Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: ___

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.

adventz

TEXMACO RAIL & ENGINEERING LIMITED

Texmaco Rail & Engineering Limited was originally incorporated on June 25, 1998, under the Companies Act, 1956 as '*Texmaco Machines Private Limited*'. The name of our Company was changed to '*Texmaco Machines Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to '*Texmaco Rail & Engineering Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, West Bengal on April 23, 2010. For further details regarding changes in the name and registered office of our Company, see *"General Information"* on page 415.

Registered and Corporate Office: Belgharia, Kolkata – 700 056, West Bengal, India.
Contact Person: Kishor Kumar Rajgaria, Company Secretary and Compliance Officer
Telephone: +91 33 2569 1500; **E-mail:** texrail_cs@texmaco.in; **Website:** www.texmaco.in; **CIN:** L29261WB1998PLC087404

Issue of up to [●] equity shares of face value ₹ 1 each of our Company ("**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 32.

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 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 AND 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 39 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.

The 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 November 20, 2023 was ₹ 146.20 and ₹ 146.10 per Equity Share, respectively. Our Company have received 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 each of BSE and NSE on November 21, 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 this 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 this 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 Stock Exchanges, the 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). For further details, see "*Issue Procedure*" on page 211. 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 (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see *"Selling Restrictions"* on page 228. See *"Purchaser Representations and Transfer Restrictions"* on page 237 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the BRLMs (as defined hereinafter) or any of its affiliates does not constitute nor form a 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 November 21, 2023.

BOOK RUNNING LEAD MANAGERS		
nuvama	ICICI Securities	MOTILAL OSWAL INVESTMENT BANKING
NUVAMA WEALTH MANAGEMENT LIMITED (*Formerly known as Edelweiss Securities Limited*)	**ICICI SECURITIES LIMITED**	**MOTILAL OSWAL INVESTMENT ADVISORS LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all the information with respect to us and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to us 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 us 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 us. There are no other facts in relation to us 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, all reasonable enquiries have been made by us 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 of the date of this Preliminary Placement Document and neither our Company nor the Book Running Lead Managers 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.

The BRLMs 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, counsels, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or by any of their respective shareholders, employees, counsels, 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 us and the Equity Shares or distribution of this Preliminary Placement Document. 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, counsels, officers, directors, representatives, agents, associates or any other affiliates 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 the securities authority or any other regulatory authority of any jurisdiction, including SEBI. 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 certain jurisdictions.

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 their 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. 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.

The distribution of this Preliminary Placement Document and the issue of Equity Shares may be restricted in certain countries or 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 country or 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. In particular, 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 country or 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. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. 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*" on page 228. Further, see "*Purchaser Representations and Transfer Restrictions*" on page 237 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries, our Associate and our Joint Ventures 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 the Issue regarding the legality or suitability 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, Sections 42 and 62 of the Companies Act, Rule 14 of the PAS Rules and other 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. 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.

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.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Preliminary Placement Document has been prepared for information purposes to the Issue only and upon the express understanding that it will be used for the purposes set forth herein.

The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

The information on our Company's website, www.texmaco.in, or any website directly or indirectly linked to the website of our Company or on the website of the BRLMs or any of their affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

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 this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 228 and 237, respectively, and to have represented, warranted and acknowledged to and agreed to us and 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 (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law 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 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 a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or 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 or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and 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;

- You are eligible to invest and hold the Equity Shares of our Company 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, 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;

- You are aware that this Preliminary Placement Document and the Placement Document 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 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 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, counsels, representatives, agents 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 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 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, counsels, representatives, agents 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 39;

- 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;

- Neither the Company nor the BRLMs nor any of its respective shareholders, directors, officers, employees, counsels, representatives, agents 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 its respective shareholders, directors, officers, employees, counsels, representatives, agents 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, counsels, representatives, agents 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, counsels, advisors, representatives, agents 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 the Promoters or members of the Promoter Group, 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 Promoters 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 herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Eligible QIBs 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. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, 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 its 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 neither the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels 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, counsels, 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 228 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 228 and 237, respectively;

- 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 fifty percent 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 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;

- Our Company, the BRLMs, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, 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, which is registered as a Category I FPI, 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 FPIs 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, read with the FDI Policy, 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. Prospective investors 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.

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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 this 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, our Promoters, our 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', 'bidder', ''your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to "our Company", "the Company" or the "Issuer" are to Texmaco Rail & Engineering Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Texmaco Rail & Engineering Limited together with our Subsidiaries, our Associate and our Joint Ventures as well, on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, (i) references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to official currency of Republic of India; (ii) references to 'US$', 'USD' and 'U.S. dollars' are to the official currency of the United States of America; and (iii) references to "EUR" or "€" are to Euro, the legal currency of the European Union. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. 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.

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. 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 and Unaudited 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 "crore(s)" represents "1,00,00,000", "million" represents "0.1 crore" or "1,000,000", "lakh(s)" represents "1,00,000" or "0.1 million" and "billion" represents "1,000,000,000" 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 otherwise, all references to the terms "Fiscal", "Fiscals" or "Fiscal year", "FY", refer to the 12-month period ending March 31 of that particular year.

Our Company has published its Audited Consolidated Financial Statements as of and for Fiscal 2023, Fiscal 2022, and Fiscal 2021 and the Unaudited Consolidated Financial Statements as at and for the six months ended September 30, 2023 and September 30, 2022 in compliance with the SEBI Listing Regulations. As required under the applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

i. audited consolidated financial statements of our Company as at and for Fiscals 2023, 2022 and 2021, prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**"); and

ii. unaudited consolidated financial results of our Company as at and for the 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 Statements**" and together with the Audited Consolidated Financial Statement, the "**Financial Information**").

The Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Statements should be read along with the respective reports issued thereon. For further information, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 254 and 97, respectively.

Our Company presents its financial statements under Ind AS. 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 to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Statements 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. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision.

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. All figures from or derived from the Audited Consolidated Financial Statements and the Unaudited 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 and the Unaudited 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.

Non-GAAP financial measures

As used in this Preliminary Placement Document, a non-GAAP financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable Ind AS measures. From time to time, reference is made in this Preliminary Placement Document to certain "non-GAAP financial measures," such as EBITDA, profit before tax, EBITDA Margin, Return on Capital Employed, Return on Equity and PAT Margin. Our management believes that EBITDA and other non-GAAP financial measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for Ind AS (or IFRS) measures of earnings and may not be comparable to similarly titled *measures* reported by other companies due to differences in the way these measures are calculated. In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Industry Research Report on Indian Rolling Stock and Rail EPC*" dated November 2023 ("**CARE Report**"), which is a report commissioned and paid for by us and prepared by CARE Analytics and Advisory Private Limited *(formerly known as CARE Risk Solutions Private Limited)*, a subsidiary of CARE Ratings Limited, pursuant to an engagement letter dated October 3, 2023, in connection with the Issue.

The CARE Report contains the following disclaimer:

"This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report."

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. 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 "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" on page 178, 39, and 97, respectively, 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 – This Preliminary Placement Document contains information from an industry report which we have commissioned from CARE Analytics and Advisory Private Limited. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on page 58.

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", "could", "estimate", "expect", "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. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by our Company 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.

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:

- The revenue of our Company is significantly dependent on successfully obtaining tenders from the government or semi-government authorities. Inability on our part to obtain tenders or fulfil them in time, or at all, may adversely affect our revenue from operations, business and financial condition;

- Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations or shutdown of our manufacturing facilities may have a material adverse effect on our entire manufacturing operations and consequently, our business, financial condition and our results of operations;

- Our Company may face uncertainties during the implementation of the scheme of arrangement entered into between our Company and Belgharia Engineering Udyog Limited which may adversely affect our business, financial condition and results of operations;

- Five of our manufacturing facilities are situated in West Bengal and one in Chhattisgarh, which may expose our business to regional risks, thereby adversely affecting our business, results of operations, financial condition;

- We do not enter into long-term agreements with our suppliers for procuring major raw materials essential for our manufacturing process. Further, availability of raw materials and fluctuation in raw material prices may have material adverse effects on our operating profit;

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

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

- A significant portion of our business is undertaken through long term engineering, procurement and construction contracts. Any change in scope or price of such contracts may result in deviation from long term profits;

- The demand for our special purpose commodity specific wagons is related to GDP growth which sustains the demand for specific commodities like coal, steel, cement, alumina, food grains and automobiles. Any decrease in demand for such specific commodities may also result in decrease in demand for our wagons, which may consequently adversely affect our business operations; and

- Our inability to effectively manage our growth or successfully implement our business strategies and growth plan may have an adverse impact on our business, results of operations and financial condition.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Our Business*", *"Industry Overview"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 39, 178, 126 and 97, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLMs nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events 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 limited liability company incorporated under the laws of India. All our Directors and Key Managerial Personnel named in this Preliminary Placement Document, are residents of India and a significant 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 between parties under whom they or any of them claim 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.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. 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.

The following territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Code by the Government: the United Kingdom; Aden; Fiji; Republic of Singapore; Federation of Malaysia; Trinidad and Tobago; New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Hong Kong; Papua New Guinea; Bangladesh; and United Arab Emirates. A foreign judgment of a court in a jurisdiction which 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 is 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. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our

Company and the Book Running Lead Managers 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				
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.25	82.66
August 31, 2023	82.68	82.79	83.13	82.28
July 31, 2023	82.25	82.15	82.68	81.81
June 30, 2023	82.04	82.23	82.64	81.88
May 31, 2023	82.68	82.34	82.80	81.74

(Source: www.rbi.org.in and www.fbil.org.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				
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
May 31, 2023	88.36	89.48	90.54	88.36

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

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.*

Note:

- *If 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 disclosed.*
- *High, low and average are based on the RBI reference rates 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 Information*" on pages 126, 245, 248 and 254, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company / the Company / the Issuer	Texmaco Rail & Engineering Limited, a company incorporated in India under the Companies Act, 1956
the Group / us / we / our	Texmaco Rail & Engineering Limited together with its Subsidiaries, its Associate and its Joint Ventures on a consolidated basis, unless otherwise specified or the context otherwise requires

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time
Associate	Our associate company is Texmaco Defence Systems Private Limited
Audit Committee	The audit committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 193
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and our Subsidiaries, joint ventures and associate as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS, which comprises the consolidated statement of assets and liabilities, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the statement of changes in equity, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon, as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Auditors or Statutory Auditors	The statutory auditors of our Company, M/s. L. B. Jha & Co., Chartered Accountants
Board of Directors / Board	The board of directors of our Company or a duly constituted committee thereof
Chairman	The chairman of our Company being Saroj Kumar Poddar
Chief Financial Officer	The chief financial officer of our Company being Hemant Bhuwania
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Kishor Kumar Rajgaria
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 193
Deputy Managing Director	The deputy managing director of our Company namely Sudipta Mukherjee
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	The equity Shares of our Company of face value of ₹ 1 each
Executive Director(s)	The executive director(s) of our Company, namely, Saroj Kumar Poddar, Indrajit Mookerjee, Sudipta Mukherjee, Damodar Hazarimal Kela and Ashok Kumar Vijay
Independent Director(s)	The independent director(s) of our Company, namely, D. R. Kaarthikeyan, Utsav Parekh, Virendra Sinha, Partha Sarathi Bhattacharyya, Rusha Mitra and Amitabha Guha
CARE Report	Report titled *"Industry Research Report on Indian Rolling Stock and Rail EPC"* dated November 2023, prepared and issued by CARE Analytics and Advisory

Term	Description
	Private Limited, commissioned and paid for by our Company, exclusively in connection with the Issue.
Joint Ventures	Wabtec Texmaco Rail Private Limited and Touax Texmaco Railcar Leasing Private Limited
Key Managerial Personnel / KMP(s)	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, as disclosed in "*Board of Directors and Senior Management*" on page 193
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of outstanding civil and tax litigation, involving our Company and its Subsidiaries, where the amount involved is ₹101.14 lakhs (being 5% of the average of the absolute value of profit after tax, as per our Audited Consolidated Financial Statements for the last three years
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 193
Non-Executive Director	Non-executive non-independent director of our Company. For details, see *"Board of Directors and Senior Management*" on page 193
Promoter(s)	The Promoters of our Company, namely, Texmaco Infrastructure & Holdings Limited and Zuari International Limited (*Formerly Zuari Investments Limited*)
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	The registered and corporate office of our Company is located at Belgharia, Kolkata – 700 056, West Bengal, India
Registrar of Companies / RoC	The Registrar of Companies, West Bengal at Kolkata
Risk Management Committee	The risk management committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 193
Senior Management	Members of the senior management of our Company as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see *"Board of Directors and Senior Management"* on page 193
Shareholders	The holder(s) of Equity Shares from time to time, unless otherwise specified in the context thereof
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 193
Subsidiaries	The subsidiaries of our Company, as on the date of this Preliminary Placement Document, namely: (a) Belur Engineering Private Limited; (b) Belgharia Engineering Udyog Private Limited; (c) Panihati Engineering Udyog Private Limited; (d) Texmaco Rail Electrification Limited; (e) Texmaco Rail Systems Private Limited; and (f) Texmaco Transtrak Private Limited
Unaudited Consolidated Financial Statements	The unaudited consolidated financial results of the Group and its share of the net profit / (loss) after tax and total comprehensive income / (loss) of its joint ventures and associate for the six months period ended September 30, 2023 and September 30, 2022 which were prepared by the management of the Company in accordance with the recognition and measurement principles laid down as per the requirements of Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ 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

Term	Description
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" shall 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)	Any prospective investor, being an Eligible QIB who makes 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/ BRLMs	Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*), ICICI Securities Limited and Motilal Oswal Investment Advisors Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such Eligible QIBs
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 BRLMs
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
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 "Texmaco Rail & Engineering Limited-QIP Escrow Account 2023" to be opened with the Escrow Bank, 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 Bank	ICICI Bank Limited
Escrow Agreement	The escrow agreement dated November 21, 2023 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the issue.
Floor Price	The floor price ₹ 135.90 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 a special resolution passed by the Shareholders by way of postal ballot on October 23, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	The offer, issue and Allotment of [•] Equity Shares each at a price of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share, aggregating ₹ [•] 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	[•] the last date up to which the Application Forms and the Bid Amount shall be accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Opening Date	November 21, 2023, the date on which the acceptance of the Application Forms and the Bid Amount shall have commenced by our Company (or the BRLMs, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ [•]
Issue Size	The aggregate size of the Issue, up to [•] Equity Shares aggregating up to ₹ [•] lakhs
Monitoring Agency	CARE Ratings Limited

Term	Description
Monitoring Agency Agreement	Agreement dated November 6, 2023 entered into by and between 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 of the Issue, after deducting fees, commissions and expenses of the Issue
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 placement agreement dated November 21, 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 made thereunder
Preliminary Placement Document / PPD	This preliminary placement document dated November 21, 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 a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions 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	November 21, 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
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
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules issued thereunder
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
CSR	Corporate Social Responsibility
CY	Calendar year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

Term	Description
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DIN	Director Identification Number
EBITDA	EBITDA is calculated as net profit after tax, plus finance cost, depreciation, amortization and impairment expenses and tax expenses, and less other income
EBITDA Margin	EBITDA divided by revenue from operations
EGM	Extraordinary general meeting
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
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 under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GoI/ Government	Government of India
GST	Goods and Services Tax
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Income-tax Act/IT Act	The Income-tax Act, 1961
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Net worth	Paid up share capital plus all reserves and surplus (excluding revaluation reserves)
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A./ p.a.	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on capital employed
Rs. / Rupees / Indian Rupees	The legal currency of India
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

Term	Description
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Takeover Regulations	The Securities and Exchange Board of India (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	United States Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
VRS	Voluntary Retirement Scheme
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Technical and Industry Terms

Term	Description
AAR	Association of American Railroads
CMS	Cast manganese steel
EMU	Electric multiple unit
EPC	Rail engineering procurement construction division
PLC	Programmable logic controller
RDSO	Research Designs & Standards Organisation

SUMMARY OF BUSINESS

OVERVIEW

We are a part of the Adventz Group of companies, which is engaged in various sectors such as agri business, engineering, infrastructure, real estate, consumer durables and services sectors. We are an ISO: 9001-2015, premier multi-discipline, multi-unit engineering and infrastructure company, with six manufacturing units. The Company, headquartered in Kolkata, is involved in the business of manufacturing of rolling stock, such as wagons, coaches, EMUs, loco shells & parts, hi-tech components etc., hydro mechanical equipment, steel castings, rail EPC, bridges, and other steel structures. Over the years, we have entered into technical collaborations with renowned multinationals for developing and expanding our product portfolio. We are a diversified heavy engineering company, with products including railway freight wagons, hydro-mechanical equipment and industrial structures for infrastructure industry, locomotive components and locomotive shells, railway bridges, steel castings, and pressure vessels, etc. We are also one of the few private sector companies engaged in signalling, rail telecommunication, track constructions, including the ballast less tracks for metro rail. Our Company became operational on April 1, 2010, post the demerger of the heavy engineering and steel foundry division of Texmaco Limited, a company founded in 1939. Texmaco Limited was set up as a textile machinery manufacturing unit and subsequently diversified into other engineering fields including wagon manufacturing, hydro-mechanical equipment, steel castings, providing services to core sectors and process industries in India and abroad.

Our major operating divisions presently are: (i) the Heavy Engineering Division comprising of the manufacture and supply of freight cars, hydro-mechanical equipment, and bridges and steel structures; (ii) the Steel Foundry Division, and (iii) Rail Engineering Procurement Construction ("**EPC**") division. Presently, we have six manufacturing facilities at six locations, of which five are in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal and one at Urla, Raipur located in Chhattisgarh.

We have expanded our market overseas and have exported freight cars and rolling stock components to various countries. We have exported gondola wagons to Liberia, tank wagon to Cameroon, Bangladesh and Sri Lanka, phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreadnought ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa. We have strong in-house capabilities for the design and manufacture of commodity specific special purpose wagons for core sectors such as cement, coal, alumina, ammonia, steel, container freight wagons, oil, chemicals, fertilisers, and the defence sector among others. We have been certified by the RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. We have an annual production capacity of 42,000 metric tonnes of steel castings. Our steel foundry is engaged in manufacturing of railway castings such as bogies, couplers, draft gears, cast manganese steel ("**CMS**") crossings, and industrial castings such as shrouds for mining equipments, and hub castings for hydro equipment. We supply steel castings to the Indian Railways and other wagon builders in India. We have also built strong capabilities in designing, marketing, manufacturing, erecting, and commissioning of hydro- mechanical equipment and executed several hydro-mechanical projects both in India and overseas. We are also exporting steel castings to USA, Australia, Mexico, and Malaysia. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for achieving the highest level of exports of steel castings in the eastern region of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Promotion Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2018.

Currently, the Company has two Joint Ventures with (a) Wabtec Corporation from the United States of America; and (b) Touax Group from France.

Our Board of Directors at their meeting held on October 14, 2023, approved, a Scheme of Arrangement ("**Scheme**") and Demerger between Texmaco Rail & Engineering Limited ("**Transferor Company**" / "**Demerged Company**") and Belgharia Engineering Udyog Private Limited ("**Transferee Company**"/ "**Resulting Company**") and their respective shareholders and creditors, under Section 230 to 232 of the Act and other applicable provisions of the Act and Rules framed thereunder. The Scheme is subject to necessary approvals including that from the Securities and Exchange Board of India, the shareholders and creditors of the Company, and the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT'). The Scheme contemplates demerger of the Demerged Undertaking from Transferor Company into and with the Transferee / Resulting Company. The Demerged Undertaking, as defined in the Scheme refers to "Infra – Rail & Green Energy" Division (comprises of Kalindee Division, Hydro Mechanical & Bridges Division) i.e., the business of execution of projects in the area of hydro mechanical works, bridge & structural, track laying, signalling & telecommunication etc., along with related assets, customer contracts, employees and intellectual properties.

We had expanded our business by entering into strategic collaborations with renowned multi-national companies which have diverse experience in the rail industry. For instance, our joint ventures with the Touax Group in France, Touax Texmaco Railcar Leasing Private Limited, has helped us diversify our income stream by commencing leasing of railway wagons. Additionally, Wabtec Texmaco Rail Private Limited, our joint venture with Wabtec Corporation in the United States of America, is geared towards the production of high value components including bogie mounted brake systems, low and high friction brake blocks, and friction wedges. Additionally, our Company has entered into a binding joint venture agreement with NYMWAG CS a.s. – AZC Group, one of the leading European conglomerates on April 20, 2023, for the purpose of manufacture of freight wagon and/or its components or parts.

The order book of our Company, as on September 30, 2023, stood at ₹ 7,80,000 lakhs. For the Fiscal 2023, Fiscal 2022, and Fiscal 2021, our Order Book stood at ₹ 9,00,000 lakhs, ₹ 2,60,000 lakhs and ₹ 3,40,000 lakhs showing a CAGR of 62.69% from FY 2021 to FY 2023.

The table below sets forth the composition of our Company's total income and profit after tax, six months period ended September 30, 2023 and for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

(In ₹ lakhs)

Particulars	For the six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Income				
- Heavy Engineering Division	1,11,776.31	1,19,108.79*	60458.07*	66012.90*
- Steel Foundry Division	37,395.46	54,562.15	33,603.56	31,962.80
- Infra – Rail & Green Energy Division	21,994.63	66,198.92*	68248.23*	65291.49*
- Infra – Electrical Division	6,193.30	20,154.59	19,131.72	19,674.71
Total Income	1,77,359.70	2,60,024.45	1,81,441.58	1,82,941.90
Profit after tax	3,728.46	2,580.47	2,052.79	1,202.26

**Infra – Rail & Green Energy division comprises of Kalindee division, Hydro mechanical and Bridges division. Hydro mechanical and Bridges division was earlier part of Heavy Engineering division.*

OUR STRENGTHS

Our principal competitive strengths are set forth below:

One of the leading manufacturers of wagons in India

We are in the business of manufacturing wagons. The Ministry of Railways, Government of India has recognised us as one of the suppliers of wagons to the Indian Railways, supplying approximately 26%, ~14%, ~9% and ~10% of the total wagon demand for the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, respectively. We have been certified by RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Our Company is capable of manufacturing specialised wagons that cater to specific types of cargo, such as cement wagons, alumina wagons, car carrying wagons, liquid petroleum and gas carrying wagons, fly ash carrying wagons, coal hopper wagons, steel coil carrying wagons and container wagons. Our Company is also one of the leading exporters of freight cars from India.

For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, our revenue from our sales of wagons, locomotive shells and rolling stock was ₹ 1,11,776.31 lakhs, ₹ 1,19,108.79 lakhs, ₹ 60,458.07 lakhs, and ₹ 66,012.90 lakhs, which comprised 63.02%, 45.81%, 33.32% and 36.08% of our total income, respectively.

AAR approved steel foundry

With its commitment towards manufacturing and environmental excellence, our steel foundry facility and quality management system is certified with ISO 9001, ISO 14001, ISO 45001, and AAR M- 1003. The foundry also drives a self-designed robust safety system towards the goal of "Accident Free" workplace. Our Company operates a steel foundry with an installed capacity of 42,000 MTPA. With its pioneering vision, obsession for technology, continuous improvement, robust infrastructure, and skilled workforce. Our steel foundry has shown sustainable capability to produce high volume wide range of steel castings with utmost precision and quality. Further our steel foundry is equipped with twin high pressure moulding production lines. We have received certification as a "Class A" foundry by RDSO, Ministry of Railways. We have also been certified by RDSO as an approved source for manufacturing bogies, couplers, CMS crossings and draft gears. We believe that our steel foundry is one of the leading foundry producing steel castings for Railways (a) one of the steel foundry to use High Pressure Moulding

Lines (HPML) for heavy weight railway bogie castings (b) our Foundry in India is accredited by AAR (Association of American Railroads) for supply of railway bogie castings to North America, (c) our R&D centre located at Belgharia Works, Kolkata (West Bengal) has been recognised by the Department of Scientific and Industrial Research Technology Bhavan, Ministry of Science and Technology, Government of India (d) one of the very few foundries having in-house facility for manufacturing latest weldable CMS crossing for railway. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for achieving the highest level of exports of steel castings in the eastern region of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Promotion Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2018.

