables, equal to some 34.5 million of Euro as at 31 March 2021, increased by some 16.7 million of Euro during the year, and include an overdue payable to suppliers for some 18.1 million of Euro at same date. Therefore, the Company does not currently have the necessary financial resources for the full repayment of its overdue debt position.
The reporting package, as at 31 March 2021 has been prepared according to the assumption of the going concern based on the expectation that the Company implements an important growth plan, envisaged by the Budget 2021 / 2022 (the "Budget") approved by the Board of Directors on 24 March 2021, with the generation of higher margins compared to the historical values resulting from the same, the failure of which would generate additional cash needs, also to meet the overdue debt to suppliers. In particular, the Budget provides for the partial payment of overdue trade payables for some 14.6 million of Euro, considering that renegotiations negotiations with overdue suppliers are in progress.
Despite the aforementioned uncertainty that may give rise to doubts about the Company's going concern, the reporting package has been drawn up according to operating criteria, because the Directors having acquired the reasonable expectation of the Company being able to reach a financial balance in a short time through the successful conclusion of several actions put in place.

47 The Group did not consolidate the financial statements / information of Titagarh Wagons AFR (TWA), a subsidiary of the Group for the period from April 1, 2019 to June 4, 2019 in absence of financial information of the said subsidiary, which resulted in non-compliance with Ind AS 110 'Consolidated Financial Statements' during the year ended March 31, 2020 and had been reported by the statutory auditors' of the Parent Company as modification in their audit report dated October 8, 2020 Since the Group had lost control over TWA effective June 4, 2019, the Group derecognised the net assets pertaining to TWA as at March 31, 2019 as against June 4, 2019, during the year ended March 31, 2020 and had provided for all losses / obligations, which had been disclosed under Discontinued Operations. Since the group has lost control from June 4, 2019, no further consolidation is required and hence there is no further consequential impact on the financial statements.

48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Parent Company and its Indian Subsidiary will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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TITAGARH WAGONS LIMITED
Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2021

49 The Parent Company and its Indian Subsidiary has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, an amount of Rs. 40.46 Lacs has been provided in these Financial Statements.

50 The Group is in the business of manufacturing freight and passengers rolling stock and other allied activities, which support activities that are fundamental to the Global economy. Worldwide the Government had imposed lock down / restrictions due to the Covid-19 pandemic that had impacted the Group's production, sales, and other operations, however, the Group's operations in India have gradually come back to pre-Covid-19 level while the European operations may still take sometime, through there is improvement in performance. In view of the recent surge in Covid-19 cases, in some of the geographies, intermittent lockdowns have been imposed, however, the Group continues to be vigilant and cautious, which currently is not expected to have any significant impact on the Group's overall operations / performance. Considering the current internal and external factors, the Group has made detailed assessment of its liquidity position / cash flows for the next one year including ability to pay its debt obligations, and carrying amounts / values of Property, Plant and Equipment, trade receivables, inventories, investments and other assets as at March 31, 2021, and has concluded that there are no material adjustments required in the consolidated financial statement.

51 Pending approval of the Scheme from NCLT, the financial statements and/or financial results for the year ended March 31, 2020 and the quarter ended June 30, 2020 could not be approved within the stipulated date of July 31, 2020 and September 15, 2020 (extended timeline by SEBI) respectively. For the said delay, the Parent Company had already represented to the SEBI and Stock Exchanges for extension of time and also for waiver of the penalty for the delayed period which is yet to be finally concluded. Considering same, the Parent Company has made necessary provision in the financial statements.

52 The Parent Company has purchased the balance 50% equity shares held by Matiere SAS France in Matiere Titagarh Bridges Private Limited (MTBPL), the jointly controlled entity (JCE) at a consideration of Rs 13.58 lacs on 14th July 2020 thereby making MTBPL a wholly owned subsidiary. Since the above acquisition falls under the definition of acquisition of business under IND AS 103 - Business Combination, the Group has carried out a fair valuation of all the assets and liabilities of the MTBPL business taken over and the difference between such fair value and the consideration paid amounting to Rs 19.57 lacs has been shown as capital reserve. Subsequently on October 21, 2020, MTBPL has been renamed as Titagarh Bridges & International Private Limited.