Our steel foundry facility is equipped with the best-in-class technology across the design, production, and quality system. In-house design capability with SOLIDWORKS 3D modelling and flow and thermal simulation, moulding and core making facilities with fully automated Kunkel Wagner High Pressure green sand moulding, automated sand plant, no bake moulding system with fast loop line, automated lampe cold box core machine, melting facility with electric arc and induction furnaces , wide range of machining facilities and the complete in-house quality control capability with spectrometry, radiography, MPI, metallography, mechanical laboratory and various other NDT testing and gauging facilities makes the foundry as the most preferred supplier for major Indian and overseas OEMs.

For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, our revenue from our steel foundry division was ₹ 37,395.46 lakhs, ₹ 54,562.15 lakhs, ₹ 33,603.56 lakhs, and ₹ 31,962.80 lakhs, which comprised 21.08%, 20.98%, 18.52% and 17.47% of our total income, respectively.

Partnership with global leaders

Our company has successfully built positive relationships in business with global leaders. We have a joint ventures partnership with two global majors:

(a) **Wabtec Texmaco Rail Private Limited**: This Joint venture was incorporated on June 23, 2017, in collaboration with Wabtec Corporation. The objective of Wabtec Texmaco Joint Venture was to establish a state of art manufacturing facility for hi-tech rolling stock components like draft gear, friction wedges, brake blocks for freight, loco and coach applications, bogie mounted brake systems - durable, lightweight materials, freely suspended systems. For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, the revenue from operations were ₹ 4,522.48 lakhs, ₹ 7,606.23 lakhs, ₹ 3,622.14 lakhs, and ₹ 3,910.60 lakhs respectively.

(b) **Touax Texmaco Railcar Leasing Private Limited:** This Joint Venture was incorporated on May 10, 2014, in collaboration with Touax group. The objective of Touax Texmaco joint venture was to serve a diverse customer-base made of private companies or operators of industrial clients. For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, the revenue from operations were ₹ 2,327.94 lakhs, ₹ 4,327.04 lakhs, ₹ 4,057.19 lakhs, and ₹ 2,883.32 lakhs respectively.

Our joint venture partnerships have contributed to a growth in our revenue from operations and access to technology.

Well-equipped manufacturing facilities

We own five well-equipped manufacturing facilities in Kolkata and one well-equipped manufacturing facility in Raipur, having the requisite technology and infrastructure to manufacture a wide range of our various product offerings. Our infrastructure facilities located at Belgharia and Agarpara, Kolkata are spread over approximately 113.86 acres of land and have approximately 1,39,354.55 square meters of well-equipped covered manufacturing space. These facilities also have a large internal network of 15 railway lines, which are capable of holding three to four full rakes of wagons.

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

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

Our manufacturing facilities are certified by ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 & EN 15085 CL1. The unit has adequate in-house infrastructure and equipped with CNC laser/plasma/oxy plate cutting, CNC Bending, robotic bevelling and welding, stress relieving, CNC 5 axis machining, environment-controlled blasting and painting. In addition to quality products, we got recognition from our valued customers for on time delivery. We not only focus on operational excellence but also aim to follow best industrial practices on the aspects of health, safety, and environment.

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

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

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

We have a well-equipped research and development centre which has been registered and recognised by the Department of Scientific and Industrial Research, Government of India. As of September 30, 2023, the centre has 13 permanent employees, and is engaged in developing various new products and processes. Our research and development centre has helped our Company improve profit margins by developing new products and improving the quality of existing products.

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

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

Strong and long-lasting relationship with customers

We have strong, long-standing relationships with our customers. While we are a diversified product manufacturer, we believe that our strategically located manufacturing facilities, consistent performance, and adherence to quality standards has helped us maintain customer engagements and attract almost all the key manufacturing brands. We continually strive to strengthen our customer relationships through timely delivery, superior product, and service quality and by ensuring that our products keep pace with the requirements of the rapidly changing industry. We have dedicated design team, thereby enabling us to develop new products for our customers and keeping track of the latest developments. To take into account the requirements of our customers, our design team regularly interacts with our product development team and our customers to focus on developing new products with improvements in quality and design.

Management led by professionals

Our operations are led by an experienced and highly qualified senior management with extensive experience in our Company's business with commercial, engineering, and technical background. who have the professional expertise and vision to maintain our position as one of the leaders in the industry. Our Deputy Managing Director, Mr. Sudipta Mukherjee, has completed a diploma in social work (labour welfare) from University of Calcutta, The Program on Production Management for India (INCI) from The Association for Overseas Technical Scholarship (AOTS), Japan and the Fullbright-Nehru-CII Fellowships for Leadership in Management Program from Tepper School of Business, Carnegie Mellon University, USA. Our Vice Chairman, Mr. Indrajit Mookerjee, holds a bachelor's degree in technology (honours in chemical engineering) from Indian Institute of Technology, Kharagpur and has completed his master of science in chemical engineering from Georgia Institute of Technology, Atlanta, USA. Our CEO (Steel Foundry Division), Mr. Avijit Mitra holds an advanced diploma in Foundry Technology from National Institute of Foundry and Forge Technology. Our CFO, Mr. Hemant Bhuwania, is a qualified Chartered Accountant. Our Board is also adequately supported by a team of professional managers with varied experience.

Set forth below are our key performance indicators for the periods indicated:

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	Six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	Description
1	Net Revenue	1,46,186.84	2,24,327.74	1,62,173.59	1,68,884.79	*Net Revenue from operations (incl. other operating income)*
2	EBITDA	9,739.83	14,540.76	14,021.46	11,872.81	*EBITDA*
3	*EBITDA Margin%*	6.66%	6.48%	8.65%	7.03%	*EBITDA / Net Sales * 100*
4	PAT	3,728.46	2,580.41	2,052.79	1,202.26	Profit after tax
5	*PAT Margin%*	2.55%	1.15%	1.27%	0.71%	*PAT / Net Sales * 100*
6	*ROCE%*	4.62%	6.85%	7.48%	6.82%	*EBIT / (Net worth + long term borrowings)*
7	*ROE%*	3.29%	1.47%	1.99%	0.29%	*PBT / Net worth*
8	*Cash from operations (CFO)*	1,110.23	(10,283.89)	2,717.00	4,031.37	From cash flows
9	Total Export Sales as a % of Net Revenues	5.10%	9.40%	5.96%	6.07%	-

OUR STRATEGIES

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

Leveraging on the capabilities of our foundry

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

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

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

Focus on strengthening exports and targeting new markets

We export wagons, wagon components and steel castings abroad. We have expanded our export business and earned ₹ 21,094.16 lakhs, ₹ 9,669.70 lakhs, and ₹ 10,255.24 lakhs from exports in Fiscal 2023, Fiscal 2022, and Fiscal 2021, respectively, resulting in a significant increase in comparison to the previous years. We intend to continue to focus on international markets.

We believe that, with the spiralling price hike of petroleum products, freight movement through road transport is becoming more and more expensive, and consequently a large chunk of the freight being moved by road is bound to get diverted to rail transportation segment. Thus, we believe that, in the backdrop of improved rail transport system coupled with liberalized wagon procurement schemes of Railways, we are optimistic of a steady growth of special purpose wagons in the coming years to cater to additional load of freight transportation over railway system.

AAR has also certified that our steel foundry has met the requirements of the AAR's quality assurance program as specified in M-1003 for manufacture of freight wagon side frames and bolsters and centre plates. This certification enables us to market certain certified steel casting products for wagons in the United States of America. In Fiscal 2023, our Company exported 33.45% of the castings produced in the steel foundry.

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

Development of new technology products

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

Development of Component Business

The components division of our Company consists of the Hitech Unit is an integral part of our Company. The manufacturing facility manufactures niche and critical fabricated and machined components for freight cars, passenger rolling stock and locomotives.

The manufacturing facility is quipped with CNC laser cutting, plasma cutting, Oxy CNC cutting machines, and CNC plasma bevelling machine. The plant is further equipped with high end manual welding machines and two welding robots. Electric hearth furnace, atmosphere-controlled shot blasting and paint booth. With the above inclusions, we are fully independent for the in-house pre-processing, cutting, bending, welding, stress relieving, machining and finishing for metal fabricated components.

The unit is Certified for ISO 9001 (QMS), ISO 14001 (EMS), ISO45001(OHS), EN15085(welding of railway components), ISO 3834 (welding quality systems) and IRIS – ISO TS 22163.

Hitech Unit has long-term contracts with both domestic and international customers. We have in contract with a leading MNC for their Indian Railways project in India and for their global requirements. We are supplying bogie frame, under frame, fuel tank, end assembly, bolster, snow-plow, brake levers and APU (Auxiliary Power Unit) components to list a few. Similarly, we have long term contract another leading MNC to supply Car Body Shell (CBS) components for IR e-Loco project. We are approved source for exports to an Australian based MNC for mining and earth mover equipment components.

The components division is well placed on a growth trajectory with our strategy to grow in domestic and global markets. As a backward integration we are also supplying freight car components to our freight car division. We are closely partnering with European Wagon manufacturers and have bagged initial orders for niche fabricated components for freight cars.

Continue to focus on cost efficiencies, improve operational efficiency and profitability

As an integral part of our continuing efforts targeted at ensuring cost efficiencies, we have undertaken a number of initiatives aimed at improving operational efficiencies and optimizing our manufacturing operations including reduction in lead-time in manufacturing processes, leveraging our sourcing networks to control raw material costs through bulk purchases, improving inventory management to optimize transportation costs and expedite raw materials procurement and product delivery, and controlling consumption and wastage through effective supervision of manufacturing processes. We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our international presence and economies of scale as well as by targeting savings in our administrative, procurement and production processes.

Further, we also aim to continue to improve profitability by constant cost rationalization, backward integration, improving product mix by enhancing contribution of machined products, increasing capacity utilization, and increasing exports. We also constantly aim to identify opportunities to implement product improvements and dedicate research and development resources to optimize production processes.

Improving working capital levels

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

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 and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 39, 69, 225, 211 and 242 respectively.

Issuer	Texmaco Rail & Engineering Limited
Face value	₹ 1 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 135.90 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution passed through postal ballot dated October 23, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of [●] Equity Shares, aggregating up to ₹ [●] lakhs, including a premium of ₹ [●] each. A minimum of 10% of the Issue Size, i.e., at least [●] 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 only to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.
Date of Board resolution authorizing the Issue	September 15, 2023
Date of Shareholders' resolution authorizing the Issue	October 23, 2023
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 242 and 96.
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 211, 228 and 237, 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	32,52,48,270 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 211.
Listing and trading	Our Company has obtained in-principle approvals from the BSE and the NSE each dated November 21, 2023 under 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 and Lock-up*" on page 225.
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*", "*Selling*

	Restrictions" *and "Purchaser Representations and Transfer Restrictions"* on pages 211, 228 and 237, respectively.	
Use of proceeds	The gross proceeds from the Issue will be aggregating to approximately ₹ [●] lakhs. The Net Proceeds from the Issue is expected to be approximately ₹ [●] lakhs. See "*Use of Proceeds*" on page 69 for information regarding the use of Net Proceeds from the Issue.	
Risk factors	See "*Risk Factors*" on page 39 for a discussion of risks you should consider before investing in the Equity Shares.	
Indian taxation	See *"Taxation"* on page 245.	
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. Please see "*Dividends"* and "*Description of the Equity Shares"* on pages 96 and 242, respectively.	
Security Codes/ Symbols for the Equity Shares	**ISIN**	INE621L01012
	BSE Code	533326
	NSE Symbol	TEXRAIL

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information extracted from our Audited Consolidated Financial Statements and unaudited consolidated financial statements as at and for the six months ended September 30, 2023, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of the SEBI Listing Regulations. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 97 and 254, respectively.

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SUMMARY OF CONSOLIDATED BALANCE SHEET

(₹ in lakhs)

Sr. No.	Particulars	As at			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
		Unaudited	Audited		
	ASSETS:				
(1)	**Non-current Assets**				
	(a) Property, Plant & Equipment	40,174.69	40,091.99	35,916.13	37,530.48
	(b) Right-of-Use Assets	466.15	194.85	43.34	44.01
	(c) Capital work-in-progress	1,578.28	928.45	245.92	392.92
	(d) Investment Property	2,759.21	2,804.11	2,893.93	2,983.74
	(e) Other Intangible Assets	39.87	46.20	49.68	57.57
	(f) Financial Assets				
	(i) Investments	12,571.60	10,423.93	7,694.15	9,586.22
	(ii) Bank Balance	4,366.01	3,379.14	1,411.07	1,025.16
	(iii) Others	739.36	740.29	902.83	746.89
	(g) Deferred Tax Assets (Net)	5,134.20	5,993.56	6,881.32	8,216.59
	(h) Other Non-current Assets	2,323.34	1,221.72	424.23	503.26
		70,152.71	**65,824.24**	**56,462.60**	**61,086.84**
(2)	**Current Assets**				
	(a) Inventories	70,979.52	67,627.21	36,105.25	30,929.65
	(b) Financial Assets				
	(i) Investments	18.25	17.60	16.70	3,546.91
	(ii) Trade Receivables	80,324.28	78,489.32	56,994.22	61,148.82
	(iii) Cash & cash equivalents	2,614.32	3,076.76	5,606.76	2,260.14
	(iv) Bank balances other than (iii) above	11,232.72	12,224.81	11,659.04	8,270.02
	(v) Loans	1,399.04	1,518.24	2,277.47	1,791.55
	(c) Current Tax Assets (Net)	5,058.37	5,778.12	5,250.96	3,144.66
	(d) Other Current Assets	1,08,049.04	1,03,969.30	92,032.64	92,009.20
		2,79,675.54	**2,72,701.36**	**2,09,943.04**	**2,03,100.95**
	TOTAL ASSETS	**3,49,828.25**	**3,38,525.60**	**2,66,405.64**	**2,64,187.79**
	EQUITY AND LIABILITIES:				
1	**Equity**				
	(a) Equity Share capital	3,218.70	3,218.70	3,218.70	2,503.43
	(b) Other Equity	1,39,346.73	1,35,999.81	1,29,835.31	1,11,636.53
	(c) Non-Controlling Interest	(252.98)	(241.30)	(220.14)	(223.41)
2	**Non-current Liabilities:**				
	(a) Financial Liabilities				
	(i) Borrowings	21,341.73	16,359.44	4,765.81	5,273.50
	(ia) Lease liabilities	119.62	119.66	-	-
	(b) Provisions	961.09	878.57	855.42	936.66
	(c) Other non-current liabilities	8,489.16	9,023.59	11,524.08	11,946.21
		30,911.60	**26,381.26**	**17,145.31**	**18,156.37**
3	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	87,431.62	81,890.23	66,214.04	72,651.93
	(ia) Lease liabilities	36.93	30.70	-	-
	(ii) Trade Payables				
	(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	50,848.58	56,854.51	31,164.39	43,016.86
	(iii) Other financial liabilities	4,190.97	3,579.58	3,332.31	4,414.38
	(b) Other current liabilities	32,729.43	28,946.12	13,159.03	8,858.13
	(c) Provisions	1,366.67	1,865.99	2,556.69	3,173.57
		1,76,604.20	**1,73,167.13**	**1,16,426.46**	**1,32,114.87**
	TOTAL EQUITY AND LIABILITIES	**3,49,828.25**	**3,38,525.60**	**2,66,405.64**	**2,64,187.79**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Sr. No.	Particulars	Year ended			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
		Unaudited	Audited		
I	Revenue From operations	1,46,186.84	2,24,327.74	1,62,173.59	1,68,884.79
II	Other Income	4,109.39	2,637.42	2,243.13	2,503.16
III	**Total Income (I +II)**	**1,50,296.23**	**2,26,965.16**	**1,64,416.72**	**1,71,387.95**
IV	**EXPENSES**				
	Cost of materials consumed	1,08,102.37	1,73,909.24	1,11,724.71	1,01,319.68
	Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	884.37	(12,323.16)	(2,301.91)	16,844.80
	Employee benefit expense	6,669.79	13,005.71	12,603.35	11,688.10
	Finance costs	7,114.94	11,617.49	10,024.14	10,296.95
	Depreciation and amortization expense	2,051.36	3,519.61	3,600.20	3,745.35
	Other expenses	20,790.47	35,195.19	26,125.98	27,159.40
	Total expenses (IV)	**1,45,613.30**	**2,24,924.08**	**1,61,776.47**	**1,71,054.28**
V	**Profit(loss) before tax (III-IV)**	**4,682.93**	**2,041.08**	**2,640.25**	**333.67**
VI	Exceptional items	-	-	-	-
VII	**Profit(loss) before tax**	**4,682.93**	**2,041.08**	**2,640.25**	**333.67**
VIII	**Tax Expenses**				
	a) Current Tax	950.00	0.10	32.98	-
	b) MAT Credit Entitlement	(950.00)	(46.08)	(32.98)	-
	c) Deferred Tax	1,809.39	933.84	1,368.26	(5.47)
	d) Income Tax Paid Related to Earlier Years	-	-	49.99	(21.80)
		1,809.39	**887.86**	**1,418.25**	**(27.27)**
IX	**Profit (Loss) for the period from continuing operations (V-VI)**	**2,873.54**	**1,153.22**	**1,222.00**	**360.94**
X	Profit/(loss) for the period from JV/Associates	854.92	1,427.25	830.79	841.32
XI	**Profit/(loss) for the period**	**3,728.46**	**2,580.47**	**2,052.79**	**1,202.26**
XII	**Other comprehensive income**				
	(A) Items that will not be reclassified to profit or loss	41.34	(46.71)	1,211.98	2,149.01
	(B) Items that will be reclassified to profit or loss	48.19	259.38	(210.65)	166.76
		89.53	**212.67**	**1,001.33**	**2,315.77**
XIII	**Total Comprehensive Income for the period**	**3,817.99**	**2,793.14**	**3,054.12**	**3,518.03**
XIV	**Profit/(loss) for the period Attributable to:**	**3,728.46**	**2,580.47**	**2,052.79**	**1,202.26**
	Owners of the Parent	3,740.14	2,602.63	2,050.01	1,415.83
	Non-Controlling Interest	(11.68)	(22.16)	2.78	(213.57)
XV	**Other Comprehensive Income Attributable to:**	**89.53**	**212.67**	**1,001.33**	**2,315.77**
	Owners of the Parent	89.53	212.67	1,001.33	2,315.77
	Non-Controlling Interest	-	-	-	-
XVI	**Total Comprehensive Income Attributable to:**	**3,817.99**	**2,793.14**	**3,054.12**	**3,518.03**
	Owners of the Parent	3,829.67	2,815.30	3,051.34	3,731.60
	Non-Controlling Interest	(11.68)	(22.16)	2.78	(213.57)
XVII	**Earnings per equity share (for continuing operations)**				
	a) Basic	1.16	0.81	0.75	0.62
	b) Diluted	1.16	0.81	0.75	0.62

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in lakhs)

Sr. No.	Particulars	As at			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
		Unaudited	Audited		
A)	**Cash Flows from Operating Activities:**				
	Net Profit before Taxation & Exceptional Items	**4,682.93**	**2,041.08**	**2,640.25**	**333.67**
	Adjustments for:				
	Depreciation	2,051.36	3,519.61	3,600.20	3,745.35
	Interest Paid	7,114.94	11,617.49	10,024.14	10,296.95
	Bad Debt Written off	25.84	497.77	231.45	51.18
	Provision and Excess Liabilities Written Back / Off (Net)	-	(1.94)	(1.46)	(1.24)
	Interest Received	(411.95)	(628.47)	(374.96)	(335.73)
	Income From Investments	(0.57)	(0.83)	(60.05)	(32.10)
	Profit on Sale of Investments-Current (Net)	-	-	(22.30)	(2.77)
	Gain on Fair Value of Bonds/Mutual Funds	(0.65)	(0.90)	(0.69)	(211.05)
	Loss/(Profit) on Sale of Property, Plant and Equipment (Net)	(13.33)	(22.08)	(10.30)	7.57
		8,765.64	**14,980.65**	**13,386.03**	**13,518.16**
		13,448.57	17,021.73	16,026.28	13,851.83
	Operating Profit before Working Capital Changes & Exceptional Items				
	(Increase) / Decrease in Trade & Other Receivables	(6,067.33)	(33,703.44)	3,719.50	4,818.68
	(Increase) / Decrease in Inventories	(3,352.31)	(31,521.96)	(5,175.60)	22,777.36
	Increase / (Decrease) in Trade Payables & Other Liabilities	(2,688.45)	38,449.13	(9,663.91)	(36,483.98)
		(12,108.09)	**(26,776.27)**	**(11,120.01)**	**(8,887.94)**
	Cash Generated from Operations	1,340.48	(9,754.54)	4,906.27	4,963.89
	Direct Taxes Paid	(230.25)	(529.35)	(2,189.27)	(932.52)
	Cash Flow before Exceptional Items	**1,110.23**	**(10,283.89)**	**2,717.00**	**4,031.37**
	Exceptional Items	-	-	-	-
	Net Cash from Operating Activities	**1,110.23**	**(10,283.89)**	**2,717.00**	**4,031.37**
B)	**Cash Flows from Investing Activities**				
	Sale / (Purchase) of Property, Plant & Equipment's	(3,811.27)	(5,274.37)	(1,575.93)	(829.81)
	(Purchase) / Sale of Investments (Net)	(1,700.00)	(2,143.11)	7,415.71	107.84
	Bank Deposits (Includes having original maturity more than three months)	5.22	(2,533.84)	(3,774.93)	(1,501.19)
	Interest Received	1,224.99	2,247.34	(187.84)	(110.12)
	Dividend Received	0.57	99.28	158.50	32.10
	Net Cash from Investing Activities	**(4,280.49)**	**(7,604.70)**	**2,035.51**	**(2,301.18)**
C)	**Cash Flows from Financing Activities**				
	Receipt / (Payment) of Long-Term Borrowings	5,004.05	11,591.55	1,186.72	(1,908.97)
	Receipt / (Payment) of Short-Term Borrowings	5,541.38	15,676.19	(8,096.63)	2,979.51
	Increase in Share Capital	-	-	715.27	255.84
	Increase in Securities Premium	-	-	15,397.74	7,645.15
	Repayment of Lease Liability	(265.12)	(1.14)	-	-
	Interest Paid	(7,328.95)	(11,843.84)	(10,147.81)	(10,048.05)
	Dividend Paid	(291.73)	(323.55)	(250.53)	(236.58)
	Net Cash from Financing Activities	**2,659.63**	**15,099.21**	**(1,195.24)**	**(1,313.10)**
D)	**Changes in Foreign Currency Translation arising from Foreign Operations**	48.19	259.38	(210.65)	166.76
	Net Decrease in Cash and Cash Equivalents	(462.44)	(2,530.00)	3,346.62	583.85
	Cash And Cash Equivalents at the beginning of the period	3,076.76	5,606.76	2,260.14	1,676.29
	Cash and Cash Equivalents at the end of the period	2,614.32	3,076.76	5,606.76	2,260.14
	Note:				
	Details of Cash and Equivalents				
	Balances with banks-				
	Current Accounts	2,577.45	3,022.86	5,565.09	2,133.22

Sr. No.	Particulars	As at			
		September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
		Unaudited	Audited		
	Cheques on hand	-	0.06	-	51.04
	Cash in hand	36.87	53.84	41.67	75.88
		2,614.32	**3,076.76**	**5,606.76**	**2,260.14**

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material, but the risks set out in this Preliminary Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 178, 126 and 97, respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless the context otherwise requires, references in this section to "we", "us", "our" or "our Company" (including in the context of any financial or operational information) are to Texmaco Rail & Engineering Limited on a consolidated basis.

Our Financial Year ends on March 31 of each year. Accordingly, references to a "Fiscal" or "Financial year" are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023, Fiscal 2022 and Fiscal 2021 has been extracted from our Audited Consolidated Financial Statements beginning on page 263. The financial information included in this section for the six months period ended September 30, 2023 has been extracted from our Unaudited Consolidated Financial Statements approved by the Board of Directors and limited reviewed by the Statutory Auditors beginning on page 255.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Research Report on Indian Rolling Stock and Rail EPC" dated November 2023 prepared by CARE Analytics and Advisory Private Limited ("**CARE**"). We commissioned and paid for this report for the purpose of confirming our understanding of the railways industry in India in connection with the Issue.*

INTERNAL RISKS

1. The revenue of our Company is significantly dependent on successfully obtaining tenders from the government or semi-government authorities. Inability on our part to obtain tenders or fulfil them in time, or at all, may adversely affect our revenue from operations, business and financial condition.

From time to time, we bid for tenders from various governmental and semi-governmental authorities for our contracts, majority of which are for the Indian Railways. As on September 30, 2023, our order book consisted of ₹ 7,80,000 lakhs of which 51.97% was from the Indian Railways. Our revenues and order book may be adversely affected in case we fail to obtain tenders from the Indian Railways or other governmental authorities, on time or at all. We cannot assure you that we will be able to fulfil all the orders we receive, on schedule and successfully turn them into our revenue. Inability to fulfil the tenders obtained may adversely affect our brand image, reputation and results of operations.

Further, we may lose out on potential revenue streams if we fail to secure tenders, which could lead to a decline in our financial performance. Failure to secure tenders may also lead to a loss of market share and adversely affect our ability to perform in the market. In case we are unable to fulfil the tenders obtained by us from the authorities in a timely manner, or at all, it may cause damage to our reputation and credibility in the industry. This may lead to a loss of trust from our clients and stakeholders, which could further adversely affect our ability to secure tenders in the future. In addition, we may also be exposed to legal proceedings if we fail to fulfil contractual obligations in the tenders obtained, and consequently, will result in potential litigations and monetary penalties, which may further impact our cash flows and financial condition.

2. ***Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations or shutdown of our manufacturing facilities may have a material adverse effect on our entire manufacturing operations and consequently, our business, financial condition and our results of operations.***

Our manufacturing operations are dependent on and based out of six manufacturing facilities at six locations, of which five are in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal and one at Urla, Raipur located in Chhattisgarh. Our manufacturing operations and consequently our business is dependent upon our ability to manage the manufacturing facilities, which is subject to operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, localised social unrest and natural disasters. In the event there are any disruptions at our manufacturing facilities, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, could reduce our ability to meet the conditions of our contracts, manufacture our products and adversely affect sales and revenues from operations in such period. In addition to the loss as a result of such fire or industrial accident, any shutdown of our manufacturing facility could result in us being unable to meet our commitments, which will have an adverse effect on our business, results of operation and financial condition. For instance, due to the COVID-19 pandemic, operations at our manufacturing facility were significantly disrupted and we had to temporarily cease our production activities by shutting down our manufacturing plants in West Bengal and Chhattisgarh. Further, any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. In addition, we may be subject to manufacturing disruptions due to contraventions of or non-compliance with the terms of various regulatory approvals applicable to the manufacturing facility may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities.

We also cannot assure that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our manufacturing facility, which may hinder our routine operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations. In the event of prolonged interruptions in the operations of our manufacturing facility, we may have to import various supplies and products or purchase them locally in order to meet our obligations towards customers, which could affect our profitability, business and financial condition.

3. ***Our Company may face uncertainties during the implementation of the scheme of arrangement entered into between our Company and Belgharia Engineering Udyog Limited which may adversely affect our business, financial condition and results of operations.***

Our Board of Directors, on October 14, 2023, passed a resolution approving a Scheme of Arrangement ("**Scheme**") and Demerger between our Company ("**Transferor Company**" / "**Demerged Company**") and Belgharia Engineering Udyog Private Limited ("**Transferee Company**"/ "**Resulting Company**") and their respective shareholders and creditors, under Section 230 to 232 of the Companies Act and other applicable provisions of the Companies Act and Rules framed thereunder. The Scheme is subject to necessary approvals including that from the Securities and Exchange Board of India, the shareholders and creditors of the Company, and the Hon'ble National Company Law Tribunal, Kolkata Bench ("**NCLT"**). For details, see *"Our Business"* on page 178.

In case we do not receive the requisite approvals from SEBI, shareholders and creditors of the Company, and NCLT, on time or at all, the implementation of the Scheme may be delayed or unsuccessful. Further, consequent to the Demerger, we may be unable to efficiently operate the Demerged Company and the consequently business, thereby adversely affecting the business operations and profitability of the business. Pursuant to the successful implementation of the Scheme, the intellectual property, employees, approvals and properties will be transferred to the Resulting Company. Inability to give effect to such transfers in a timely manner, or at all, may adversely impact the business operations.

4. ***Five of our manufacturing facilities are situated in West Bengal and one in Chhattisgarh, which may expose our business to regional risks, thereby adversely affecting our business, results of operations, financial condition.***

We own five well-equipped manufacturing facilities situated in Kolkata, West Bengal and one in Raipur, Chhattisgarh. The geographical concentration of our manufacturing facilities renders our operations susceptible to regional risks, adverse changes and events occurring in and around such regions. Adverse changes and events that may impact our business operations may include disruptions to our infrastructure and services such as supplies and transportation, significant natural disasters, man-made incidents, political agitations, workforce disruptions, as well as changes in the general economic conditions, regulatory environment, and local government policies. Incidents such as fire or inability to access our manufacturing facilities. or other issues hindering the operations of manufacturing facilities could hinder the manufacturing and distribution of our products. 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. While we have not experienced any disruptions due to regional risks in the past, we cannot assure that we will be able to effectively manage our operations in case such events arise in the future, which may adversely impact our business, cash flows and results of operations.

5. ***We do not enter into long-term agreements with our suppliers for procuring major raw materials essential for our manufacturing process. Further, availability of raw materials and fluctuation in raw material prices may have material adverse effects on our operating profit.***

The major raw materials required for our manufacturing process includes steel long and flat products, mild steel scrap and cast iron scrap, wheel sets, steel castings, bearings, rubber components, forged components, paints, and weld material. Raw material cost is the highest operating expenditure that we incur as a business and the table below provides details of the cost of raw materials for the six months period ended September 30, 2023, and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

(in ₹ lakhs)

Particulars	September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Cost of raw materials	79,974.97	1,22,969.92	80,854.78	70,905.47
% of total revenue from operations	54.71	54.82	49.86	41.98

Also, due to market driven prices, we have no influence on the prices at which we can buy these raw materials, thereby limiting our ability to pass on any increases in raw material prices to our end customers. In addition, supply shortages or delays in deliveries of raw materials can also result in increased costs. Raw materials are subject to supply disruptions and price volatility caused by various factors such as the consumer demand, changes in government programs and regulatory sanctions etc. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products. In the event of any disruption in raw material supply in terms of requisite quantities and qualities, our production schedule may also be adversely affected having an impact on our business operations.

Further, we do not have long term agreements with our raw material suppliers, and we typically procure such raw materials through purchase orders which are placed as per our strategies for production. Due to the absence of formal supply contracts, we may face disruptions in raw material supplies. While we have not faced raw material supply shortages in the past, there cannot be an assurance that we shall not face shortages in future. In case the suppliers from whom we ordinarily procure raw materials are unable to meet our requirements, we may not be able to source raw material from alternate sources, in time or at all or on commercially viable terms, which may disrupt our production processes and customer commitments. Such events may adversely affect our reputation, business and financial performance.

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

We are dependent on certain key customers in the automotive sector. Our top five customers accounted for 68.31%, 57.99%, 46.30% and 49.18% of our total revenues from sale of products on a consolidated basis for six months period ended September 30, 2023, and Financial Years 2023, 2022 and 2021. The details in relation to each of the divisions and their contribution to the % of total income as on September 30, 2023, and Financial Years 2023, 2022 and 2021 is provided below:

Particulars	For the six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Income				
- Heavy Engineering Division	1,11,776.31	1,19,108.79	60,458.07	66,012.90
- Steel Foundry Division	37,395.46	54,562.15	33,603.56	31,962.80
- Infra – Rail & Green Energy Division	21,994.63	66,198.92	68,248.23	65,291.49
- Infra - Electrical Division	6,193.30	20,154.59	19,131.72	19,674.71
Total Income	1,77,359.70	2,60,024.45	1,81,441.58	1,82,941.90
Profit after tax	3,728.46	2,580.47	2,052.79	1,202.26

For further details of the contribution of customers from each of the divisions to our revenues from sale of products for the six months period ended September 30, 2023, and Financial Years 2023, 2022 and 2021, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant factors affecting our financial condition and results of operations – Purchasing patterns of our principal customers"* on page 99. As we are dependent on certain key customers, the loss of such customers including as a result of a dispute with or disqualification by them may materially affect our business and results of operations.

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

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

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

Our Company has derived a majority of its revenues from the Indian Railways, and for the six months period ended September 30, 2023, and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, the revenue from government contracts and the percentage contribution to our revenue from operations is indicated below:

Particulars	For the six months period ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Amount (in ₹ lakhs)	70,826.00	75,253.07	21,402.11	25,836.10
% of our net revenue from operations	48.45	33.55	13.20	15.30

In addition, approximately ₹ 4,05,366 lakhs of our Company's order book as at September 30, 2023, consisted of orders from the Indian Railways.

The Indian Railways and other government bodies typically take a longer period than corporates in the private sector to make payment for services rendered. Our reliance on contracts with government bodies may lead to a longer working capital cycle. We have a longer working capital cycle for our EPC division wherein the realization of our revenues is delayed, intensive capital and inventory is utilized, which strains our cash flows. In contrast, our Heavy Engineering Division has a relatively shorter working capital cycle wherein there is quicker turnaround of the capital invested and the revenue recognition is faster. Since a significant part our revenues are earned from the EPC Division, there is no assurance that we will be able to obtain payment from the Indian Railways and other government bodies in a timely fashion, or, if bad debts fall due, that we will be able to enforce repayment for such amounts.

8. A significant portion of our business is undertaken through long term engineering, procurement and construction contracts. Any change in scope or price of such contracts may result in deviation from long term profits.

A majority of our business is undertaken through long term contracts from the Indian Railways (including Zonal Railways) Metro Rail Corporations promoted by State and/or Central Government, and we recognize our revenue over the contractual period (as extended), in accordance with the requirements of Ind AS 115. Due to the nature of the contracts entered into by us, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and our right to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations.

Inaccurate estimation of contract costs, project complexities, project scope or unexpected events may adversely impact the project timelines and deviate profits significantly, which may result in unforeseen potential losses. Additionally, delays may occur due to unforeseen circumstances such as skilled labour shortages or supply chain disruptions which may impact our ability to complete projects on time and within budget. This may also lead to penalties and damages being imposed by such parties with whom we enter into contracts and result in financial losses and adversely impact our business, financial condition and results of operations.

9. The demand for our special purpose commodity specific wagons is related to GDP growth which sustains the demand for specific commodities like coal, iron ore, steel, cement, automobiles and logistics. Any decrease in demand for such specific commodities may also result in decrease in demand for our wagons, which may consequently adversely affect our business operations.

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

10. Our inability to effectively manage our growth or successfully implement our business strategies and growth plan may have an adverse impact on our business, results of operations and financial condition.

Our revenue from operations has grown by 32.83% from ₹ 1,68,884.79 lakhs in Financial Year 2021 to ₹ 2,24,327.74 lakhs in Financial Year 2023 at a CAGR of 15.25%. We cannot assure you that our growth strategies will continue to be successful and result in the success of our business operations or that we will be able to continue to further expand our business.

The success of our business significantly depends on our ability successfully implement our business and growth strategies. Our business strategies involve leveraging on the capabilities of our steel foundry, strengthening our exports, targeting new markets, developing new technology products, enhance operational and cost efficiencies and improving working capital and profitability levels. For further details, see *"Our Business – Our Strategies"* on page 182.

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, develop innovative products and technologies, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. There can be no assurance that we will be able to execute our growth strategy on time and within our estimated budget, or that our business strategies will increase our profitability. Our inability to manage our business and implement our growth strategy could adversely impact our business, results of operations and financial condition.

11. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds, after meeting the expenditures in relation to the Issue, for (i) Funding the capital expenditure requirements for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Agarpara, Belgharia, Sodepur and Urla (ii) repayment or pre-payment, in full or part, of certain outstanding high cost borrowings availed by our Company, (iii) funding working capital requirements by our Company and (iv) general corporate purposes. For further details, see section titled *"Use of Proceeds"* at page 69. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Further, as per the provisions of the SEBI ICDR Regulations, we are required to appoint a monitoring agency and therefore CARE Ratings Limited has been appointed as the monitoring agency for the Issue. Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

12. We have not entered into any definitive agreements with respect to capital expenditure requirements for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Agarpara, Belgharia, Sodepur and Urla.

We intend to use the Net Proceeds of the Issue, inter alia, towards capital expenditure requirements for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Agarpara, Belgharia, Sodepur and Urla as set forth in the section *"Use of Proceeds"* on page 69. We have not entered into any definitive agreements to utilize the Net Proceeds towards the proposed abovementioned capital expenditure. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on civil work, equipment and machinery. We cannot confirm whether we will be able to undertake civil work and purchase the equipment and machinery at the same price at which we obtained the quotations. Consequently, we may require additional funds towards such capital expenditure.

There can be no assurance that our plans for purchasing new equipment and machinery and civil work at our manufacturing facilities will be implemented as planned or on schedule. We may experience significant delays or mishaps in the implementation of our plans. Further, unforeseen delays may occur due to external factors such as cost overrun, economic conditions, unanticipated expenses or regulatory changes may adversely affect our business operations.

13. The operations of our hydro mechanical division are exposed to certain risks such as incorrect design and engineering constructions and natural disasters, which adversely impact our business and results of operations.

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

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

14. ***We depend on the Indian Railways for a large portion of allotment of rails and sleepers for laying of track for new line, gauge conversion and doubling projects, and access to site. Any delay from the Indian Railways or any of our other clients for allotment of the required rails and sleepers may delay our projects and may adversely affect our business, financial condition and results of operations.***

In some of our rail EPC contracts, the rails and sleepers are supplied by Indian Railways or by our other clients, in respect of which we depend on the Indian Railways or our other clients for granting of access to sites, for allotment of rails and sleepers for laying of tracks for new line, gauge conversion and doubling projects. Any delay on the part of Indian Railways or other clients in procuring the required rails and sleepers may delay some of our projects and may adversely affect our business, financial condition and results of 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. However, in the recent past, there have been instances where the Indian Railways has not been able to provide us with access to sites for some of the projects, which has resulted in delays in execution of projects like WDFCC and Bangalore Metro. There can be no assurance that such delays will not occur in future as well. Our operations are also dependent on supply of wheel sets. Shortage of critical items like wheels sets & other components may affect the performance of the Company. This could adversely affect our order book position, business, financial condition and results of operations.

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

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

Contract delays or cancellations or adjustments to the scope of work may occur from time to time due to a customer's default, incidents of force majeure, legal impediments or our Company's default, all of which may adversely affect the actual revenue earned from contracts reflected in our order book. Further, termination of contracts by our customers would lead to loss of expected revenues from such contracts. In the event of such termination, there can be no assurance that our Company will receive compensation to cover all its costs.

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

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

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

We cannot assure you that the form filing which we have not been able to locate will be available in the future or that the information gathered through other available documents is correct. Further, we cannot assure you that the filing was done at all or in timely manner and that we shall not be subject to penalties on this account. Additionally, while no legal proceedings or regulatory action has been initiated against our Company in relation to the aforementioned matter as of the date of this Preliminary Placement Document, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing statutory return. In addition to aforementioned, there have been instances of delays in the annual filing with RoC and the aforesaid filing was done after payment of additional fees, however, no penalty was imposed by the MCA. We cannot assure you that there will be no proceedings or regulatory actions initiated against our Company in the future in relation to the aforesaid delay in the annual filing.

17. ***Some of our offices are located on leased/licensed premises. There can be no assurance that these lease/leave and license agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

Some of our offices are located on leased/licensed premises. The lease/ leave and license agreements entered into by us in relation to our offices, may be terminated by either party unilaterally without cause, after providing prior written notice in the manner stipulated in such agreements. The term of the lease agreements for our manufacturing facilities and our offices ranges from 62 years to 99 years. Any termination or non-renewal of such leases could adversely affect our operations. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing offices on terms favorable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

18. ***As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/ delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

Our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. During the last three preceding years from the date of this Preliminary Placement Document, our Company has complied with the SEBI Listing Regulations except for one instance wherein our Company had received inquiries from the Stock Exchanges on the corporate governance report submitted by our Company for the quarter ended December 31, 2020, requesting an explanation for the non-compliance of Regulation 17(1) of the SEBI Listing Regulations. The BSE and NSE levied a penalty of ₹2,65,500 each and the same was paid. Subsequently, our Company applied for a waiver of the penalty, citing reasons for the delay in appointing an Independent Directors. Further, we submitted replies to the Stock Exchanges explaining the reason of vacancy and informed that we had appointed new Independent Directors, Mr. Virendra Sinha and Ms. Rusha Mitra, on February 17, 2021. However, the Stock Exchanges once again levied a penalty of ₹2,77,300 each for above-mentioned non-compliance after submitting the corporate governance report for the quarter ended March 31, 2021. We once again requested a waiver of this penalty, as we complied with the SEBI Listing Regulations after appointing Independent Directors on February 17, 2021, and the Stock Exchanges were duly informed of the same on such appointment. However, BSE rejected our waiver request on August 3, 2021. As a result, our company paid a penalty of ₹2,53,800 each to BSE and NSE on September 30, 2021, and October 2, 2021, respectively. For further details, see *"Legal Proceedings"* on page 248.

Although our Company endeavours to comply with all such obligations/reporting requirements, there may be instances of non-compliance and delays in complying with such obligations/reporting requirements in the future. Any such delays or non-compliances would render our Company to prosecution and/or penalties. Although our Company has not received any further communication from the stock exchanges or any statutory authority in this regard, there is a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements.

19. ***We have significant high-cost borrowings in the form of inter-corporate deposits due to which we incur high interest rates which may affect our cash flows and financial condition. Further, the Promoter and Promoter Group entities and the group companies will receive ₹ 929.70 lakhs and ₹ 6,864.85 lakhs, respectively towards repayment of the inter-corporate deposits provided by them to our Company.***

As on October 31, 2023, our Company has inter-corporate deposits amounting to ₹ 23,819.55 lakhs, all of which are unsecured and are recallable on demand. Further, of the aforementioned, ₹ 7,794.55 lakhs are inter-corporate deposits provided by the Promoter, Promoter Group entities and the group companies to our Company. Accordingly, the Promoter Group entities and the group companies will receive ₹ 6,864.85

lakhs (towards repayment of the inter-corporate deposits) from the Issue Proceeds. Additionally, Zuari International Limited (*Formerly Zuari Investments Limited*), the Promoter of our Company will receive ₹ 929.70 lakhs from the Issue Proceeds on account of repayment of inter-corporate deposits provided by them to our Company. We have high-cost borrowings in the from inter corporate deposits, due to which we incur significant interest expenses as the interest rates levied on inter corporate deposits is usually higher. Consistent payment of interest expenses on inter corporate borrowings may limit our ability to fund our operations and projects. Sudden rise in the interest rates and market conditions may also affect the costs of the inter corporate deposits. Further, due to the high interest rates, we may face challenges in refinancing or repaying these loans when they mature. Failure in repayment of the borrowings or failure to adhere to the terms and conditions agreed upon, can lead to legal consequences and penalties. High-cost borrowings may also adversely affect our market reputation and adversely impact our liquidity, profitability, cash flows and results from operations. In case there occurs a downturn in our business operations, we may struggle to pay the interest costs or the debt itself, in part, or at all. The interest rates are subject to various fluctuations due to the economic and market conditions which may adversely affect the cost of inter corporate deposits.

20. Our inability to accurately forecast demand for our products and manage our inventory may adversely impact our business, financial conditions and results of operations.

Our raw materials include steel long and flat products, MS and CI scrap, wheel sets, steel castings, bearings, rubber components, forged components, paints, and weld material. For the six months period ended September 30, 2023, and Financial Years 2023, 2022 and 2021, our total inventory stood at ₹ 70,979.52 lakhs, ₹ 67,627.21 lakhs, ₹ 36,105.25 lakhs, and ₹ 30,929.65 lakhs, respectively. Our revenues are difficult to predict and can vary significantly from quarter to quarter as majority of our order book is based on contracts awarded by the Indian Railways through a bidding process. Due to uncertainty in orders, we may face difficulty in maintaining an inventory of raw materials.

Any error in forecasting could result in deficit or surplus stock which will have an adverse effect on our profitability. In case we have a high level of inventory, it may increase the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations.

If we are unable to forecast our production to match such demand, we may be unable to supply the requisite quantity of products to our customers in a timely manner, or at all. Any increase in our turn-around time may affect our production schedules and disrupt the supply of our products which may have an adverse impact on our business, financial condition, and results of operations.

21. We are subject to strict quality requirements, regular inspections and audits and the success of our products is significantly dependent on our quality standards. Any failure on our part in maintaining our quality accreditations and certifications may adversely impact our brand reputation, business prospects and financial performance.

We have received a number of quality assurance certifications and accreditations which have certified our products and manufacturing processes. While we believe we undertake the necessary measures to ensure that our manufacturing facilities comply with the applicable standards, 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 orders and even lead to loss of customers.

For instance, our manufacturing facilities have received various certifications for compliance, including ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, EN 15085-2 CL1 and “Class A foundry” AAR quality assurance program (as mentioned in M-1003, M-201, M-210 and M-215) by RDSO (Research Designs & Standards Organization), Ministry of Railways, Government of India, for manufacturing wagons. If we are unable to renew the ISO accreditations and various other certifications, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and existing customers and, as a result, adversely affect our business, financial condition and results of operations.

22. ***Certain contracts entered into by our Company do not contain price escalation or variation clauses in respect of increases in prices of the materials. Unexpected price escalations may result in increased costs for our Company which may adversely affect our financial condition and profitability.***

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

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

23. ***If we are unable to raise additional financing, our business, results of operations and financial condition could be adversely affected. Further, any movement in the market interest rates could have an effect on our net income or financial position.***

We will continue to incur significant expenditure in maintaining and growing our existing business and infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash in hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the credit availability from banks, investor confidence, the continued success of our operations and laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants and may have to grant security interests over certain of our assets. Further, our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. Any changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities.

If we are unable to raise adequate financing in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected. Further, in the event of a breach of relevant terms of our financing arrangements, we may be required to seek waivers of such breaches, including cross defaults arising from the breach of relevant covenants. We cannot assure you that we will be able to obtain such waivers on satisfactory terms, or at all, and the relevant lenders could, inter-alia, impose penal and default interests, accelerate the maturity of our obligations and declare all amounts payable in respect of the facility to be due and payable immediately or otherwise on demand. In the event of any such acceleration, we may 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, or if required, sale of our assets. Further, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates with more onerous covenants.

24. ***Our experienced management team and other senior management personnel are critical to our continued success and our inability to retain such personnel could adversely affect our business.***

Our success significantly depends upon the continued service of our experienced management team and other senior management personnel who set out the strategic business direction and manage our business. Our ability to meet future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Further due to the current limited pool of skilled personnel, competition for senior management, technical and finance professionals in our industry our ability to retain and attract qualified individuals is critical to our success. Competition for individuals with specialized knowledge and experience is intense in our industry. If we lose the services of such members, we may be unable to locate suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

25. ***Certain of our Directors and Key Managerial Personnel have interests in our Company other than the reimbursement of expenses incurred and normal remuneration or benefits.***

Certain of our Directors and Key Managerial Personnel have interests in our Company that are in addition to reimbursement of expenses and normal remuneration payable to them. Certain Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Directors and Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details of such interests, see "*Board of Directors and Senior Management*" on page 193, respectively.