53 Previous year figures have been regrouped/restated wherever necessary

For Price Waterhouse and Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukherji
Partner
Membership No. 056155

Place: Gurugram
Dated : June 08, 2021

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Sumit Jaiswal
Company Secretary

Place: Kolkata
Dated : June 08, 2021

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

_____

Umesh Chowdhary
Vice Chairman, Managing Director and Chief Executive Officer

Date:
Place:

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

_____
Umesh Chowdhary
Vice Chairman, Managing Director and Chief Executive Officer

Date:
Place:

I am authorized by the QIP Committee of the Board of Directors, vide resolution by circulation dated November 27, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

_____
Umesh Chowdhary
Vice Chairman, Managing Director and Chief Executive Officer

Date:
Place:

TITAGARH RAIL SYSTEMS LIMITED
(formerly Titagarh Wagons Limited)

CIN: L27320WB1997PLC084819

Registered Office	**Corporate Office**
Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India	Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India
Telephone: +33 4019 0800 **E-mail**: corp@titagarh.in **Website**: www.titagarh.in	

Company Secretary and Chief Compliance Officer:

Dinesh Arya
Titagarh Towers
756 Anandapur E M Bypass
Kolkata – 700 107
West Bengal, India
Telephone: +33 4019 0800
E-mail: dinesh.arya@titagarh.in

BOOK RUNNING LEAD MANAGERS

HSBC Securities and Capital Markets (India) Private Limited	**Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*)**
52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 Maharashtra, India	801 - 804, Wing A, Building No 3 Inspire BKC, G Block, Bandra Kurla Complex Bandra East, Mumbai 400 051, Maharashtra, India

JOINT STATUTORY AUDITORS OF OUR COMPANY

Price Waterhouse & Co Chartered Accountants LLP	**M/s. Salarpuria & Partners, Chartered Accountants**
Plot No 56 & 57, Block DN Sector V, Salt Lake, Kolkata – 700 091 West Bengal, India	7 C.R. Avenue, Kolkata – 700 072 West Bengal, India

LEGAL COUNSEL AS TO INDIAN LAW TO THE COMPANY

Khaitan & Co
One World Centre
10th and 13th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India

LEGAL COUNSEL AS TO INDIAN LAW TO THE BOOK RUNNING LEAD MANAGERS

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

Hogans Lovells Lee & Lee
50 Collyer Quay, #10-01 OUE Bayfront
Singapore – 049321, Republic of Singapore

ADVISORS TO THE ISSUE

B&K Securities
11th Floor, Hallmark Business Plaza
Sant Dnyaneshwar Marg, Bandra East
Mumbai 400 051
Maharashtra, India

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

TITAGARH RAIL SYSTEMS LIMITED (*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered Office**: Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India; **Corporate Office**: Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India; **Contact Person**: Dinesh Arya, Company Secretary and Chief Compliance Officer; **Tel**: +33 4019 0800; **E-mail**: investors@titagarh.in ; **Website**: www.titagarh.in ; **CIN**: L27320WB1997PLC084819 **LEI**: 335800TP8W734TPCXK95 | **ISIN**: INE615H01020	**APPLICATION FORM** Name of Bidder: _____ Form No: _____ Date: _____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] LAKHS UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY TITAGARH RAIL SYSTEMS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●]. OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined hereinbelow) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made; and (ii) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("U.S. QIBs"), pursuant to Section 4(a)(2) of the U.S. Securities Act. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs". For the selling and transfer restrictions in certain other jurisdictions, see "*Selling Restrictions*" in the accompanying preliminary placement document dated [●] (the "PPD"). See "P*urchaser Representations and Transfer Restrictions*" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others _____ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.

* *Sponsor and Manager should be Indian owned and controlled.*

To,

***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

The Board of Directors
TITAGARH RAIL SYSTEMS LIMITED
Registered Office: Poddar Point, 10th Floor, 113 Park Street, Kolkata – 700 016, West Bengal, India;
Corporate Office: Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata – 700 107, West Bengal, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with HSBC Securities and Capital Markets (India) Private Limited and Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, West Bengal at Kolkata (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions"* and "*Purchaser Representations and Transfer Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs; For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB and acquiring the Equity Shares pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" in the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX. NO.**	
MOBILE NO.			
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/Ifs/Pension Funds**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI/PFRDA Registration details for ICs**

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*

***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**		**APPLICATION AMOUNT (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 3.00 P.M. (IST), December [●], 2023,	
Name of the Account	**TRSL-QIP ESCROW ACCOUNT 2023**
Name of the Bank	**ICICI Bank Ltd**
Address of the Branch of the Bank	ICICI Bank Ltd, 38 Hemanta Basu Sarani, , Kolkata 700001
Account Type	Escrow Account
Account Number	**000405152526**
LEI Number	335800TP8W734TPCXK95
IFSC	ICIC0000004
Tel No.	+91 797772680, +91 9874600460
E-mail	banking@titagarh.in, pratyush.roy@icicibank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "TRSL-QIP ESCROW ACCOUNT 2023". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS																											
Depository Name(Please ✓)	National Security Depository Limited									Central Depository Services (India) Limited																	
Depository Participant Name																											
DP – ID	I	N																									
Beneficiary Account Number										(16 digit beneficiary account. No. to be mentioned above)																	
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**																											

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	

Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIR
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of Power of Attorney
☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.