26. ***We are party to certain legal proceedings that, if decided against us, could have an adverse effect on our reputation, business prospects, financial condition and results of operations.***

We are involved in legal proceedings including civil and other legal proceedings which are in the ordinary course of business. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. In addition, we are involved in various direct tax and indirect tax proceedings. Brief details of material outstanding litigation which have been initiated by and against our Company, Subsidiaries and Directors, as applicable, are set for the below:

(in ₹ lakhs)

Type of proceedings	Number of cases	Amount
Legal proceedings against our Company		
Material civil litigation	3	2,276.15
Tax matters	77	21,601.95
Actions and proceedings initiated by statutory and regulatory authorities	1	10.85
Criminal matters	-	-
Legal proceedings by our Company		
Material civil litigation	1	782.41
Criminal matters	1	330.00
Legal proceedings against our Subsidiaries		
Material civil litigation	-	-
Tax matters	-	-
Actions and proceedings initiated by statutory and regulatory authorities	-	-
Criminal matters	-	-
Legal proceedings by our Subsidiaries		
Material civil litigation	-	-
Criminal matters	-	-
Legal proceedings against our Directors		
Material civil litigation	-	-
Actions and proceedings initiated by statutory and regulatory authorities	-	-
Criminal matters	-	-
Legal proceedings by our Directors		
Material civil litigation	-	-
Actions and proceedings initiated by statutory and regulatory authorities	-	-
Criminal matters	-	-

We cannot assure you that such outstanding legal proceedings will be decided in our favour or that any financial provisions we have made for such legal proceedings will be sufficient. For details of such legal proceedings, see "*Legal Proceedings*" on page 248. Such legal proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. 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 our current liabilities. An adverse outcome in such proceedings could have an adverse effect on our business, reputation and results of operations.

27. Our Promoters and Promoter Group will continue to hold a majority of our Equity Shares after the Issue and can significantly influence our corporate actions.

As on September 30, 2023, our Promoters and Promoter Group hold 58.70% of our Equity Share capital. For details of risks in relation to the future changes in the shareholding of our Promoters and other major shareholders, please refer to "*–We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares*" on page 63. As such, our Promoters and Promoter Group exercise significant influence over our business, policies and affairs and all matters requiring a shareholders' vote. This concentration of ownership also may delay, defer or prevent a merger, acquisition or change in control of our Company and may make some transactions more difficult or impossible without the support of these Shareholders, which may adversely affect our business. We cannot assure you that the interests of our Promoter and members of our Promoter Group will not conflict with the interest of other Shareholders.

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

The trademark and corporate logo 'Adventz' is registered with the Registrar of Trademarks in India in the name of our group company, Adventz Industries India Limited. We cannot assure you that we will continue to have uninterrupted use of the trademark and corporate logo "Adventz". As per board resolution dated October 27, 2016, our Company was obligated to pay 0.20% of its overall sale/revenue/total turnover to Adventz Industries India Limited for the use of "Adventz" brand. Adventz Industries India Limited through its letter dated February 5, 2017 has agreed to waive off the abovementioned payment until further notice and we have not received any further communication till the date of this Preliminary Placement Document. However, we are not sure whether we will be required to pay any fee towards our use of the trademark "Adventz" in the future. Also, any subsequent contract for the use of the logo may be on terms and conditions that are unfavourable or unacceptable to our Company. Termination or withdrawal of the permission may adversely affect our business, reputation, goodwill, financial condition and results of operations. Further, certain of our group companies also use the "Adventz" trademark and corporate logo. If any of the actions of group companies negatively affect the "Adventz" brand, our reputation, business and financial condition may in turn be adversely affected.

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

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

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

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

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

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

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

31. We require several licenses, approvals and permissions for carrying on our business. If we are unable to obtain or renew the expiring/expired material approvals and licenses in a timely manner, our business and operations may be adversely affected.

We require certain statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control board, importer-exporter code, registration and licenses issued under the Factories Act, 1948, as amended, for our manufacturing units, commissioning certificates and safety certificates from the state electricity board, registration certificates issued under various labour laws including contract labour registration certificates and licenses as well as various taxation related registrations, such as Goods and Service Tax registrations. The success of our strategy to modernise, optimise and expand our existing operations in the segments in which we operate is contingent upon, among other factors, receipt of all required licenses, registrations, permits and authorisations. Whilst we have obtained a significant number of approvals for our businesses. There can be no assurance that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed 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. While we will endeavour to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. Further, there can be no assurances that the legal framework, licensing and other regulatory requirements or enforcement trends in our industry will not further change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes, for instance, an application bearing reference number 659392 for the renewal of a factory license, and the applications with reference numbers 3554392 and 2527735 for the renewal of consent to operate for the discharge of effluent under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981, are still under approval. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations.

32. Any increase in or realisation of our contingent liabilities could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

As on March 31, 2023, our aggregate contingent liabilities, were ₹ 1,40,549.92 lakhs. The details of our contingent liabilities, as per Ind AS 37, which have not been provided for by us at March 31, 2023, as per our financial statements are as follows:

(in ₹ lakhs)

Particulars	As at March 31, 2023
Bank / Corporate Guarantees given in the normal course of Business	1,21,838.86
Bonds issued to custom department	92.20

Particulars	As at March 31, 2023
Claims under dispute (Excise, Service Tax, Income Tax and others)	18,618.86
Total	**1,40,549.92**

If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition, cash flows and results of operations. For details of the contingent liabilities of the Company as per Ind AS 37, see *"Financial Information – Fiscal 2023 Audited Consolidated Financial Statements"* beginning on page 263. Additional tax liabilities may arise in the future as our Company is party to certain tax litigations pending before various appellate forums and our Company may also be subject to penalty, which may have a material adverse effect on our results of operations, cash flows and financial condition.

33. Our business could be adversely affected by labour disruptions.

Our manufacturing activities are labour-intensive and we depend upon motivated, skilled employees to operate our unit. As of September 30, 2023, we had a total of 2,624 permanent employees and 3,714 temporary/contractual/casual workers. Although we have not faced strikes or labour disputes in the past, we are exposed to the risk of strikes and other industrial actions from our workmen in the future. Although we believe that we have good industrial relations with our employees presently, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may adversely affect our operations by delaying or slowing down our production, increasing our production costs or even halting a portion of our production. This may also cause us to miss our product supply commitments, hurt our relationships with customers and disrupt our supply chain, further affecting our revenue and margins. Additionally, our inability to recruit employees, in particular skilled employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability.

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

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

35. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. We engaged an average of 3,714 contract labourers per day for the month ended September 30, 2023. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. In case the independent contractor fails to pay the labourers, we may need to pay the wages directly which we, later on, deduct from the invoice of such independent contractor. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Any need to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

36. We rely on third-party transportation providers for procurement of raw materials and for supply of our products and failure by any of our transportation providers could result in loss in sales.

We use third-party transportation providers for procuring our raw materials as well as for distributing our products with regards to our container business to our customers. This makes us dependent on various intermediaries such as domestic logistics companies and container freight station operators. We cannot guarantee that there will not be any delay in transportation and delivery of our products to our customers. Weather-related problems, strikes, or other events could impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us which may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could adversely affect the performance of our business, results of operations and cash flows. Further, our third-party transportation providers do not carry any insurance coverage and therefore, any losses that may arise during the transportation process will have to be claimed under the Company's insurance policy. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flow.

37. Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our profitability, results of operations and cash flows.

Although we have put measures in place dedicated to monitoring illegal and unethical behaviour, fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. We may be subject to substantial financial losses and damage to our reputation and loss of business from our customers, owing to such employee misconduct. Such misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand/goodwill. We cannot assure you that we will always be able to deter employee misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Such instances of employee misconduct could have material adverse impact on our profitability, results of operations and cash flows.

38. 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 several of our related parties. While we believe that all our related party transactions have been conducted on an arm's-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, the transactions we have entered into, or any future transactions with our related parties, have involved or may potentially involve conflicts of interest. It is likely that we may continue to enter into related party transactions in the future and we cannot assure you that such transactions, individually or in the aggregate, will not adversely affect our financial condition and results of operations. For more information on our related party transactions, please see "*Financial Information – Fiscal 2023 Audited Consolidated Financial Statements – Note no. – 1.36 – Related Party Disclosure, Fiscal 2022 Audited Consolidated Financial Statements – Note no. – 1.36 – Related Party Disclosure and Fiscal 2021 Audited Consolidated Financial Statements – Note no. – 1.37 – Related Party Disclosure*" on pages 301, 354 and 403, respectively.

39. Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.

Operating and managing a business involves many risks that may adversely affect our operations, and the availability of insurance is therefore important to our operations. We could be held liable for accidents that occur at our manufacturing facility or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of coverage include insurance such as, money insurance, fire and standard perils policy, group personal accident policy, marine transit policy, vehicle policy and group mediclaim. We currently do not have any insurance for all industrial risks and public liability. As of September 30, 2023, our total insurance coverage on our fixed assets was ₹ 84,781.16 lakhs and the value of our fixed assets was ₹ 40,174.69 lakhs post depreciation, covering 211.03% of our total assets.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, to the extent that any uninsured risks materialise or if we fail to effectively cover ourselves against any risks, we could be exposed to substantial costs and losses that would adversely affect our financial condition. In addition, our insurance coverage expires from time to time, and we may not be able to renew our policies in a timely manner, or at acceptable cost. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

40. ***Our financing agreements include certain conditions and restrictive covenants. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.***

As of September 30, 2023, we had total outstanding borrowings of ₹ 1,08,773.35 lakhs. Our financing agreements include certain conditions and restrictive covenants. Apart from the requirement to pay the principal and interest in the manner specified, such agreements also require us to maintain certain financial ratios, ensure our promoters maintain majority control and conform with other similar conditions. Our borrowing arrangements also include certain affirmative covenants such as (a) effecting any change in the capital structure; (b) formulating a scheme of amalgamation or reconstruction; (c) any change in the nature of the business; (d) undertaking expansion of the business operations; (e) any amendment in the constitutional documents; (f) any change in the management or shareholding; and/or (g) raising additional sources of capital, prior to which we are required to either intimate or obtain a consent from our lenders. While we have obtained necessary consents from our lender as required under our loan/financing documentation, for undertaking the Issue and related actions, we cannot assure you that we will be able to obtain such approvals in the future to undertake such activities as and when required or to comply with such covenants or other covenants in the future.

Our inability to comply with the covenants of our financing arrangements could result in occurrence of an event of default, resulting in termination of one or more of our borrowing facilities, acceleration of repayment, levy of penal interest and/or withdrawal of the respective facility sanctioned. In addition, if our liquidity needs, or growth plans, require consents from our lenders and such consents are not obtained, we may be forced to forego or alter our plans, which could materially and adversely affect our financial condition and results of operations. The implications of such restrictive covenants could have a material adverse impact on our operations and financial conditions.

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

We have expanded our market overseas and have exported freight cars and rolling stock components to various countries. We have exported gondola wagon to Liberia, tank wagon to Cameroon, Bangladesh and Sri Lanka, phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreadnought ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa. As a result, our financial condition and results of operations are affected by political and economic conditions impacting countries where we operate. We face a number of risks associated with our operations, including challenges caused by distance, local business customs, languages and cultural differences and adverse changes in laws and policies, including those affecting taxes and royalties on energy resources. Other risks may relate to labour, local competition law regimes, environmental compliance and investments, difficulty in obtaining licenses, permits or other regulatory approvals from local authorities; adverse effects from fluctuations in exchange rates; multiple and possibly overlapping and conflicting standards and practices of the regulatory, tax, judicial and administrative bodies of the relevant foreign jurisdiction; political strife, social turmoil or deteriorating economic conditions; military hostilities or acts of terrorism; and natural disasters, including earthquakes in India and flooding and tsunamis in Southeast Asia, and epidemics or outbreaks such as avian flu, swine flu or severe acute respiratory syndrome. In addition, the infrastructure of certain countries where we operate our business, in particular India but also in Africa, is less developed than that of many developed nations and problems with their port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activities.

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

42. If we are not able to compete successfully against existing and new competitors, we may lose customers and market share as well as reduce our margins.

The product segments in which we operate are mature and highly competitive in India, as a limited number of large manufacturers compete for consumer acceptance. Competition is based upon brand perceptions, product performance and innovation, customer service and price. In particular, this competition may affect our ability to bid competitively for supply contracts with the Indian Railways and other government bodies which are awarded pursuant to competitive bidding processes. In accordance with the prevailing procurement policies of the Indian Railways, a certain proportion of these contracts are awarded to the lowest bidder. Some of our competitors which operate on a relatively smaller base and any new entrants to the industry may be willing to reduce their margins in order to gain market share and may lower their bid values for securing these contracts.

Our ability to compete effectively may be affected by factors such as:

- our competitors may have substantially greater financial, marketing, research and development and other resources and greater market share in certain segments than we do, which could provide them with greater scale and negotiating leverage with distributors, and suppliers;

- our competitors may have lower manufacturing, sales and distribution costs, and higher profit margins, which may enable them to offer aggressive retail discounts and other promotional incentives.

Any failure by us to compete effectively, including in terms of pricing or providing quality products, could have a material adverse effect on our business, results of operations and financial condition. Our ability to compete successfully will depend, in significant part, on our ability to reduce costs by such means as leveraging global purchasing, improving productivity, elimination of redundancies and increasing manufacturing at low-cost supply sources. If we are unable to compete successfully, our market share may decline, which may have a material adverse effect on our results of operations and financial condition.

43. Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.

The cost and availability of capital depends in part on our credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Set forth below is the instrument-wise credit ratings assigned to our debt facilities by CARE Ratings Limited (last revalidated on May 11, 2023). There has been no downward revision in the credit ratings assigned to our Company since such date.

Instrument	Amount (in ₹ lakhs)	Rating
Fund-based long-term bank facilities – Cash Credit	7,435.00	CARE BBB+; Stable
Fund-based long-term bank facilities – Term Loan	2,123.10	CARE BBB+; Stable
Non-fund-based long-term/ short-term – BG/ LC	19,455.00	CARE BBB+; Stable/ CARE A3+
Fund-based short-term bank facilities – Packing credit in foreign currency	300.00	CARE A3+

Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows. In addition, certain of our financing arrangements provide that if any downgrade in our credit ratings below certain thresholds at any time during the currency of borrowings availed by us, the lenders have a right call upon our Company to mandatorily prepay the loan. Further, any downgrade in our credit ratings may increase the effective yield and consequently the redemption amount may be reset and stepped up under certain of our financing arrangements. It could also increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, cash flows and financial condition.

44. Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollars and Euro. We have availed foreign currency loans and have foreign currency trade payables and receivables and are therefore, exposed to foreign exchange risk.

The table below sets forth the details of revenue received from exports, for the periods indicated:

Particulars	For the six months period ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Revenue from exports (in ₹ lakhs)	7,452.26	21,094.16	9,669.70	10,255.24
% of revenue from operations	5.10	9.40	5.96	6.07

The table below sets forth the details of the cost incurred on import of raw materials, for the periods indicated:

Particulars	For the six months period ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Cost of raw materials imported (in ₹ lakhs)	Nil	5.50	5,176.45	1,191.69
% of total cost of raw materials	Nil	Negligible	6.40	1.68

Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We enter into derivative financial instruments to manage our exposure to foreign exchange rate risks, including foreign exchange forward contracts. We hold derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. However, we may be affected by fluctuations in exchange rates among the U.S. dollar/Euro and the Indian Rupee. In Financial Year 2023, our net foreign currency denominated sales (sale in foreign currency less expenses in foreign currency) amounted to ₹ 6,886.99 lakhs.

45. ***Our business is dependent on our ability to adopt new technology and respond to new and enhanced products. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, results of operations, cash flows and financial condition.***

The industry in which we operate is subject to significant changes and rapid technological advancement, with the constant introduction of new and enhanced products. Our success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition.

46. ***Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition, results of operations and future prospects.***

We have implemented various information technology ("**IT**") and enterprise resource planning ("**ERP**") solutions to cover key areas of our business operations such as order to cash (O2C), procurement to payment (P2P), manufacturing and it's online accounting. Therefore, the reliability of our network infrastructure is critical to our business**.** We utilize the Oracle ERP software for our business operations and are currently in the process of upgrading the software which will approximately be implemented in one year. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature which could result in a material adverse effect on our operations. Cyber-based risks, in particular, are evolving and include attacks on our IT infrastructure, as well as attacks targeting the security, integrity and/or availability of the hardware, software and information installed, stored or transmitted in our products, including after the purchase of those products and when they are installed into third-party products, facilities or infrastructure. Such attacks could disrupt our business operations, our systems or those of third parties, and could impact the ability of our products to work as intended. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems).

A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Due to the evolving nature of such risks, the impact of any potential incident cannot be predicted. Any disruption to our business due to such issues, or an increase in our costs to cover these issues that is greater than what we have anticipated, could have an adverse effect on our competitive position, results of operations, cash flows or financial condition.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT/ERP 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, financial condition, results of operations and future prospects.

47. Our ability to pay dividends in the future will depend upon on a number of factors, including but not limited to our Company's earnings, financial condition, cash flows, working capital requirements and capital expenditures and restrictive covenants in our financing arrangements. Any inability to declare dividend may adversely affect the trading price of our Equity Shares.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. 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 shareholders 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.

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.

48. This Preliminary Placement Document contains information from an industry report which we have commissioned from CARE Analytics and Advisory Private Limited. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

This Preliminary Placement Document includes industry-related information that is derived from an industry report dated November 2023 titled *"Industry Research Report on Indian Rolling Stock and Rail EPC",* prepared by CARE Analytics and Advisory Private Limited ("**CARE**"), pursuant to an engagement with the Company. CARE was appointed by our Company by way of an engagement letter dated October 3, 2023. We commissioned and paid for this report for the purpose of confirming our understanding of the railways industry in India. Our Company, our Promoters, our Directors, Key Managerial Personnel, Senior Management and our Subsidiaries are not related to CARE. Neither we nor the Book Running Lead Managers, nor any other person connected with the Issue has verified such information in the commissioned report. CARE has advised that while it has taken reasonable care to ensure the accuracy and completeness of the commissioned report, it believes that the CARE Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters / conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CARE's assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Preliminary Placement Document. Further, the commissioned report is not a recommendation to invest or disinvest 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.

49. **Our Company experienced negative cash flows from operations in the Financial Year ended March 31, 2023. Such negative cash flows in the future could adversely affect our cash flow requirements, our ability to operate our business and implement our growth plans, thereby affecting our financial performance.**

Our Company has experienced negative cash flows from operations in the Financial Year ended March 31, 2023, amounting to ₹ (10,283.89). For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 121. There can be no assurance that our Company will not incur net loss or negative cash flows from operating activities, in the future periods.

EXTERNAL RISKS

RISKS RELATING TO INVESTMENT IN INDIA

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

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

51. ***A slowdown in economic growth in India could adversely affect our business, results of operations and financial condition and the trading price of the Equity Shares.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or the Indian rolling stock and rail EPC industry could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally following which there is a global trend of rising inflation and interest rates. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations and financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly market fluctuations resulting out of war between Russia-Ukraine and Israel-Gaza. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations and financial condition.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions; and other significant regulatory or economic developments in or affecting India.

52. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

A decline in India's foreign exchange reserves could impact the valuation of the Indian Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition our business and results of operations. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Indian Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations. While this may be beneficial for our exports, a general decline in the liquidity may have an adverse effect on our results of operations and financial conditions.

53. ***A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

54. Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.

We are incorporated in India and derive a significant portion of our revenues in India. In addition, a significant portion of our assets are located in India. Consequently, our performance and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, the Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the Indian government has recently pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and a new Insolvency and Bankruptcy Code. There can be no assurance that the government's policies will succeed in their aims, including facilitating high rates of economic growth. Following the release of the results of the last general elections of India the ruling party has received a fresh mandate to continue its tenure for a second term, there can be no assurance that the Government will continue with its current policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth.

A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

55. Natural disasters, health epidemics, pandemics and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and impact the trading price of our Equity Shares.

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Further, health epidemics and pandemics like the COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event.

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

56. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect our business and the Indian financial markets.

India has, from time to time, experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, our business, and results of operations, financial condition and the trading price of our Equity Shares. India has also experienced social unrest and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability. In addition, in June 2020, a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations, wider international relations or any future military confrontations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of the Equity Shares.

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

We are a limited liability company incorporated under the laws of India and all of our Directors except Mr Akshay Poddar and Senior Management Personnel named herein are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and Senior Management Personnel under laws other than Indian law. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code 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.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code 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 Civil Code 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.

The United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. 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 that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. 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 pursuant to such award and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

58. ***Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all of which are outside our control. Any adverse revisions to India's credit ratings by domestic or international rating agencies may adversely impact our debt ratings, our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

59. ***Differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document.***

Our Financial Statements for the six months period ended September 30, 2023, and Financial Years 2023, 2022 and 2021 in this Preliminary Placement Document are prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is dependent on the Investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

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

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, results of operations and financial condition.

61. ***Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, results of operations and financial condition.***

The Competition Act regulates practices that could have an appreciable adverse effect on competition in the relevant market in India. Any adverse application or interpretation of the Competition Act could adversely affect our business, results of operations and financial condition. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial monetary penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors, which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or 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 types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition.

Further, the Competition Act prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, proceedings initiated by the CCI, any claim by any party under the Competition Act, or any adverse publicity due to scrutiny or prosecution under the Competition Act, including financial penalties, our business, results of operations and financial condition may be adversely affected.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all.

RISKS RELATING TO OUR EQUITY SHARES AND THIS ISSUE

62. There may be less information available in the Indian securities markets than in more developed securities markets in other countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

63. We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares.

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

64. An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in the Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue may be subject to the rules and regulations that are applicable to them, including in relation to any lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

65. Holders of our Equity Shares could 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 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 resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an Preliminary Placement Document or registration statement with the applicable authority in such jurisdiction, you will not be able to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

66. The price of the Equity Shares may be volatile.

The Issue Price, which may include a discount of not more than 5% of the Floor Price in accordance with the SEBI ICDR Regulations, will be determined by our Company in consultation with the Book Running Lead Managers, based on the 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 complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- a comparatively less active or illiquid market for the Equity Shares;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal regulations; and
- any other political or economic factors;

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

67. Investors may be subject to Indian taxes arising out of capital gains on the sale of our 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 and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. There is no certainty on the impact of Finance Act 2021 on tax laws or other regulations, which may adversely affect our Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

68. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, 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, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

69. Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.

In terms of Regulation 179 (1) of the SEBI (ICDR) Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of our Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up share capital comprises 32,52,48,270 Equity Shares bearing face value of ₹ 1. The Equity Shares have been listed on BSE and NSE since March 3, 2011. The Equity Shares are listed and traded on NSE under the symbol TEXRAIL and on BSE under the scrip code 533326.

On November 20, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 146.20 and ₹ 146.10 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, 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 (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	63.00	November 28, 2022	18,01,177	112.27	37.05	June 20, 2022	1,47,620	5.63	48.41
2022	48.80	February 4, 2022	9,10,168	43.46	24.20	April 20, 2021	31,804	0.78	33.77
2021	35.50	January 13, 2021	13,06,991	47.71	18.70	April 3, 2020	14,984	0.28	27.18

(Source: www.bseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
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 (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	62.95	November 28, 2022	2,14,92,994	1,336.75	37.15	June 20, 2022	8,70,002	33.16	48.40
2022	48.75	February 4, 2022	1,25,17,632	598.03	24.20	April 20, 2021	3,11,429	7.59	33.76
2021	35.50	January 13, 2021	1,11,09,248	406.74	18.60	April 1, 2020	3,03,030	5.70	27.18

(Source: www.nseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

The following table sets 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 ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
2023	9,07,54,013	64,24,84,439	4626.264113	33179.37865
2022	5,36,94,686	47,52,71,933	1970.572839	17632.8836
2021	2,57,58,203	23,15,75,055	777.826058	6949.563458

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

(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 during each of the last six months:

NSE									
Month	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**
October 2023	138.3	October 16, 2023	69,04,186	982.82	117.55	October 25, 2023	34,15,493	407.80	128.13
September 2023	159.65	September 11, 2023	88,18,287	1,415.70	128.75	September 29, 2023	20,66,619	265.18	141.33
August 2023	148.30	August 28, 2023	1,55,73,679	2,281.64	101.30	August 4, 2023	82,29,215	834.64	119.76
July 2023	106.65	July 31, 2023	88,22,578	945.54	75.85	July 4, 2023	33,29,655	252.59	86.15
June 2023	78.85	June 27, 2023	70,16,297	554.50	58.85	June 2, 2023	31,54,325	186.20	69.29
May 2023	58.35	May 3, 2023	57,34,891	336.00	54.05	May 19, 2023	13,33,945	71.63	55.84

(Source: www.bseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE									
Month	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**
October 2023	138.00	October 16, 2023	8,57,750	121.99	117.50	October 25, 2023	1,98,008	23.54	128.11
September 2023	160.00	September 11, 2023	4,90,817	78.71	128.75	September 29, 2023	1,06,238	13.60	141.33
August 2023	148.45	August 28, 2023	10,21,648	150.04	101.40	August 4, 2023	3,38,368	34.34	119.79
July 2023	106.61	July 31, 2023	4,79,507	51.42	75.81	July 4, 2023	3,99,394	30.25	86.16
June 2023	78.85	June 27, 2023	5,70,901	45.12	58.89	June 2, 2023	4,55,199	26.83	69.32
May 2023	58.21	May 3, 2023	4,51,190	26.43	54.02	May 19, 2023	1,94,089	10.41	55.82

(Source: www.nseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
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 sets forth the market price on the Stock Exchanges on September 18, 2023 being the first working day following the approval of our Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹)**
145.65	146.40	136.00	136.95	1,16,088	1,62,60,584

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹)**
145.40	146.50	136.00	136.90	24,64,202	34,58,06,369.45

(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.	Funding the capital expenditure requirements of our Company for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Belgharia, Agarpara, Sodepur and Urla	10,000.16
2.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;	25,119.60
3.	Funding working capital requirements of our Company	25,000.00
4.	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 Gross 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	
				Fiscals 2024	Fiscal 2025
1.	Funding the capital expenditure requirements of our Company for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Belgharia, Agarpara, Sodepur and Urla	10,000.16	10,000.16	5,000.00	5,000.16
2.	Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;	-	25,119.60	25,119.60	-
3.	Funding working capital requirements of our Company	-	25,000.00	25,000.00	-
4.	General corporate purposes*		[●]		
5.	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 Gross 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 and technical factors. 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, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, 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 expenditure for a particular purpose, at the discretion of our management. 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 Gross 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 a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds*" on page 44.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. 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.

Details of the Objects

1. Funding the capital expenditure requirements of our Company for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Belgharia, Agarpara, Sodepur and Urla

Our Company intends to utilise ₹ 10,000.16 lakhs of the Net Proceeds towards funding the capital expenditure requirements of our Company, for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Belgharia, Agarpara, Sodepur and Urla. Our Company expects to benefit from such investment as we believe our plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply to the growing markets more efficiently and drive profitability.

Estimated Cost

The total estimated cost of funding the capital expenditure requirements of our Company, for purchase of new equipment and machinery and certain civil work at our manufacturing facility at Belgharia, Agarpara, Sodepur and Urla is ₹ 10,000.16 lakhs, and such cost has been certified by way of a certificate dated November 21, 2023 issued by Tapan Kumar Ghosh, Chartered Engineer.

The detailed break-down of estimated cost is set forth below:

(in ₹ lakhs)

S. No.	Item	Total estimated cost	Amount proposed to be funded from Net Proceeds
1.	Civil work	2,199.13	2,199.13
2.	Procurement and installation of plant and machinery	7,801.03	7,801.03
Total		**10,000.16**	**10,000.16**

Note: Total estimated cost is as per the certificate dated November 21, 2023 issued by Tapan Kumar Ghosh, Chartered Engineer.

The fund requirements set out above are proposed to be funded from the Net Proceeds.

(i) Civil work

Civil work includes construction and engineering related work including construction of a new bay, pit, replacing existing sheet with galvalume sheets, laying railway track and floor raising. The total estimated cost for the civil work is ₹ 2,199.13 lakhs, as per the certificate dated November 21, 2023 issued by Tapan Kumar Ghosh, Chartered Engineer. We have obtained quotations amounting to ₹ 2,199.13 lakhs and we intend to utilise ₹ 2,199.13 lakhs from the Net Proceeds, towards the civil work.

The break-up for estimated cost of the civil work, as per the certificate dated November 21, 2023 issued by Tapan Kumar Ghosh, Chartered Engineer, is as follows:

Sr. No.	Item	Description	Qty	Unit Price (in ₹ Lakh)	Amount (in ₹ Lakh)	Name of Supplier	Quotation Date
1.	Construction cost of new bay, pit etc	Design, supply, fabrication, painting, development of site and electrical installation work with supply of steel, sheet, aluminium windows, rolling shutters & allied civil works including but not limited to pile foundation, pile cap, pedestal brick wall, RCC and VDF flooring	3,200	0.26	828.80	CND Engineering	October 3, 2023
2.	Replacement of asbestos sheet with new color coated galvalume sheet of 0.50 mm TCT		70,000	0.01	717.50		
3.	Installation of rail track including crossing		1,083	0.26	281.58		
4.	Raising of floor		1,65,000	0.00	371.25		
	Total Amount				**2,199.13#**		

Note:
#Exclusive of taxes
As certified by Tapan Kumar Ghosh, Chartered Engineer by way of its certificate dated November 21, 2023.

(ii) Procurement and installation of plant and machinery

The total estimated cost for procurement and installation of plant and machinery is ₹ 7,801.03 lakhs, as per the certificate dated November 21, 2023 issued by Tapan Kumar Ghosh, Chartered Engineer. We have obtained quotations amounting to ₹ 7,371.03 lakhs and we intend to utilise ₹ 7,801.03 lakhs from the Net Proceeds, towards the procurement and installation of plant and machinery including a contingency of ₹ 430.00 lakhs.

An indicative list of such plant and machinery that is intended to be purchased, along with details of the purchase orders / quotations received in this respect are set forth below, which has been certified by Tapan Kumar Ghosh, Chartered Engineer, pursuant to its certificate dated November 21, 2023:

Sr. No.	Item category	Item	Description	Qty	Unit price (in ₹ lakh)	Amount (in ₹ lakh)	Name of supplier	Quotation date
1	Digitisation	CMM	A coordinate measuring machine is a device that measures the geometry of physical objects by sensing discrete points on the surface of the object with a probe.	1	89.40	89.40	Faro	November 3, 2023
2	Electrical and Maintenance	HT Panel	A HT panel, a high-tension switchgear or a high-voltage panel is a critical component in such systems. It acts as a central hub for controlling and distributing electrical power, ensuring efficient power management and protection against electrical faults.	2	49.30	98.60	Saroj Enterprises	September 27, 2023
3		APFC Panel	APFC or automatic power factor control panels are mainly used for the improvement of Power Factor. Power Factor can be explained as ratio of active power to apparent power and it is a key factor in measuring electrical consumption.	2	17.60	35.21	Saroj Enterprises	September 27, 2023
4		Compressor	A compressor is a machine or tool used to increase pressure to feed pressurised air for production tools & facility.	3	22.67	68.01	Asian International	September 21, 2023
5		RCCB panel for welding machine	The residual current circuit breaker - RCCB is generally used in series with an MCB which protects them from over current and short circuit current	50	0.61	30.69	Onkar Enterprise	September 23, 2023
6		Motors (Spares)	Motor spare parts are parts that you can buy separately to replace old or broken parts in a piece of equipment	2	33.80	67.60	Kirloskar Electric	September 27, 2023
7	Material Handling Equipment	Trailer	Trailer is a nonautomotive vehicle designed to be hauled by road: a vehicle for transporting something.	2	19.50	39.00	Gourika India Limited	September 28, 2023
8		Yard Gantry Crane / Refurbishment	A gantry crane is a type of overhead crane that uses legs to support the bridge, trolley, and hoist. A gantry crane is typically used for outdoor applications or for lifting components, parts.	2	58.09	116.17	Silverline Metal Engineering Private Limited	September 27, 2023
9		Forklift -3 T	A forklift, also known as fork truck, is a motor-driven industrial truck used for lifting and moving goods on a pallet within the premises of a warehouse, storage facilities and distribution centre.	5	9.00	45.00	Shree Balaji Equipments Private Limited	September 22, 2023
10		Forklift - 5 T	A forklift, also known as fork truck, is a motor-driven industrial truck used for lifting and moving goods on a pallet within the premises of a warehouse, storage facilities and distribution centre.	4	17.90	71.60	Shree Balaji Equipments Private Limited	September 29, 2023
11		Hand Pallet Truck	Hand pallet trucks, also known as pallet jacks are the most basic type of forklift, and they are used to transport pallets around a warehouse	5	0.23	1.13	Shree Balaji Equipments Private Limited	September 29, 2023
12		Battery Car	Battery car also called Electric platform trucks. These are electric powered trucks with a large flat surface for holding objects to be transported.	5	5.32	26.60	Shree Balaji Equipments Private Limited	September 29, 2023

Sr. No.	Item category	Item	Description	Qty	Unit price (in ₹ lakh)	Amount (in ₹ lakh)	Name of supplier	Quotation date
13		Stacker	A stacker is a type of material handling equipment used in warehouses, factories, and other industrial settings to lift and move pallets and other heavy items.	1	6.11	6.11	Shree Balaji Equipments Private Limited	September 29, 2023
14		Heavy Duty Racking System	Heavy-Duty Pallet Racks are shelving systems that are designed to hold medium- to large-sized items like pallets and machines. These are used in warehouse to stack materials in horizontal rows with multiple levels.	2	10.75	21.50	Metal Storage Systems Private Limited	October 3, 2023
15		Tractor	A tractor is a vehicle that's used on work site to pull a trailer or wagon	4	10.51	42.04	Shristi Automobiles	September 25, 2023
16		Electrical Hoist 5T	Electric hoists are material handling equipment that is used in lifting, lowering, and moving materials and products. They are positioned overhead and powered by an electric motor.	2	6.42	12.84	Mamta Trading Company	December 23, 2022^
17		Overhead rail & Bus Bar	Crane busbar is used to supply power to traveling overhead crane. It consists of two parts, the busbar guide rail (fixed part, connected with the power supply and the collector. Crane busbar is used to supply power to traveling overhead crane	7	11.37	79.62	Crane Service & Components	September 21, 2023^
18		Crane Refurbishment	Modification/ Repair of overhead cranes	28	16.95	474.70	SG Engineering	September 25, 2023
19		E.O.T Crane,	EOT - Electric overhead traveling cranes or EOT cranes are a common type of overhead crane, also called bridge cranes. They consist of parallel runways, much akin to rails of a railroad, with a traveling bridge spanning the gap.	11	64.05	704.55	K2 Cranes & Components Private Limited	September 24, 2023
20		Hydra	Hydra - A hydraulic crane is a type of heavy-duty equipment used for lifting and hoisting. Hydraulic cranes include an internal hydraulic system that allows the crane to lift heavier loads.	2	24.75	49.50	Action Construction Equipment Limited	September 29, 2023
21	Production Equipment	NC Shearing Machine	Shearing machines are multipurpose devices used in the cutting of sheet metal. These used to cut metal into sheets or strips.	2	52.30	104.60	Hindustan Hydraulics	November 3, 2023
22		Tower Light	Light towers are used when illumination is required but not otherwise available, both outdoor and indoor.	2	9.00	18.00	J K Trading Company	September 29, 2023
23		Hydraulic Power Source	The power source in a hydraulic system is a hydraulic pump. Power transmission systems include fluid, mechanical, and electrical systems. pressure.	2	4.15	8.30	Avlock International India Private Limited	September 25, 2023
24		Furnace	Furnaces heat air and distribute the heated air through the house using ducts.	1	66.05	66.05	Firebird Engineers & Consultants	September 30, 2023
25		CNC cutting Machine/ Refurbishment	A CNC plasma machine uses a plasma cutter to cut thin to thick metals along a multi-axis grid. The CNC method provides an advantage over handheld plasma cutting tools due to the cut being programmed and controlled by a computer instead of human motion	5	65.50	327.50	Messer Cutting Systems India Private Limited	September 28, 2023

Sr. No.	Item category	Item	Description	Qty	Unit price (in ₹ lakh)	Amount (in ₹ lakh)	Name of supplier	Quotation date
26		CNC Laser cutting Machine/ Refurbishment	A CNC laser cutter is a piece of computer numerical control equipment that uses a focused, high-powered laser beam to mark, cut, or engrave a material to form custom shapes. Its unique design and operation make it highly accurate, especially when cutting intricate shapes and small holes.	1	338.00	338.00	Messer Cutting Systems India Private Limited	September 30, 2023
27		Magnet Drilling Machine	A magnetic drill press is a portable drilling machine equipped with an electro magnet or permanent magnet base and is used for making holes in metal.	4	0.28	1.12	K K Industries	September 30, 2023
28		Air plasma Machine	The air plasma cutter is a powerful cutting tool used in metalworking and fabrication industries. It utilizes a high-velocity jet of ionized gas (plasma) to cut through various types of metal	10	2.55	25.50	Lincoln Electric Company India Private Limited	September 20, 2023
29		endoscopy equipment	Endoscopy equipment is used to assess the interior surfaces of any object. The instrument used to check for any welding defects from inside part which is not accessible from normal eyes.	1	3.97	3.97	Indisas	November 3, 2023
30		Shower Test	Shower Test/ Water test done to check for any leakage to avoid any water flow inside wagon	1	40.00	40.00	Shreeji Enterprise	October 12, 2023
31		Welding Machines	A welding machine is a useful tool for people in the welding industry. It produces heat that helps dissolve the metal to give it a different shape or combine metal with any other metal or metal.	110	3.85	423.50	Lorch	September 20, 2023
32		Fixture	Fixture is tool to assemble different parts and product to manufacture at proper dimension. These need at different stages of production	3	464.03	1,392.09	Godrej & Boyce Manufacturing Co. Limited (Godrej Tooling)	September 21, 2023
33		Shot Blasting Booth	Shot blasting machines apply shots in one area at extremely high speeds to clear materials such as rust, paints or other coatings.	2	274.75	549.50	Blastclean Systems Private Limited	September 18, 2023
34		Paint Booth	A paint booth is a large, contained environment equipped with exhaust fans and filters to make commercial spray painting safer and cleaner.	2	347.74	695.48	SPT	September 29, 2023
35		Traverser	Traverser is a sideways-moving platform for transferring a railway vehicle from one set of rails to another parallel set.	1	151.20	151.20	Shreeji Enterprise	October 12, 2023
36		Turn Table	Turntable use to reverse position of rail coach from one direction to other	1	51.00	51.00	Shreeji Enterprise	October 12, 2023
37		Radial Drill Machines	A radial drilling machine use to create cylindrical holes in a workpiece.	4	11.50	46.00	Golden Machinery Corporation	October 5, 2023
38		Bending Machines	Bending machine is used to make different bends like V-shape, U-shape, or channel shape from straight material.	3	239.00	717.00	Hindustan Hydraulics Private Limited	September 26, 2023

Sr. No.	Item category	Item	Description	Qty	Unit price (in ₹ lakh)	Amount (in ₹ lakh)	Name of supplier	Quotation date
39		CNC Milling/ Machining	CNC milling is a machining process that utilizes computerized controls to manage the movement and operation of multi-point rotary cutting tools.	2	165.00	330.00	Kothari Group (Bharat Fritz Werner Limited)	September 25, 2023
40	Measuring Instruments	Digital Weighing Scale Long Extension nozzle Gravity feed Gun Digital thermometer Radiography Film viewer Hygrometer Thickness gauge MPI -Machine (Permanent Magnetic Yoke) Surface Roughness Comparator for After Blast Cleaning Brake force measuring instrument stopwatch Laser distance meter	D Meter used to check thickness of parts Distance meters are used for accurately determining the distance of an object from another object without contact.	2	1.18	2.35	HPFS Instruments	October 9, 2023
41	Contingency					430.00		
	Total Amount					**7,801.03#**		

^ *Proforma invoice has been raised.*
#*Exclusive of taxes*

Other expenses

If there is any increase in the estimated costs as mentioned above, the additional costs shall be met from our Company's internal accruals.

We are yet to place orders for most of the aforesaid plant and machinery (in terms of the aggregate estimated cost of plant and machinery to be funded through the Net Proceeds), and have obtained quotations from various vendors to this extent.

The quotations received from vendors for the plant and machinery are valid as on the date of this Preliminary Placement Document. However, we have not entered into any definitive agreements with the vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment and other materials to be purchased is based on management estimates and our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. For further details, see "*Risk Factors - Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations*".

No second-hand or used machinery is proposed to be purchased out of the Issue proceeds.

Government approvals

As on the date of this Preliminary Placement Document, we have not commenced the civil work (in terms of the aggregate estimated cost of civil work to be funded through the Net Proceeds).

Civil work has not yet commenced as of the date of this Preliminary Placement Document and accordingly, no approvals are required to be obtained as of such date.

While we do not require any further licenses / approvals from any governmental authorities at this stage, we will apply for all such necessary approvals that we may require at future relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see "*Risk Factors – We are subject to environmental regulations and any changes in these regulations may expose us to costs arising from environmental compliance and may adversely affect our results of operations"* and *"Risk Factors – We require several licenses, approvals and permissions for carrying on our business. If we are unable to obtain or renew the expiring/expired material approvals and licenses in a timely manner, our business and operations may be adversely affected*" on pages 50 and 51, respectively.

2. Repayment / 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, working capital facilities and commercial papers. As of September 30, 2023 we had total outstanding borrowings of ₹ 1,08,773.35 lakhs. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 25,119.60 lakhs for repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company, including borrowings availed from certain members of our Promoter Group and group companies.

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 / 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 or pre-payment, in full or in part, from the Net Proceeds are set forth below:

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in lakhs)	Balance amount Outstanding as on October 31, 2023 (₹ in lakhs)	Amount proposed to be repaid out of the Net Proceeds (₹ in lakhs)	Interest rate as of October 31, 2023 (% p.a.)	Tenor and 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
1.	A.J. Tea House Private Limited	September 19, 2023	200.0	200.0	200.0	11.50%	120 days	N/A	Unsecured	Yes	Working Capital
2.	A.J. Tea House Private Limited	October 13, 2023	200.0	200.0	200.0	11.50%	120 days	N/A	Unsecured	Yes	Working Capital
3.	Antriksh Vyapaar Limited	May 12, 2023	900.0	900.0	900.0	13.00%	366 days	N/A	Unsecured	Yes	Working Capital
4.	Antriksh Vyapaar Limited	May 16, 2023	500.0	500.0	500.0	13.00%	366 days	N/A	Unsecured	Yes	Working Capital
5.	Antriksh Vyapaar Limited	May 22, 2023	100.0	100.0	100.0	13.00%	366 days	N/A	Unsecured	Yes	Working Capital
6.	Antriksh Vyapaar Limited	July 21, 2023	400.0	400.0	400.0	13.00%	366 days	N/A	Unsecured	Yes	Working Capital
7.	Antriksh Vyapaar Limited	July 27, 2023	200.0	200.0	200.0	13.00%	366 days	N/A	Unsecured	Yes	Working Capital
8.	Antriksh Vyapaar Limited	August 2, 2023	200.0	200.0	200.0	13.00%	366 days	N/A	Unsecured	Yes	Working Capital
9.	Antriksh Vyapaar Limited	August 28, 2023	300.0	300.0	300.0	13.00%	366 days	N/A	Unsecured	Yes	Working Capital
10	Arunoday Holdings Private Limited	August 8, 2023	250.0	250.0	250.0	13.00%	184 days	N/A	Unsecured	Yes	Working Capital
11	Arunoday Holdings Private Limited	April 10, 2023 and October 7, 2023	500.0	500.0	500.0	12.00%	180 days	N/A	Unsecured	Yes	Working Capital
12	Bhansali Fincom Private Limited	September 12, 2023	300.0	300.0	300.0	11.50%	120 days	N/A	Unsecured	Yes	Working Capital
13	Bikanna Commercial Co. Private Limited	May 11, 2023 and November 9, 2023	100.0	100.0	100.0	11.50%	90 days	N/A	Unsecured	Yes	Working Capital

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in lakhs)	Balance amount Outstanding as on October 31, 2023 (₹ in lakhs)	Amount proposed to be repaid out of the Net Proceeds (₹ in lakhs)	Interest rate as of October 31, 2023 (% p.a.)	Tenor and 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
14	Binaguri Tea Company Private Limited	April 1, 2023 and November 14, 2023	1,200.0	1,200.0	1,200.0	13.00%	183 days	N/A	Unsecured	Yes	Working Capital
15	Binaguri Tea Company Private Limited (DIRECT)	April 1, 2023 and November 14, 2023	250.0	250.0	250.0	13.00%	183 days	N/A	Unsecured	Yes	Working Capital
16	Blow Packaging (India) Private Limited	July 24, 2023	300.0	300.0	300.0	12.00%	180 days	N/A	Unsecured	Yes	Working Capital
17	Blow Packaging (India) Private Limited	August 7, 2023	500.0	500.0	500.0	12.00%	180 days	N/A	Unsecured	Yes	Working Capital
18	Celica Developers Private Limited	July 13, 2023	800.0	800.0	800.0	12.00%	180 days	N/A	Unsecured	Yes	Working Capital
19	Celica Developers Private Limited	July 14, 2023	200.0	200.0	200.0	12.00%	179 days	N/A	Unsecured	Yes	Working Capital
20	Forum Viniyog Private Limited	April 20, 2023	1,000.0	1,000.0	1,000.0	12.50%	366 days	N/A	Unsecured	Yes	Working Capital
21	Forum Viniyog Private Limited	May 30, 2023	250.0	250.0	250.0	12.50%	366 days	N/A	Unsecured	Yes	Working Capital
22	Garima Developers Private Limited	September 7, 2023 and November 10, 2023	50.0	50.0	50.0	12.50%	206 days	N/A	Unsecured	Yes	Working Capital
23	Garima Developers Private Limited	April 10, 2023 and November 10, 2023	50.0	50.0	50.0	12.50%	356 days	N/A	Unsecured	Yes	Working Capital
24	Garima Developers Private Limited	April 19, 2023 and	1,500.0	1,500.0	1,500.0	12.50%	256 days	N/A	Unsecured	Yes	Working Capital

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in lakhs)	Balance amount Outstanding as on October 31, 2023 (₹ in lakhs)	Amount proposed to be repaid out of the Net Proceeds (₹ in lakhs)	Interest rate as of October 31, 2023 (% p.a.)	Tenor and 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
		November 10, 2023									
25	Howrah Trading Company Private Limited	May 10, 2023 and October 30, 2023	100.0	100.0	100.0	11.50%	91 days	N/A	Unsecured	Yes	Working Capital
26	ICM Finance Private Limited	July 1, 2023 and October 1, 2023	250.0	250.0	250.0	13.00%	92 days	N/A	Unsecured	Yes	Working Capital
27	ICM Finance Private Limited	July 1, 2023 and October 1, 2023	250.0	250.0	250.0	13.00%	92 days	N/A	Unsecured	Yes	Working Capital
28	ICM Finance Private Limited (Direct)	July 1, 2023 and October 1, 2023	250.0	250.0	250.0	13.00%	92 days	N/A	Unsecured	Yes	Working Capital
29	Jagrani Leasing & Finance Co Private Limited	May 23, 2023 and November 17, 2023	500.0	500.0	500.0	12.00%	184 days	N/A	Unsecured	Yes	Working Capital
30	Kamlesh Mercantile Credit Private Limited	May 6, 2023 and November 2, 2023	250.0	250.0	250.0	12.00%	151 days	N/A	Unsecured	Yes	Working Capital
31	Kanoi Estates Private Limited	April 1, 2023 and November 14, 2023	600.0	600.0	600.0	13.00%	183 days	N/A	Unsecured	Yes	Working Capital
32	Kanoi Estates Private Limited-(Direct)	April 1, 2023 and November 14, 2023	100.0	100.0	100.0	13.00%	183 days	N/A	Unsecured	Yes	Working Capital

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in lakhs)	Balance amount Outstanding as on October 31, 2023 (₹ in lakhs)	Amount proposed to be repaid out of the Net Proceeds (₹ in lakhs)	Interest rate as of October 31, 2023 (% p.a.)	Tenor and 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
33	Kothari Investment & Industries Private Limited	April 10, 2023 and October 10, 2023	200.0	200.0	200.0	12.00%	183 days	N/A	Unsecured	Yes	Working Capital
34	Lalwani Industries Limited	July 31, 2023	600.0	600.0	600.0	12.00%	184 days	N/A	Unsecured	Yes	Working Capital
35	Minsol Limited	September 17, 2023	500.0	500.0	500.0	11.50%	180 days	N/A	Unsecured	Yes	Working Capital
36	Mundhra Developers Private Limited	October 16, 2023	200.0	200.0	200.0	11.50%	120 Days	N/A	Unsecured	Yes	Working Capital
37	Pleasant Niryat Private Limited	October 16, 2023	200.0	200.0	200.0	11.50%	120 Days	N/A	Unsecured	Yes	Working Capital
38	Premier Suppliers Private Limited	April 12, 2023 and October 10, 2023	100.0	100.0	100.0	12.00%	183 days	N/A	Unsecured	Yes	Working Capital
39	Salarpuria Investment Private Limited	September 29, 2023	200.0	200.0	200.0	12.00%	180 days	N/A	Unsecured	Yes	Working Capital
40	Sannyasithan Tea Company Private Limited	April 4, 2023 and November 14, 2023	500.0	500.0	500.0	13.00%	183 days	N/A	Unsecured	Yes	Working Capital
41	Tirumala Balaji Alloys Private Limited	May 2, 2023 and October 25, 2023	300.0	300.0	300.0	11.50%	92 days	N/A	Unsecured	Yes	Working Capital
42	Tirumala Balaji Alloys Private Limited	May 10, 2023 and October 25, 2023	200.0	200.0	200.0	11.50%	91 days	N/A	Unsecured	Yes	Working Capital
43	Tirupati Vancom Private Limited	April 26, 2023 and	100.0	100.0	100.0	12.00%	180 days	N/A	Unsecured	Yes	Working Capital

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in lakhs)	Balance amount Outstanding as on October 31, 2023 (₹ in lakhs)	Amount proposed to be repaid out of the Net Proceeds (₹ in lakhs)	Interest rate as of October 31, 2023 (% p.a.)	Tenor and 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
		October 23, 2023									
44	Adventz Finance Private Limited@*	May 12, 2022 and November 10, 2023	370.0	370.0	370.0	13.50%	233 days	N/A	Unsecured	Yes	Working Capital
45	Adventz Finance Private Limited@*	September 13, 2023	500.0	500.0	500.0	13.50%	365 days	N/A	Unsecured	Yes	Working Capital
46	Adventz Finance Private Limited@*	September 14, 2023	1,000.0	1,000.0	1,000.0	13.50%	365 days	N/A	Unsecured	Yes	Working Capital
47	Adventz Finance Private Limited@*	April 17, 2023 and November 10, 2023	500.0	500.0	500.0	13.50%	258 days	N/A	Unsecured	Yes	Working Capital
48	Adventz Finance Private Limited@*	August 17, 2023	70.0	70.0	70.0	13.50%	365 days	N/A	Unsecured	Yes	Working Capital
49	Zuari Management Services Limited (Direct)@*	April 15, 2023	4,424.9	4,424.9	4,424.9	13.50%	366 days	N/A	Unsecured	Yes	Working Capital
50	Zuari International Limited (*Formerly Zuari Investments Limited*) #	March 26, 2023	929.7	929.7	929.7	16.00%	366 days	N/A	Unsecured	Yes	Working Capital
51	Doha Bank	June 13, 2023	4,000.0	4,000.0	1,675.0	9.80%	12 months	The Company may upon occurrence of a benchmark transition tigger event, subject to the minimum	Exclusive charge by of Mortgage of Immovable property (Land & Building) at Moza Sukchar, District North Pargnas, Kolkata 700 115, West Bengal, in the	Yes	Working Capital

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in lakhs)	Balance amount Outstanding as on October 31, 2023 (₹ in lakhs)	Amount proposed to be repaid out of the Net Proceeds (₹ in lakhs)	Interest rate as of October 31, 2023 (% p.a.)	Tenor and 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
								average maturity period prescribed by the Reserve Bank of India under applicable notifications including the master direction, the borrower may, upon receipt of request from Doha Bank in its sole discretion, prepay the facility in full or in part during the period commencing from the occurrence of the benchmark transition tigger event	name of M/s Belur Engineering Pvt Ltd. Exposure have 100% security cover at all times during the currency of the Loan		

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in lakhs)	Balance amount Outstanding as on October 31, 2023 (₹ in lakhs)	Amount proposed to be repaid out of the Net Proceeds (₹ in lakhs)	Interest rate as of October 31, 2023 (% p.a.)	Tenor and 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
								till the completion of 11 months from the occurrence of benchmark transition tigger event, provided, that such prepayment is accompanied by payment of the premium decided by Doha Bank from time to time.			
	Total		**27,444.60**	**27,444.60**	**25,119.60**						

[@] Inter-corporate deposits are advanced by our Promoter Group to our Company.
[*] Inter-corporate deposits are advanced by the group companies, to our Company.
[#]Inter-corporate deposits are advanced by one of our Promotor to our Company.

Notes:

1. *As certified by M/s. L. B. Jha & Co., Chartered Accountants, by way of their certificate dated November 21, 2023.*
2. *Our Company proposes to utilise an amount of ₹ 25,119.60 lakhs from the Net Proceeds towards repayment / pre-payment of outstanding borrowings availed by our Company.*

3. Funding working capital requirements of our Company

We propose to utilize ₹ 25,000.00 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 various lenders. Our business is working capital intensive and our Company avails working capital facilities in the ordinary course of business from various lenders. As at September 30, 2023, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities of the Company are ₹ 61,880.31 lakhs and ₹ 1,34,076.68 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 ₹ 7,80,000.00 lakhs. For further details of our Order Book, see "*Our Business*" on page 178.

Basis for estimation of working capital requirement

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 the statutory auditors of our Company L B Jha & Co, Chartered Accountants, through their certificate dated November 21, 2023:

The details of our Company's composition, on a standalone basis, of net current assets or working capital as of, and for March 31, 2023, March 2022, March 2021 and source of funding the same are as set out in the table below:

(Rs in lakhs)

Sr. No.	Particulars	Actuals		
		As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
I.	**Current assets**			
a)	Investments	17.60	16.70	3,546.91
b)	Inventories	67,627.21	36,103.90	30,928.30
c)	Trade Receivables	78,489.32	56,994.22	61,135.21
d)	Cash/Bank Balance	3,043.28	5,561.71	2,239.28
e)	Other Current Assets	1,26,662.94	1,14,392.75	1,08,376.76
	Total current assets (A)	**2,75,840.35**	**2,13,069.28**	**2,06,226.46**
II.	**Current liabilities**			
a)	Trade Payables	56,828.93	31,138.89	42,996.55
b)	Other Current Liabilities	1,16,305.91	85,246.39	89,038.68
c)	**Total current liabilities (B)**	**1,73,134.84**	**1,16,385.28**	**1,32,035.23**
III.	**Total working capital requirement (A-B)**	**1,02,705.51**	**96,684.00**	**74,191.23**
IV.	**Funding pattern**			
a)	Internal Accruals/ Borrowings	1,02,705.51	96,684.00	74,191.23
	Total	**1,02,705.51**	**96,684.00**	**74,191.23**

Note:

1. As certified by M/s. L. B. Jha & Co., Chartered Accountants, the Statutory Auditors appointed by the Company by way of their certificate dated November 21, 2023.

Assumptions for working capital requirements.

The following table sets forth the details of the holding period for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, which has been computed based on the audited 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:

Sr. No.	Particulars	Actuals		
		As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
1	Inventory days	101.28	95.74	111.78
2	Trade receivables days	110.22	132.94	135.72
3	Other current assets	196.11	250.69	232.69
4	Trade payables days	85.89	105.88	129.97
5	Other current liabilities	172.19	209.18	222.27
6	Raw material days	55.35	47.09	53.79
7	Work in progress days	36.25	44.67	52.70
8	Finished goods days	9.68	3.98	5.28

Note:
As certified by M/s. L. B. Jha & Co., Chartered Accountants, the Statutory Auditors appointed by the Company by way of their certificate dated November 21, 2023.

*1. Inventory days: Average of inventory for the current and previous period / Total Direct Cost for the current period * 365*

*2. Trade receivable days: Average of trade receivables for the current and previous period/ revenue from operations * 365*

*3. Other current assets days: Average of other current assets for the current and previous period/ revenue from operations * 365*

*4. Trade payable days: Average of trade payables for the current and previous period / Total Direct Cost for the current period * 365*

*5. Other current liabilities days: Average of other current liabilities for the current and previous period / Total Operating Cost for the current period * 365*

*6. Raw material days: Average of Raw Material for the current and previous period / Total Direct Cost for the current period * 365*

*7. Work in progress days: Average of work in progress for the current and previous period / Total Direct Cost for the current period * 365*

*8. Finished Goods days: Average of finished goods for the current and previous period / Total Direct Cost for the current period * 365.*

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 capital issue committee of our Company, pursuant to its resolution dated November 21, 2023 has approved the projected total working capital requirements for Fiscal 2024 as ₹ 1,68,568.67 lakhs. Accordingly, our Company proposes to utilize ₹ 25,000.00 lakhs of 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.

4. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. 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 Gross Proceeds.

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, any additional capital expenditure, repayment or pre-payment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses in relation to our proposed capital expenditure, 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 November 6, 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.

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.

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, our Directors and the group companies are making any contribution either as part of the Issue or separately in furtherance of the Objects. Other than repayment of inter-corporate deposit to the Promoter Group entities and the group companies amounting to ₹ 6,864.85 lakhs from the Issue Proceeds and repayment of inter-corporate deposit amounting to ₹ 929.70 lakhs to Zuari International Limited (*Formerly Zuari Investments Limited*), none of our Promoters, members of the Promoter Group, our Directors and the group companies shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of 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 our capitalization and total borrowings, on a consolidated basis, as of September 30, 2023 which is derived from the Unaudited Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* and "*Financial Information*" on pages 97 and 254, respectively.

(in ₹ lakhs, unless otherwise stated)

Particulars	Pre-Issue (as at September 30, 2023) (on a consolidated basis)	Amount after considering the Issue (i.e. Post Issue)*#^ (on a consolidated basis)
Short term borrowings		
– Secured	60,980.50	[●]
– Unsecured	23,719.57	[●]
Current maturities of long term borrowing/finance lease obligations	2,731.55	[●]
Long term borrowings		
– Secured	21,341.73	[●]
– Unsecured	-	[●]
Total debt (A)	**1,08,773.35**	**[●]**
Equity		
Equity share capital	3,218.70	[●]
Other equity	1,39,346.73	[●]
Non-controlling interest	(252.98)	
Total equity (B)	**1,42,312.45**	**[●]**
Total Debt/ Total equity (A/B)	**0.76**	**[●]**
Total capitalization (A+B)	**2,51,085.80**	**[●]**

* *Will be finalized upon determination of the Issue Price.*
\# *Adjustments do not include Issue related expenses*
^ *As adjusted to reflect the number of Equity Share issued pursuant to the Issue*

Notes:

1. Amounts derived from the Unaudited Consolidated Financial Statements for the six months period ended September 30, 2023.

2. Our Company has allotted 33,78,375 Equity Shares pursuant to preferential allotment, on October 26, 2023. The impact of such allotment has not been taken into account for the above disclosure of information.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹, except share data)

	Particulars	Aggregate nominal value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	1,97,00,00,000 Equity Shares of face value of ₹ 1 each	1,97,00,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	32,52,48,270 Equity Shares of face value of ₹ 1 each	32,52,48,270
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs(1)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares(1) of face value of ₹ 1 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	6,78,42,44,798
	After the Issue(2)	[●]

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on September 15, 2023. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot dated October 23, 2023.*

(2) *To be determined upon finalisation of the Issue Price. The amount has been calculated on the basis of Gross Proceeds from the Issue.*

Except for securities premium account

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 allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
October 24, 1998*	100	10	10	Cash	Allotment pursuant to subscription to the Memorandum of Association(1)	100	1,000
November 18, 2002	9,900	10	10	Cash	Rights Issue(2)	10,000	1,00,000
Pursuant to a resolution of our shareholders dated February 8, 2010, each equity share of our Company of face value of ₹ 10 was split into 10 Equity Shares of our Company of face value of ₹ 1 each, and accordingly, 10,000 equity shares of our Company of ₹ 10 each were split into 1,00,000 Equity Shares of our Company of ₹ 1 each.							
February 20, 2010	5,45,00,000	1	1.00	Cash	Preferential allotment of Equity Shares(3)	5,46,00,000	5,46,00,000
November 2, 2010	12,71,83,090	1	-	Other than cash	Allotment pursuant to scheme of arrangement between Texmaco Limited and Texmaco Rail & Engineering Limited	18,17,83,090	18,17,83,090

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					sanctioned by the High Court of Calcutta *vide* its order dated September 06, 2010[(4)]		
March 9, 2012	2,43,500	1	32.51	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2007[(5)]	18,20,26,590	18,20,26,590
November 26, 2014	2,80,37,383	1	107.00	Cash	Allotment pursuant to a qualified institutions placement[(6)]	21,00,63,973	21,00,63,973
January 30, 2016	2,19,750	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014[(7)]	21,02,83,723	21,02,83,723
May 30, 2016	37,875	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014[(8)]	21,03,21,598	21,03,21,598
July 25, 2016	12,500	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014[(9)]	21,03,34,098	21,03,34,098
January 14, 2017	1,68,500	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014[(10)]	21,05,02,598	21,05,02,598
February 14, 2017	89,12,395	1	-	Other than cash	Allotment pursuant to scheme of arrangement between Texmaco Rail & Engineering Limited, Kalindee Rail Nirman (Engineers) Limited, their respective shareholders and creditors as approved by the High Court of the Calcutta and Delhi *vide* their	21,94,14,993	21,94,14,993

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					orders dated February 26, 2016 and December 19, 2016, respectively(11)		
May 11, 2017	1,56,350	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014(12)	21,95,71,343	21,95,71,343
May 22, 2017	5,250	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014(13)	21,95,76,593	21,95,76,593
July 24, 2017	26,250	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014(14)	21,96,02,843	21,96,02,843
January 31, 2018	2,25,600	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014(15)	21,98,28,443	21,98,28,443
April 21, 2018	1,75,039	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014(16)	22,00,03,482	22,00,03,482
July 30, 2018	46,000	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014(17)	22,00,49,482	22,00,49,482
April 25, 2019	24,600	1	41.00	Cash	Allotment pursuant to the Texmaco Employee Stock Option Scheme, 2014(18)	22,00,74,082	22,00,74,082
May 11, 2019	47,85,300	1	-	Other than cash	Allotment pursuant to scheme of amalgamation between Texmaco Rail & Engineering Limited, Texmaco Hitech Private Limited, Bright Power Projects (India)	22,48,59,382	22,48,59,382

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					Private Limited and their respective shareholders and creditors as approved by the National Company Law Tribunal, Kolkata *vide* its order dated April 4, 2019(19)		
February 23, 2021	2,54,83,870	1	31.00	Other than cash	Preferential allotment against conversion of loan availed(20)	25,03,43,252	25,03,43,252
December 2, 2021	2,62,99,878	1	23.00	Cash	Rights issue in the ratio of 2 Equity Shares for every 7 Equity Shares held(21)	32,18,69,895	32,18,69,895
	4,52,26,765	1	-	Other than cash			
October 26, 2023	33,78,375	1	145.00	Cash	Preferential allotment of Equity Shares(22)	32,52,48,270	32,52,48,270

**We have been unable to trace our Company's form filings in relation to the allotment pursuant to the initial subscription to the memorandum of association of our Company. For further details, please see "Risk Factors - We are unable to trace the statutory filing for the initial allotment of shares of our Company pursuant to subscription to the memorandum of association. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to above matter, which may impact our financial condition and reputation." on page 45.*

(1) Subscription of 30 equity shares by Shree Export House Limited, 20 equity shares by Om Prakash Jhunjhunwala, 10 equity shares by Shri Krishna Agarwal, 10 equity shares by Purshottam Dass Agarwal, 10 equity shares by Shiv Kumar Chandak, 10 equity shares by Ghanshyam Das Rathi and 10 equity shares by Arvind Kumar Maheshwari

(2) Allotment of 9,900 equity shares to Shree Export House Limited

(3) Allotment of 5,45,00,000 Equity Shares to Texmaco Limited

(4) Allotment of 12,71,83,090 Equity Shares in the ratio of 1 Equity Share of the Company for every 1 equity share held in Texmaco Limited, pursuant to the scheme of arrangement between Texmaco Limited and Texmaco Rail & Engineering Limited sanctioned by the High Court of Calcutta vide its order dated September 06, 2010 to the members of Texmaco Limited whose names were recorded in the register of members of Texmaco Limited on the closing of record date i.e., November 2, 2010

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

(6) Allotment of 2,80,373 Equity Shares to Canara Robeco Mutual Fund A/C Canara Robeco Equity Diversified, 5,50,000 Equity Shares to Tata Trustee Co Ltd A/C Tata Mutual Find – Tata Infrastructure Fund, 1,84,579 Equity Shares to Tata Trustee Co Ltd A/C Tata Mutual Fund – Tata Tax Saving Fund, 2,00,000 Equity Shares to Tata Balance Fund, 1,86,915 Equity Shares to Principal Trustee Co Pvt Ltd – A/C Principal Mutual Fund Principal Emerg Bluechip Fund, 20,09,879 Equity Shares to National Westminster Bank PLL as trustee of the Jupiter India Fund, 23,36,448 Equity Shares to FIL Investments (Mauritius) Ltd, 18,69,682 Equity Shares from HDFC Trustee Company Limited – HDFC Infrastructure Fund, 43,92,000 Equity Shares to HDFC Trustee Company Limited – HDFC Prudence Fund, 2,71,000 Equity Shares to Sundaram Mutual Fund A/C Sundaram Select Microcap Series V, 3,97,000 Equity Shares to Sundaram Mutual Fund A/C Sundaram Select Microcap Series VI, 2,10,000 Equity Shares to Sundaram Mutual Fund A/C Sundaram Select Microcap Series VII, 11,21,000 Equity Shares to Sundaram Mutual Fund A/C Sundaram Smile Fund, 3,37,448 Equity Shares to Sundaram Mutual Fund A/C Sundaram Infrastructure Advantage Fund, 4,67,289 Equity Shares to Swiss Finance Corporation (Mauritius) Limited, 16,36,767 Equity Shares to Reliance Life Insurance Company Limited, 2,32,391 Equity Shares to Reliance Life Insurance Co Ltd shareholders beyond solvency margin, 14,01,869 Equity Shares to ICICI Prudential Life Insurance Company Limited,

9,34,579 Equity Shares to Bajaj Allianz Life Insurance Company Limited, 14,02,812 Equity Shares to Goldman Sachs India Fund Limited, 10,00,000 Equity Shares to Reliance Capital Trustee Company Limited A/C Reliance Growth Fund, 10,00,000 Equity Shares to Reliance Capital Trustee Co. Ltd. A/C Reliance Regular Savings Fund – Balanced Option, 5,71,028 Equity Shares to Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund, 14,01,869 Equity Shares to Axis Bank Limited, 93,457 Equity Shares to Morgan Stanley Mauritius Company Limited, 9,34,579 Equity Shares to UTI – Infrastructure Fund, 7,93,859 Equity Shares to Jupiter South Asia Investment Company Limited – South Asia Access Fund and 11,20,560 Equity Shares to Copthall Mauritius Investment Limited

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

(8) Allotment of 7,500 Equity Shares to Debjeet Choudhury, 3,750 Equity Shares to Satyajit Chakraborty, 3,750 Equity Shares to Dr. Rahul Roy, 2,500 Equity Shares to Naba Kumar Bandhyopadhyay, 2,500 Equity Shares to Ravi Kant Maheshwari, 1,875 Equity Shares to Tanmoy Chakraborty, 1,875 Equity Shares to Rajib Bhattacharjee, 1,875 Equity Shares to Arif Salam, 1,250 Equity Shares to Samir Kumar Ghosh, 1,250 Equity Shares to Dibyendu Bhattacharjee, 1,250 Equity Shares to Ranjan Paik, 1,250 Equity Shares to Sisir Kumar Datta, 1,250 Equity Shares to Avinash Kumar Sharma, 1,250 Equity Shares to Rathindra Kumar Baral, 1,250 Equity Shares to Pradip Nath, 1,250 Equity Shares to Pushp Deo Singh, 1,250 Equity Shares to SK. Shekhar, 500 Equity Shares to Sujit Chatterjee and 500 Equity Shares to Supratip Maitra

(9) Allotment of 3,750 Equity Shares to Anshuman Saxena, 2,500 Equity Shares to Chinmoy Das, 1,250 Equity Shares to Srimanta Hazra, 1,250 Equity Shares to Amarjit Kundu, 1,250 Equity Shares to Supratik Nandy, 1,250 Equity Shares to Prabat Kumar Rout and 1,250 Equity Shares to Sanjoy Das

(10) Allotment of 1,200 Equity Shares to A.K. Dikshit, 2,625 Equity Shares to Ajay Kumar Gupta, 10,500 Equity Shares to Ajay Kumar Sinha, 2,625 Equity Shares to Amitava Chowdhury, 2,625 Equity Shares to B.C. Pratihar, 700 Equity Shares to Bhagirath Acharya, 1,750 Equity Shares to C.B. Singh, 3,500 Equity Shares to Chinmoy Das, 8,750 Equity Shares to Debashish Maiti, 700 Equity Shares to Debasis Mitra, 700 Equity Shares to Debasis Nandy, 2,625 Equity Shares to Debdas Majhi, 1,750 Equity Shares to Devendra Kumar Rathi, 2,625 Equity Shares to Dipak Kumar Dey, 700 Equity Shares to E P Nandkumar, 5,250 Equity Shares to G.D. Rathi, 700 Equity Shares to Gopinath Paik, 5,250 Equity Shares to Hemant Bhuwania, 28,700 Equity Shares to Kingshuk Bhattacharya, 1,750 Equity Shares to Mrinmoy Gayen, 2,625 Equity Shares to M.L. Pareek, 700 Equity Shares to N.N. Das, 3,500 Equity Shares to Niraj Kr. Gupta, 3,500 Equity Shares to Nishikant Singh, 1,750 Equity Shares to Nripen Chatterjee, 5,250 Equity Shares to O.P. Maheshwari, 1,750 Equity Shares to P.K. Bhatra, 5,250 Equity Shares to P S N Murthy, 700 Equity Shares to P.K. Nath, 2,625 Equity Shares to P.N. Shukla, 2,625 Equity Shares to Pritam Sinha, 1,750 Equity Shares to R P Shahi, 700 Equity Shares to P.K. Nath, 2,625 Equity Shares to P.N. Shukla, 2,625 Equity Shares to Pritam Sinha, 1,750 Equity Shares to R P Shahi, 10,500 Equity Shares to R. Agarwal, 2,625 Equity Shares to R.K. Jain, 1,750 Equity Shares to R.K. Dharaiwa, 700 Equity Shares to Rajendra Rathi, 1,750 Equity Shares to Ranjan Paik, 2,625 Equity Shares to S.R. Bhattacharya, 700 Equity Shares to S.P. Singh, 1,750 Equity Shares to S.R. Dey, 8,750 Equity Shares to Saket Kumar, 1,750 Equity Shares to Samir Kumar Ghosh, 1,750 Equity Shares to Sanjoy Das, 1,750 Equity Shares to Sanjay Garg, 2,625 Equity Shares to Shankha Pathak, 1,750 Equity Shares to Shaswat Sarkar, 700 Equity Shares to Shiv Paras Nath Rai, 1,750 Equity Shares to Sisir Kumar Dutta, 700 Equity Shares to Sujoy Das, 3,500 Equity Shares to Sumit Chatterjee, 700 Equity Shares to Sumit Kr. Shyamal, 1,750 Equity Shares to Sumit Kumar Dey, 700 Equity Shares to Sunil Kumar Banerjee, 2,625 Equity Shares to Tapan Mitra, 3,500 Equity Shares to Tapan Roy, 8,750 Equity Shares to Uma Shankar Singh and 14,000 Equity Shares to Varun Bharthuar

(11) Allotment of 89,12,395 Equity Shares to the equity shareholders of Kalindee Rail Nirman (Engineers) Limited pursuant to scheme of arrangement between Texmaco Rail & Engineering Limited, Kalindee Rail Nirman (Engineers) Limited, their respective shareholders and creditors as approved by the High Court of the Calcutta and Delhi vide their orders dated February 26, 2016 and December 19, 2016, respectively

(12) Allotment of 35,000 Equity Shares to Ramesh Maheshwari, 17,500 Equity Shares to Sandeep Fuller, 17,500 Equity Shares to D.H. Kela, 17,500 Equity Shares to A.K. Vijay, 10,500 Equity Shares to Debjeet Choudhury, 5,250 Equity Shares to Satyajit Chakrabortty, 5,250 Equity Shares to Anshuman Saxena, 3,500 Equity Shares to KeyaSengupta, 3,500 Equity Shares to N.K. Bandhopadhyay, 3,500 Equity Shares to Ravi Kant Maheshwari, 2,625 Equity Shares to Tanmoy Chakraborty, 2,625 Equity Shares to Harsh Verma, 2,000 Equity Shares to Shyamali Banerjee, 2,625 Equity Shares to Rajiv Bhattacharya, 2,625 Equity Shares to Arif Salam, 1,750 Equity Shares to Srimanta Hazra, 1,750 Equity Shares to Amarjit Kundu, 1,750 Equity Shares to Dibyendu Bhattacharya, 1,750 Equity Shares to Avinash Kumar Sharma, 1,750 Equity Shares to PradipNath, 1,750 Equity Shares to Pushp Dev Singh, 1,750 Equity Shares to S K

Shekhar, 700 Equity Shares to Ashim Kr. Bhowmick, 700 Equity Shares to Sujit Kr. Chatterjee and 700 Equity Shares to Supratip Maitra

(13) Allotment of 5,250 Equity Shares to Soumen Mondal

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

(15) Allotment of 16,000 Equity Shares to Varun Bharthuar, 12,000 Equity Shares to Manjeet Narwan, 12,000 Equity Shares to Debjeet Choudhury, 12,000 Equity Shares to R. Agarwal, 10,000 Equity Shares to Uma Sankar Singh, 10,000 Equity Shares to D. Maity, 10,000 Equity Shares to Saket Kumar, 6,000 Equity Shares to Satyajit Chakrabortty, 6,000 Equity Shares to O.P. Maheshwari, 6,000 Equity Shares to G.D. Rathi, 6,000 Equity Shares to Hemant Bhuwania, 6,000 Equity Shares to P S N Murty, 4,000 Equity Shares to Nishikant Singh, 4,000 Equity Shares to Bysadeb Adak, 4,000 Equity Shares to Keya Sengupta, 4,000 Equity Shares to Tapan Roy, 4,000 Equity Shares to Niraj Gupta, 4,000 Equity Shares to Sumit Chatterjee, 4,000 Equity Shares to Chinmoy Das, 4,000 Equity Shares to Binayak Bhattacharya, 3,000 Equity Shares to Dipak Kumar Dey, 3,000 Equity Shares to Harsh Verma, 3,000 Equity Shares to Debdas Majhi, 3,000 Equity Shares to M.L. Pareek, 3,000 Equity Shares to P.N. Shukla, 3,000 Equity Shares to Ajoy Kumar Gupta, 3,000 Equity Shares to B.C. Pratihar, 3,000 Equity Shares to Tapan Mitra, 3,000 Equity Shares to Pritam Sinha, 3,000 Equity Shares to Shankar Pathak, 3,000 Equity Shares to Arif Salam, 3,000 Equity Shares to S.R. Bhattacharya, 2,000 Equity Shares to C.B. Singh, 2,000 Equity Shares to Samir Kumar Ghosh, 2,000 Equity Shares to Ranjan Paik, 2,000 Equity Shares to S.R. Dey, 2,000 Equity Shares to Devendra Kumar Rathi, 2,000 Equity Shares to Devendra Kumar Rathi, 2,000 Equity Shares to Shaswat Sarkar, 2,000 Equity Shares to Nripen Chatterjee, 2,000 Equity Shares to S.K. Dutta, 2,000 Equity Shares to R.K. Dharaiwa, 2,000 Equity Shares to Sanjay Garg, 2,000 Equity Shares to P K Bhatra, 2,000 Equity Shares to Sumit Kumar Dey, 2,000 Equity Shares to Avinash Kumar Sharma, 2,000 Equity Shares to M Gayen, 2,000 Equity Shares to A K Dixit, 2,000 Equity Shares to Pradip Nath, 2,000 Equity Shares to R P Sahi, 2,000 Equity Shares to S K Shekhar, 800 Equity Shares to Sujoy Das, 800 Equity Shares to Gopinath Paik, 800 Equity Shares to Debasis Mitra, 800 Equity Shares to S.P. Singh, 800 Equity Shares to Kingshuk Bhattacharya, 800 Equity Shares to Rajendra Rathi, 800 Equity Shares to Shiv Paras Nath Rai, 800 Equity Shares to P.K. Nath, 800 Equity Shares to N. N. Das, 800 Equity Shares to Sunil Banerjee, 800 Equity Shares to Bhagirath Acharya and 800 Equity Shares to Debasis Nandy

(16) Allotment of 40,000 Equity Shares to Ramesh Maheshwari, 20,000 Equity Shares to D.H. Kela, 20,000 Equity Shares to A.K. Vijay, 12,000 Equity Shares to Ajay Kumar Sinha, 6,000 Equity Shares to Anshuman Saxena, 4,000 Equity Shares to N.K. Bandhopadhyay, 4,000 Equity Shares to Ravi Kant Maheshwari, 3,000 Equity Shares to Tanmoy Chakraborty, 3,000 Equity Shares to Shyamali Banerjee, 3,000 Equity Shares to Rajib Bhattacharjee, 3,000 Equity Shares to R.K. Jain, 2,000 Equity Shares to Srimanta Hazra, 2,000 Equity Shares to Amarjit Kundu, 2,000 Equity Shares to Dibyendu Bhattacharya, 2,000 Equity Shares to Shyam Sundar Saha, 2,000 Equity Shares to Sanjoy Das, 800 Equity Shares to Ashim Kr. Bhowmick, 800 Equity Shares to Sujit Kr. Chatterjee, 800 Equity Shares to Supratip Maitra, 800 Equity Shares to Sankar Ghosh, 3,938 Equity Shares to Ravi Varma, 7,875 Equity Shares to Rajiv Agarwal, 7,875 Equity Shares to L.R. Murali, 3,938 Equity Shares to Md. Din Ahmed Lasker, 10,500 Equity Shares to T.V. Nagaraju, 7,875 Equity Shares to P.C. Kejriwal, 1,313 Equity Shares to M.K. Agarwal and 525 Equity Shares to Neha Singh

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

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

(19) Allotment of 47,85,300 Equity Shares to U. V. Kamath

(20) Allotment of 93,54,839 Equity Shares to Adventz Finance Private Limited and 1,61,29,031 Equity Shares to Saroj Kumar Poddar

(21) Allotment of 7,15,26,643 Equity Shares to the shareholders of the Company pursuant to the rights issue in the ratio of 2 Equity Shares for every 7 Equity Shares held

(22) *Allotment of 27,02,700 Equity Shares to Adventz Finance Private Limited and 6,75,675 Equity Shares to Saroj Kumar Poddar (as an individual)*

Except as stated in "– *Equity Share capital history of our Company*" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, please see the section titled "*Details of Proposed Allottees*" on page 417.

Pre-Issue and post-Issue shareholding pattern

The following table provides the pre-Issue shareholding pattern as of November 17, 2023 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	2,85,69,034	8.78	[●]	[●]
	Bodies corporate	16,33,06,663	50.21	[●]	[●]
	Sub-total	**19,18,75,697**	**58.99**	**[●]**	**[●]**
2.	Foreign promoters	4,24,820	0.13	[●]	[●]
	Sub-total (A)	**19,23,00,517**	**59.12**	**[●]**	**[●]**
B	**Non-Promoter holding**				
1.	Institutional investors	2,64,58,883	8.13	[●]	[●]
2.	Non-Institutional investors	4,44,670	0.14	[●]	[●]
	Private corporate bodies	1,89,58,500	5.83	[●]	[●]
	Directors and relatives	52,530	0.02	[●]	[●]
	Indian public	7,95,74,927	24.47	[●]	[●]
	Others including Non- resident Indians (NRIs)	74,58,243	2.29	[●]	[●]
	Sub-total (B)	**13,29,47,753**	**40.88**	**[●]**	**[●]**
	Grand Total (A+B)	**32,52,48,270**	**100.00**	**[●]**	**[●]**

^*Based on beneficiary position data of our Company as on November 17, 2023.*
**The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
***Includes shareholding of our Promoter Group as well.*

Other confirmations

(i) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice to our Shareholders, i.e., September 21, 2023, for approving the Issue.

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

(iii) Our Company has allotted securities on preferential basis in the last one year preceding the date of this Preliminary Placement Document, the details of which are as below:

Sr. No.	Name of the allottee	No. of Equity Shares allotted
1.	Adventz Finance Private Limited	27,02,700
2.	Saroj Kumar Poddar (as an individual)	6,75,675

(iv) Our Company does not have any employee stock option plan as on the date of this Preliminary Placement Document.

(v) There would be no change in control in our Company consequent to the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the 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.

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 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please see the section titled "*Financial Information*" on page 254.

DIVIDENDS

The declaration and payment of final dividends 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. See *"Description of the Equity Shares"* on page 242.

Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on September 3, 2016 in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to, profits earned during the year, capital requirements of the existing businesses, business expansion and growth, additional investment in subsidiaries and associates, acquisition of brands and business, state of economy, capital markets, statutory restrictions and other factors that may be considered relevant from time to time.

The following table details the dividend declared and paid or payable by our Company on the Equity Shares in respect of the six months period ended September 30, 2023, Fiscals 2023, 2022, 2021 and October 1, 2023 till the date of filing of this Preliminary Placement Document:

Period	Face Value of Equity Share (in ₹)	Dividend per Equity Share (in ₹)	Total amount of dividend# (in ₹ lakhs)	Dividend rate (%)
From October 1, 2023 till the date of filing of the PPD	1.00	Nil	Nil	Nil
Six months period ended September 30, 2023	1.00	Nil	Nil	Nil
Fiscal 2023	1.00	0.15	482.80	15.00
Fiscal 2022	1.00	0.10	321.87	10.00
Fiscal 2021	1.00	0.10	250.34	10.00

#*Including unclaimed dividend.*

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 amounts paid as dividends in the past are not necessarily indicative of the Dividend Distribution Policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, 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, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

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. See "*Description of the Equity Shares*" on page 242. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, See "*Risk Factors – Our ability to pay dividends in the future will depend upon on a number of factors, including but not limited to our Company's earnings, financial condition, cash flows, working capital requirements and capital expenditures and restrictive covenants in our financing arrangements. Any inability to declare dividend may adversely affect the trading price of our Equity Shares*" and "*Taxation*" on pages 57 and 245, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and operating performance as at and for the six months period ended September 30, 2023 and September 30, 2022 and as at and for the Fiscals 2023, 2022 and 2021, including the notes thereto and reports thereon, each included in this document, and our assessment of the factors that may affect our prospects and performance in future periods. Our Audited Consolidated Financial Statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Audited Consolidated Financial Statements in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward-Looking Statements" sections in this document on pages 39 and 14, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

In this section, references to "we" and "our" are to our Company, its Subsidiaries and its Joint Venture(s) on a consolidated basis.

The fiscal year for our Company, its Subsidiaries and its Joint Ventures ends on March 31 of each year, so all references to a particular "Financial Year", "Fiscal Year" or "Fiscal" are to the 12-month period ended March 31 of that year. Financial information for the six months ended September 30, 2023, and September 30, 2022, is not annualized and not indicative of full year results and is not comparable with annual financial statements presented in this Preliminary Placement Document. Unless otherwise specified, all amounts in this section are stated on a consolidated basis. Further, unless otherwise indicated, the financial information included herein is based on our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Statements included in this Preliminary Placement Document.

OVERVIEW

We are a part of the Adventz Group of companies, which is engaged in various sectors such as agri business, engineering, infrastructure, real estate, consumer durables and services sectors. We are an ISO: 9001-2015, premier multi-discipline, multi-unit engineering and infrastructure company, with six manufacturing units. The Company, headquartered in Kolkata, is involved in the business of manufacturing of rolling stock, such as wagons, coaches, EMUs, loco shells & parts, hi-tech components etc., hydro mechanical equipment, steel castings, rail EPC, bridges, and other steel structures. Over the years, we have entered into technical collaborations with renowned multinationals for developing and expanding our product portfolio. We are a diversified heavy engineering company, with products including railway freight wagons, hydro-mechanical equipment and industrial structures for infrastructure industry, locomotive components and locomotive shells, railway bridges, steel castings, and pressure vessels, etc. We are also one of the few private sector companies engaged in signalling, rail telecommunication, track constructions, including the ballast less tracks for metro rail. Our Company became operational on April 1, 2010, post the demerger of the heavy engineering and steel foundry division of Texmaco Limited, a company founded in 1939. Texmaco Limited was set up as a textile machinery manufacturing unit and subsequently diversified into other engineering fields including wagon manufacturing, hydro-mechanical equipment, steel castings, providing services to core sectors and process industries in India and abroad.

Our major operating divisions presently are: (i) the Heavy Engineering Division comprising of the manufacture and supply of freight cars, hydro-mechanical equipment, and bridges and steel structures; (ii) the Steel Foundry Division, and (iii) Rail Engineering Procurement Construction ("**EPC**") division. Presently, we have six manufacturing facilities at six locations, of which five are in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal and one at Urla, Raipur located in Chhattisgarh.

We have expanded our market overseas and have exported freight cars and rolling stock components to various countries. We have exported gondola wagons to Liberia, tank wagon to Cameroon, Bangladesh and Sri Lanka, phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreadnought ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa. We have strong in-house capabilities for the design and manufacture of commodity specific special purpose wagons for core sectors such as cement, coal, alumina, ammonia, steel, container freight wagons, oil, chemicals, fertilisers, and the defence sector among others. We have been certified by the RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. We have an annual production capacity of 42,000 metric tonnes of steel castings. Our steel foundry is engaged in manufacturing of railway castings such as bogies, couplers, draft gears, cast manganese steel ("CMS") crossings, and industrial castings such as shrouds for mining equipments, and hub castings for hydro equipment. We supply steel castings to the Indian Railways and other wagon builders in India. We have also built strong capabilities in designing, marketing, manufacturing, erecting, and commissioning of hydro- mechanical equipment and executed several hydro-mechanical projects both in India and overseas. We are also exporting steel castings to USA, Australia, Mexico, and Malaysia. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for achieving the highest level of exports of steel castings in the eastern region of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Promotion Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2018.

Currently, the Company has two Joint Ventures with (a) Wabtec Corporation from the United States of America; and (b) Touax Group from France.

Our Board of Directors at their meeting held on October 14, 2023, approved, a Scheme of Arrangement ("**Scheme**") and Demerger between Texmaco Rail & Engineering Limited ("**Transferor Company**" / "**Demerged Company**") and Belgharia Engineering Udyog Private Limited ("**Transferee Company**"/ "**Resulting Company**") and their respective shareholders and creditors, under Section 230 to 232 of the Act and other applicable provisions of the Act and Rules framed thereunder. The Scheme is subject to necessary approvals including that from the Securities and Exchange Board of India, the shareholders and creditors of the Company, and the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT'). The Scheme contemplates demerger of the Demerged Undertaking from Transferor Company into and with the Transferee / Resulting Company. The Demerged Undertaking, as defined in the Scheme refers to "Infra – Rail & Green Energy" Division (comprises of Kalindee Division, Hydro Mechanical & Bridges Division) i.e., the business of execution of projects in the area of hydro mechanical works, bridge & structural, track laying, signalling & telecommunication etc., along with related assets, customer contracts, employees and intellectual properties.

We had expanded our business by entering into strategic collaborations with renowned multi-national companies which have diverse experience in the rail industry. For instance, our joint ventures with the Touax Group in France, Touax Texmaco Railcar Leasing Private Limited, has helped us diversify our income stream by commencing leasing of railway wagons. Additionally, Wabtec Texmaco Rail Private Limited, our joint venture with Wabtec Corporation in the United States of America, is geared towards the production of high value components including bogie mounted brake systems, low and high friction brake blocks, and friction wedges. Additionally, our Company has entered into a binding joint venture agreement with NYMWAG CS a.s. – AZC Group, one of the leading European conglomerates on April 20, 2023, for the purpose of manufacture of freight wagon and/or its components or parts.

The order book of our Company, as on September 30, 2023, stood at ₹ 7,80,000 lakhs. For the Fiscal 2023, Fiscal 2022, and Fiscal 2021, our Order Book stood at ₹ 9,00,000 lakhs, ₹ 2,60,000 lakhs and ₹ 3,40,000 lakhs showing a CAGR of 62.69% from FY 2021 to FY 2023.

The table below sets forth the composition of our Company's total income and profit after tax, for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

(In ₹ lakhs)

Particulars	For the six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Income				
- Heavy Engineering Division	1,11,776.31	1,19,108.79*	60458.07*	66012.90*
- Steel Foundry Division	37,395.46	54,562.15	33,603.56	31,962.80
- Infra – Rail & Green Energy Division	21,994.63	66,198.92*	68248.23*	65291.49*
- Infra – Electrical Division	6,193.30	20,154.59	19,131.72	19,674.71
Total Income	1,77,359.70	2,60,024.45	1,81,441.58	1,82,941.90
Profit after tax	3,728.46	2,580.47	2,052.79	1,202.26

* *Infra – Rail & Green Energy division comprises of Kalindee division, Hydro mechanical and Bridges division. Hydro mechanical and Bridges division was earlier part of Heavy Engineering division.*

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Purchasing patterns of our principal customers

We are dependent on certain major customer for a significant portion of our revenue. Our top five customers for each of our segments and the percentage of their contribution to our total income for the six months period ended September 30, 2023, and the Fiscal 2023, fiscal 2022 and Fiscal 2021 is indicated below:

Heavy engineering division				
Name of the customer	**As at six months period ended September 30, 2023**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Customer A	47.12%	33.16%	12.41%	14.93%
Customer B	6.73%	4.08%	4.26%	4.76%
Customer C	4.56%	1.93%	2.32%	1.14%
Customer D	3.93%	1.11%	0.82%	0.69%
Customer E	2.04%	0.71%	0.81%	0.68%
TOTAL	**64.39%**	**40.99%**	**20.63%**	**22.19%**

Steel foundry division				
Name of the customer	**As at six months period ended September 30, 2023**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Customer A	3.90%	4.49%	3.59%	3.41%
Customer B	0.92%	1.62%	2.27%	1.88%
Customer C	0.54%	0.75%	0.55%	0.95%
Customer D	0.39%	0.57%	0.37%	0.68%
Customer E	0.20%	0.50%	0.29%	0.67%
TOTAL	**5.94%**	**7.93%**	**7.07%**	**7.60%**

Infra – Rail & green energy division				
Name of the customer	**As at six months period ended September 30, 2023**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Customer A	4.09%	10.41%	16.15%	17.86%
Customer B	2.34%	5.18%	6.43%	4.92%
Customer C	2.08%	2.90%	5.45%	3.75%
Customer D	0.90%	2.84%	2.16%	2.30%
Customer E	0.40%	0.34%	0.91%	1.10%
TOTAL	**9.81%**	**21.67%**	**31.11%**	**29.92%**

Infra – Electrical Division				
Name of the customer	**As at six months period ended September 30, 2023**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
Customer A	0.92%	1.47%	5.22%	6.00%
Customer B	0.52%	1.32%	2.57%	1.42%
Customer C	0.28%	0.77%	1.86%	1.31%
Customer D	0.23%	0.76%	0.39%	1.12%
Customer E	0.22%	0.49%	0.37%	0.93%
TOTAL	**2.17%**	**4.81%**	**10.41%**	**10.77%**

Any inability to maintain or increase our revenues from these clients could have an adverse effect on our business and results of operations. The demand from our customers determines our revenue levels and results of operations. Accordingly, any significant change in the demand pattern from our major customers and our ability to successfully compete for obtaining orders could adversely affect our business, results of operations and financials.

Cost of materials

We are a resource-intensive manufacturing operation. Our consumption of materials constituted approximately 71.93%, 76.62%, 67.95%, and 59.12%, of our total income for the six months period ended September 30, 2023, and the Fiscal 2023, fiscal 2022 and Fiscal 2021 respectively. The principal materials required for our wagon and rolling stock operations include steel plates and sheets, and specialised components such as wheel sets, bogies, and couplers. Additionally, we require raw materials such as mild steel and cast-iron scrap, pig iron, and tundish for our steel foundry division. Our ability to continue to purchase materials on commercially acceptable terms will have a material impact on our business, results of operations and financial condition going forward.

Competition

Our Company operates in highly competitive business segments, and we face significant competition from other companies. Some of our competitors may have greater financial, marketing, technological and other resources available to them, which may enable them to commit larger amounts of capital in response to changing market conditions and develop new products and processes which may put us at a disadvantage. Our competitors may further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

Government policy and other macroeconomic factors in India

A significant portion of our business, especially the demand for wagons and rolling stock, is dependent on government policy. Additionally, the demand for wagons is directly related to the commodity demand in the coal, steel, cement, alumina, automobiles, perishable goods and certain commodity-specific industries, some of which form part of the core sector of the Indian economy. We believe that macroeconomic factors, including growth in the core sector of the Indian economy as well as government spending in railway infrastructure, will have a material impact on our business, results of operations and financial condition going forward.

Working capital requirements and access to capital resources

Our business requires significant amounts of working capital primarily for creating requisite infrastructure at project sites and employing contractors to carry out preliminary activities. Further, due to a change in the procurement policy by the Indian Railways, we are now required to purchase wheelsets and bearings for our rolling stock, which has resulted in an increase in our working capital requirement. Our working capital requirements also tend to increase if contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product to our customer.

Our working capital requirements will increase in the event we undertake a larger number of orders as we grow our business. Our working capital requirements can also vary significantly across our business lines, with businesses such as our heavy engineering division typically having slower payment from customers, and therefore higher working capital requirements. If we grow our heavy engineering division relative to our other business lines, we expect that our working capital ratios would be adversely affected. Currently, we fund our working capital requirements from working capital loans from banks, buyer’s credit and internal accruals.

We seek to improve our working capital management, namely, to reduce our creditors, rationalise our inventory levels, and reduce finance costs on our trade payables. This will improve our bargaining strength and reduce the overall cost of finance. Regarding our inventory, our goal is to have sufficient inventory on hand at all times so that we are able to quickly meet the demands of our customers. To this end, we strategically manage our inventories, purchasing raw materials based on our estimated future production requirements, taking into account our views on potential supply shortages, and maintaining finished goods based on our estimates of future customer demand. In recent years, we have increasingly focused on rationalizing our inventory management, to meet our future requirements against while not carrying undue levels of inventory. In terms of our Payable Days, we have focused on repaying interest-bearing payables as soon as possible, to reduce our finance costs.

Seasonality and Weather Conditions

Our business is partially dependent on the favourable climatic conditions in order to carry out our projects in a time and cost-effective manner. Adverse weather conditions such as heavy rains, landslides, floods, including during the monsoon season, may restrict our ability to carry on construction activities and require us to evacuate personnel or curtail services, may result in damage to a portion of our equipment or facilities resulting in the suspension of operations, and may prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Additionally, executing projects in high altitude areas and hilly terrains may restrict our ability to transport manpower and machinery in a timely manner.

OUR SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

These financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of Accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefits plans which are measured at fair values at the end of each reporting period. Historical cost is generally based on the value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Functional currency of the Company in Indian Rupees. These Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained it's operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(iii) Use of Estimates

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates, judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each year. The policy has been explained under note B (xxi).

(iv) Property, Plant, and equipment

Property, plant and equipment are carried at the cost of acquisition/revalued amount or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation has been provided on straight line method in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act, 2013 except certain assets for which useful life of assets has been ascertained based on report of technical experts. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition.

The Company, based on technical assessment made by technical expert and management estimate, depreciates Building and Plant & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

- Buildings (Site Office): 3 years
- Buildings/ Investment Property: 30 to 60 years
- Roads: 5 to 10 years
- Railway Sidings: 15 to 30 years
- Electrical Machinery: 10 to 20 years
- Plant & Equipment: 5 to 17 years
- Furniture: 10 years
- Office Equipment: 5 years
- Computers: 3 years
- Motor Vehicles: 8 years
- Intangible Assets (Software): 6 years

Capital work-in-progress

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as Capital Advances.

Investment Properties

Properties that are held for - long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any, Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets are amortized on Straight Line Basis over a period of 6 years.

(vi) 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(vii) Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to statement profit or loss immediately.

(viii) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(a) Financial assets carried at amortized cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Investment in Equity Instruments at fair value through other comprehensive income

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

(c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at cost in the Financial Statements.

(f) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(g) Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(ix) Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(x) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of GST, trade discounts, rebates but includes excise duty. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Export incentives, certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

(a) Revenue from Operations

Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;

- the amount of revenue can be measured reliably;

- it is probable that the economic benefits associated with the transaction will flow to the Company;

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- Rent Income/Lease Rentals

(b) Revenue from construction contracts

Revenue from contract with customers is recognised when a performance obligation is satisfied by transferred of promised goods or services to a customer.
For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

The company transfers controls of a goods or service over time and therefore satisfies a performance obligation and recognise revenue over a period of time if one of following criteria is met:

(i) The customer simultaneously consumes the benefits of Company's performance or

(ii) The customer controls the assets as it is being created/enhanced by the company's performance or

(iii) There is no alternative use of assets and the company has either explicit or implicit rights of payment considering legal precedents.

Transaction price is the amount of consideration to which company expects to be entitled in exchange for transferring goods or services to a customer. The company includes Variable consideration as part of transaction price when there is basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price.

Significant judgements are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time, revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

3. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the price.

For contracts where the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract assets and termed as “unbilled revenue”. For contracts where the progress billing exceeds the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be), the surplus is shown as contract liability and termed as “Advances from customer”. The amounts billed on the customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by customers pending completion of performance milestone is disclosed as part of contract asset and is classified as trade receivables when it became due for payment.

Impairment loss (termed as provision for impairment loss in financial statement) is recognised in the statement of Profit & Loss to the extent the carrying amount of the contract assets exceeds the remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations).

(c) Other Income

Other income comprises of primarily of Interest Income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental Income and Claims (if any).
Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Dividend Income is recognized as and when right to receive payment is established provided, which is generally after the shareholders approves it in the Annual General Meeting.

Gain/ (Loss) on sale of Current/ Non-Current Investments are recognized at the time of redemption/ Sale and at Fair value at each reporting period.

Rent Income/Lease rentals are recognized on accrual basis in accordance with the terms of agreements.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(xi) Employee Benefits

The Company’s contribution to provident fund, pension fund, employees’ state insurance scheme and super-annuation fund are charged on accrual basis to Statement of Profit & Loss.

(a) Short term benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

(b) Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952.

Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis- s-vis interest rate declared by the Employees' Provident Fund Organisation.

(c) Defined benefit retirement benefits:

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees.

Remeasurement, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognized in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in the comprehensive income are not reclassified to the statement of profit and loss but recognized directly in the retained earnings. Past service costs are recognized in the statement of profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows:

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and

- Net interest expense or income; and

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(d) Voluntary Retirement Scheme Benefits

Voluntary retirement scheme benefits are recognized as an expense in the year they are incurred.

(xii) Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company’s Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee’s compensation cost over the vesting period.

(xiii) Custom Duty& Goods & Service Tax (GST)

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods.

(xiv) Research and Development

Research and Development expenditures of revenue nature are charged to Profit & Loss Account, while capital expenditure is added to the cost of fixed assets in the year in which these are incurred.

(xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on weighted average basis.

Stores and Spares are valued on the "weighted average" basis.

(xvi) Lease

(a) Where the Company is the lessee

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the present value of lease payments to be made over the lease term, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease agreement period of underlying assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(b) Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit &Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of Profit &Loss.

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

(xvii) Foreign Currency Transactions and Exchange Differences

Transactions in currencies other than entity's functional currency (spot rates) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are premeasured at the rates of exchange prevailing at that date. Exchange difference on monetary items are recognized in the statement of Profit & Loss in the period in which they arise. Non-monetary items carried at historical cost are translated using exchange rates at the dates of the initial transaction.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

(a) Provisions & Warranties

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognise at the date of sale of the relevant products, at the management's best estimate of the expenditure -required to settle the Company's warranty obligation.

(b) Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognized and measured as provisions.

(c) Contingent liabilities

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

(d) Contingent Assets

Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain.

(xix) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xx) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(xxi) Segment Reporting

(a) Based on the organizational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Heavy Engineering Division and Steel Foundry Division and Rail EPC.

(b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.

(c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(a) Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company’s worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

(b) Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognized as they become receivable. In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss.

(xxiv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xxv) Cash Flow Statement

Cash Flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company are segregated.

(xxvi) Exceptional Item

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.

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
Jointly controlled assets	Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	**(a) Integrated joint ventures:** (i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures. (ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses. **(b) Incorporated jointly controlled entities:** (i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established. (ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature.

(xxviii) Standards notified but not yet effective

(a) Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as follows:

(b) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

(c) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

(d) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

We derive our total income from our revenue from operations and other income.

Revenue from operations

Our revenue from operations consists of (i) sale of products; (ii) sale of services; and (iii) other operating revenue. Sale of products consists of the sale of wagons, locomotive shells, hydromechanical equipment, bridge structures and steel casting.

Sale of services consists of track-laying, overhead electrification, signalling and automatic fair collection.

Other operating revenue consists of scrap sale and export incentives.

Other income

Our other income consists of: (i) interest income on bank deposits; (ii) interest income on other sources such as interest from bonds and inter-corporate deposits; (iii) dividend income from current and non-current investments; (iv) net gain on sale of current investments; (v) compensation against old refugee settlement area; (vi) miscellaneous receipts and income; (vii) sundry balances adjusted; (viii) net profit on sale of property, plant and equipment; (ix) rent received; (x) provision and excess liabilities written back; (xi) gain on fair valuation of bonds or mutual funds; and (xii) insurance claim received.

Expenses

Our expenses consist of the following: (i) cost of materials consumed; (ii) changes in inventories of finished goods, stock-in-trade and work-in-progress; (iii) employee benefit expenses; (iv) finance costs; (v) depreciation and amortisation expense; and (vi) other expenses.

Cost of materials consumed consists primarily of purchases and consumption of components.

Employee benefit expenses consist of the following: (i) salary, wages and bonus; (ii) contribution to provident fund and pension fund, superannuation fund, and gratuity; (iii) staff welfare expenses; and (iv) VRS Expenses.

Finance costs consist of: (i) interest expense on borrowings; and (ii) other borrowing costs.

Depreciation and amortisation expense consist of the following: (i) depreciation of property, plant and equipment; and (ii) amortisation of intangible expenses.

Other expenses *inter alia* consist of the following: (i) consumption of stores and spares; (ii) power and fuel; (iii) directors' sitting fees.(iv) rent; (v) repairs and maintenance of buildings; (vi) repairs and maintenance of plant and machinery; (vii) repairs and maintenance of building and others (viii) insurance; (ix) rates and taxes excluding taxes on income; (x) freight, packing and transport; (xi) erection expenses; (xii) drawings and designs; (xiii) royalty and knowhow; (xiv) research and development; (xv) selling agents' commission; (xvi) selling expenses; (xvii) directors' commission; (xvii) payment to auditors; (xviii) donation; (xix) CSR expenses; (xx) miscellaneous expenses; (xxi) sundry debit balance adjusted; (xxii) bad debt/impairment/loss of unbilled Revenue written off; (xxiii) allowance for bad and doubtful debts; and(xxiv) net gain or loss on foreign currency transaction.

Taxation

Taxes mainly comprise of current tax, tax adjustment of earlier years, MAT credit and deferred tax.

RESULTS OF OPERATIONS BASED ON OUR UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Six months period ended September 30, 2023, and September 30, 2022

The following tables set forth our selected financial information extracted from our statement of profit and loss for the six months period ended September 30, 2023, and September 30, 2022, the components of which are also expressed as a percentage of total income for such periods:

(In ₹ lakhs)

Particulars	Six months period ended September 30, 2023 (Unaudited)		Six months period ended September 30, 2022 (Unaudited)	
	Amount	**% of total income**	**Amount**	**% of total income**
Revenue From operations	1,46,186.84	97.27	78,311.68	98.24
Other Income	4,109.39	2.73	1,405.54	1.76
Total Income (I +II)	**1,50,296.23**	**100.00**	**79,717.22**	**100.00**
EXPENSES				
Cost of materials consumed	1,08,102.37	71.93	60,196.20	75.51
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	884.37	0.59	(7,977.31)	-10.01
Employee benefit expense	6,669.79	4.44	6,573.04	8.25
Finance costs	7,114.94	4.73	5,287.24	6.63
Depreciation and amortization expense	2,051.36	1.36	1,744.08	2.19
Other expenses	20,790.47	13.83	16,105.48	20.20
Total expenses (IV)	**1,45,613.30**	**96.88**	**81,928.73**	**102.77**
Profit / (loss) before tax (III-IV)	**4,682.93**	**3.12**	**(2,211.51)**	**-2.77**
Exceptional items				
Profit / (loss) before tax	**4,682.93**	**3.12**	**(2,211.51)**	**-2.77**
Tax Expenses				
a) Current Tax	950.00	0.63	-	0.00
b) MAT Credit Entitlement	(950.00)	(0.63)	-	0.00
c) Deferred Tax	1,809.39	1.20	(964.56)	-1.21
d) Income Tax Paid Related to Earlier Years	-	-	-	0.00
	1,809.39	1.20	**(964.56)**	-1.21
Profit/(loss) for the period from continuing operations (V-VI)	**2,873.54**	**1.91**	**(1,246.95)**	**-1.56**
Profit/(loss) for the period from JV/Associates	854.92	0.57	724.75	0.91
Profit/(loss) for the period	**3,728.46**	**2.48**	**(522.20)**	**-0.66**
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	41.34	0.03	(1.67)	0.00
B (I) Items that will be reclassified to profit or loss	48.19	0.03	437.43	0.55
	89.53	**0.06**	**435.76**	**0.55**

Six months period ended September 30, 2022, compared to six months period ended September 30, 2023

Our total income increased by 88.54% to ₹ 1,50,296.23 lakhs for the six months period ended September 30, 2023 from ₹ 79,717.22 lakhs for the six months period ended September 30, 2022**.**

Revenue from operations

Our total revenue from operations increased by 86.67% to ₹ 1,46,186.84 lakhs for the six months period ended September 30, 2023 from ₹ 78,311.68 lakhs for the six months period ended September 30, 2022 primarily due to growth in the sales volume in both freight car division and steel foundry division. The production for the six months period ended September 30, 2022 was 597 freight cars and 10,610 MT at steel foundry division, however, the turnover for the six months period ended September 30, 2023 was 2,968 freight cars and 20,117 MT at the steel foundry

As a percentage of our total income, our revenue from operations was 97.27% for the six months period ended September 30, 2023, as compared to 98.24% for the six months period ended September 30, 2022.

Other income

Our other income increased to ₹ 4,109.39 lakhs for the six months period ended September 30, 2023 from ₹ 1,405.54 lakhs for the six months period ended September 30, 2022 primarily due to increase in compensation against Old Refugee Settlement Area to ₹ 3,000.00 lakhs for the six months period ended September 30, 2023 from ₹ 487.37 lakhs for the six months period ended September 30, 2022

Expenses

Our total expenses increased by 77.73% to ₹ 1,45,613.30 lakhs for the six months period ended September 30, 2023, from ₹ 81,928.73 lakhs for the six months period ended September 30, 2022.

Cost of materials consumed

Our cost of materials consumed increased by 79.58% to ₹ 1,08,102.37 lakhs for the six months period ended September 30, 2023, from ₹ 60,196.20 lakhs for the six months period ended September 30, 2022 primarily due to increase in volume of production at both heavy engineering division and steel foundry division. The production for the six months period ended September 30, 2022 was 651wagons and 11,709.49 MT at steel foundry division, however, the production for the six months period ended September 30, 2023 was 30,31 wagons and 16,577.41MT at steel foundry division

Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Changes in inventories of finished goods, stock in trade and work in progress was ₹ 884.37 lakhs for the six months period ended September 30, 2023 as compared to ₹ (7,977.31) lakhs for the six months period ended September 30, 2022 primarily due to increase in volume of production at both Heavy Engineering Division and Steel Foundry Division. The production for the six months period ended September 30, 2022 was 651 wagons and 11,709.49 MT at Steel Foundry Division, however, the production for the six months period ended September 30, 2023 was 3,031 wagons and 16,577.41 MT at Steel Foundry Division

Employee benefit expense

Our employee benefit expense marginally increased by 1.47% to ₹ 6,669.79 lakhs for the six months period ended September 30, 2023 from ₹ 6,573.04 lakhs for the six months period ended September 30, 2022 primarily due to an increase in our expenses towards salaries and wages, and contributions towards superannuation fund. This increase was a result of the annual increment in wages and salaries.

Finance cost

Our finance cost increased by 34.57% to ₹ 7,114.94 lakhs for the six months period ended September 30, 2023 from ₹ 5,287.24 lakhs for the six months period ended September 30, 2022 primarily due to utilisation of working capital limit and issue of bank guarantee for new wagon orders and letter of credit for procurement of raw materials. Company has also borrowed certain high-cost debt in the form of inter-corporate deposits as on September 30, 2022 was ₹ 14,471.16 lakhs and inter-corporate deposits as on September 30, 2023 was ₹ 23,719.56 lakhs.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 17.62% to ₹ 2,051.36 lakhs for the six months period ended September 30, 2023 from ₹ 1,744.08 lakhs for the six months period ended September 30, 2022 primarily due to purchase of new capital assets of ₹ 3,414.13lakhs during April 1, 2023 to September 30, 2023.

Other expenses

Our other expenses increased by 29.09% to ₹ 20,790.47 lakhs for the six months period ended September 30, 2023 from ₹ 16,105.48 lakhs for the six months period ended September 30, 2022 primarily due to

(i) an increase in consumption of stores and spares by 17.08% to ₹ 7,272.33 lakhs in six months period ended September 30, 2023 from ₹ 6,211.37 lakhs in six months period ended September 30, 2022 due to an increase in the production at heavy engineering and steel foundry division.

(ii) an increase in power and fuel by 22.09% to ₹ 4186.54 lakhs in six months period ended September 30, 2023 from ₹ 3428.96 lakhs in six months period ended September 30, 2022 due to an increase in the production at heavy engineering and steel foundry division.

(iii) an increase in freight, packing, and transport by 7.40% to ₹639.04 lakhs in six months period ended September 30, 2023 from ₹ 595.01 lakhs in six months period ended September 30, 2022 due to an increase in the sales at heavy engineering division.

(iv) an increase in Selling Expenses by 98.52% to ₹ 138.10 lakhs in six months period ended September 30, 2023 from ₹ 69.57 lakhs in six months period ended September 30, 2022 due to an increase in the sales at heavy engineering division.

(v) In six months period ended September 30, 2023, the Company has made a provision for bad and doubtful debt of ₹ 3,807.59 lakhs. in terms of the notice of recovery received from Indian Railways against short closure of 2nd tranche of wagon order during the quarter.

Profit before tax

Our profit before tax was ₹ 4,682.93 lakhs for the six months period ended September 30, 2023 as compared to loss of ₹ 2,211.51 lakhs for the six/ months period ended September 30, 2022 primarily due to the reasons mentioned above.

Total tax expenses

Our total tax expenses was ₹ 1,809.39 lakhs for the six months period ended September 30, 2023 from ₹ (964.56) lakhs for the six months period ended September 30, 2022 primarily due to increase un deferred tax to ₹ 1,809.39 lakhs for the six months period ended September 30, 2023 compared to ₹ (964.56) lakhs in the six months period ended September 30, 2022**.**

Net Profit / loss after tax

As a result of the foregoing, our net profit was ₹ 3,728.46 lakhs for the six months period ended September 30, 2023 as compared to a net loss of ₹ (522.20) lakhs for the six months period ended September 30, 2022.

OUR RESULTS OF OPERATIONS BASED ON OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Fiscals 2023, 2022 and 2021

The following tables set forth our selected financial information from our consolidated statement of profit and loss for Fiscals 2023, 2022 and 2021 the components of which are also expressed as a percentage of total income for such years. The financial information corresponding to Fiscals 2023, 2022 and 2021 has been derived from the Audited Consolidated Financial Statements:

(In ₹ lakhs)

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount	**%age of total income**	**Amount**	**%age of total income**	**Amount**	**%age of total income**
Income						
Revenue From operations	2,24,327.74	98.84	1,62,173.59	98.64	1,68,884.79	98.54
Other Income	2,637.42	1.16	2,243.13	1.36	2,503.16	1.46
Total Income (I +II)	**2,26,965.16**	**100.00**	**1,64,416.72**	**100.00**	**1,71,387.95**	**100.00**
EXPENSES						
Cost of materials consumed	1,73,909.24	76.62	1,11,724.71	67.95	1,01,319.68	59.12
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(12,323.16)	(5.43)	(2,301.91)	-1.40	16,844.80	9.83
Employee benefit expense	13,005.71	5.73	12,603.35	7.67	11,688.10	6.82
Finance costs	11,617.49	5.12	10,024.14	6.10	10,296.95	6.01
Depreciation and amortization expense	3,519.61	1.55	3,600.20	2.19	3,745.35	2.19
Other expenses	35,195.19	15.51	26,125.98	15.89	27,159.40	15.85
Total expenses (IV)	**2,24,924.08**	**99.10**	**1,61,776.47**	**98.39**	1,71,054.28	99.81
Profit(loss) before tax (III-IV)	2,041.08	0.90	2,640.25	1.61	333.67	0.19
Exceptional items						
Profit(loss) before tax	2,041.08	0.90	2,640.25	1.61	333.67	0.19
Tax Expenses						
1) Current Tax	0.10	0.00	32.98	0.02	0	0.00
2) MAT Credit Entitlement	(46.08)	(0.02)	(32.98)	-0.02	0	0.00
3) Deferred Tax	933.84	0.41	1,368.26	0.83	-5.47	0.00
4) Income Tax Paid Related to Earlier Years	-	-	49.99	0.03	-21.8	-0.01
	887.86	**0.39**	**1,418.25**	**0.86**	**-27.27**	**-0.02**

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	%age of total income	Amount	%age of total income	Amount	%age of total income
Profit (Loss) for the period from continuing operations (V-VI)	**1,153.22**	**0.51**	**1,222.00**	**0.74**	**360.94**	**0.21**
Profit/(loss) for the period from JV/Associates	1,427.25	0.63	830.79	0.51	841.32	0.49
Profit/(loss) for the period	**2,580.47**	**1.14**	**2,052.79**	**1.25**	**1,202.26**	**0.70**
Owners of the Parent	2,815.30	1.24	3,051.34	1.86	3,731.60	2.18
Non-Controlling Interest	(22.16)	(0.01)	2.78	0.00	-213.57	-0.12

Fiscal 2023 compared to Fiscal 2022

Income

Our total income comprises of revenue from operations and other income.

Our total income increased by 38.04% to ₹2,26,965.16 lakhs in Fiscal 2023 from ₹ 1,64,416.72 lakhs in Fiscal 2022. This was primarily due to increase in revenue from operations and an increase in other income.

Revenue from operations

Our total revenue from operations increased by 38.33% to ₹ 2,24,327.74 lakhs in Fiscal 2023 from ₹ 1,62,173.59 lakhs in Fiscal 2022. The increase was primarily due to growth in the sales volume in both freight car division and steel foundry division. Freight car sales for Fiscal 2023 was 3,073 Nos as against 1,604 Nos in Fiscal 2022. Similarly, the sales volume in steel foundry was 29,942 MT for Fiscal 2023 and 20,889 MT for Fiscal 2022.

As a percentage of total income, our revenue from operations was 98.84% in Fiscal 2023 as compared to 98.64% in Fiscal 2022.

Other income

Our other income increased by 17.58% to ₹ 2,637.42 lakhs in Fiscal 2023 from ₹ 2,243.13 lakhs in Fiscal 2022. The increase was primarily due to an increase in interest income from bank and other deposits, net profit on sale of fixed assets, compensation against old refugee settlement area and increase in rent received which was partly offset by reduction in dividend received from non-current investments, reduction in Miscellaneous Receipts and Income and Insurance Claims received.

As a percentage of total income, our other income marginally decreased to 1.16% in Fiscal 2023 from 1.13% in Fiscal 2022.

Expenses

Our total expenses increased by 39.03% to ₹2,24,924.08 lakhs in Fiscal 2023 from ₹1,61,776.47 lakhs in Fiscal 2022.

As a percentage of our total revenue, total expenses was 99.10% in Fiscal 2023, as compared to 98.39% in Fiscal 2022.

Cost of materials consumed

Our cost of materials consumed increased by 55.66% to ₹ 1,73,909.24 lakhs in Fiscal 2023 from ₹ 1,11,724.71 lakhs in Fiscal 2022. This increase was due *to* increase in volume of production at both heavy engineering division and steel foundry division. The production for freight car was 3097 Nos in Fiscal 2023 and 1549 Nos in Fiscal 2022. Similarly, the production for steel foundry was 26,765.30 MT in Fiscal 2023 and 1,7191.01 MT in Fiscal 2022. As a percentage of total income, our cost of materials consumed was 76.62% in Fiscal 2023 as compared to 67.95% in Fiscal 2022.

Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Changes in inventories of finished goods, stock in trade and work in progress was ₹ (12,323.16) lakhs in Fiscal 2023 compared to ₹ (2,301.91) lacs in Fiscal 2022 on account of same as above.

Employee benefit expense

Our employee benefit expense increased by 3.19% to ₹ 13,005.71 lakhs in Fiscal 2023 from ₹ 12,603.35 lakhs in Fiscal 2022. The increase was primarily due to increase in our expenses towards salaries wages and bonus, contributions towards provident fund and pension fund, and staff welfare expenses which was partly offset by reduction of VRS expenses.

As a percentage of total income, our employee benefit expense was 5.73% in Fiscal 2023 as compared to 7.67% in Fiscal 2022.

Finance cost

Our finance cost increased by 15.90% to ₹11,617.49 lakhs in Fiscal 2023 from ₹ 10,024.14 lakhs in Fiscal 2022. The increase was primarily due to utilization of working capital limit and issue of bank guarantee for new wagon orders and letter of credit for procurement of raw materials. Company also had a high cost borrowing of Rs 15,171.16 in the form of inter-corporate deposits in Fiscal 2023 as against ₹ 10,578.92 in Fiscal 2022.

As a percentage of total income, our finance cost was 5.12% in Fiscal 2023 as compared to 6.10% in Fiscal 2022.

Depreciation and amortisation expense

Our depreciation and amortisation expenses decreased by 2.24% to ₹ 3,519.61 lakhs in Fiscal 2023 from ₹3,600.20 lakhs in Fiscal 2022. This decrease was due to decrease in the depreciation of property, plant and equipment, which decreased by 1.91% to ₹3,499.25 lakhs in Fiscal 2023 from ₹3,567.56 lakhs in Fiscal 2022 and due to decrease in the depreciation on tangible and intangible assets.

As a percentage of total income, our depreciation and amortisation expense was 1.55% in Fiscal 2023 as compared to 2.19 % in Fiscal 2022.

Other expenses

Our other expenses increased by 34.71% to ₹ 35,195.19 lakhs in Fiscal 2023 from ₹ 26,125.98 lakhs in Fiscal 2022. This increase was primarily due to

(i) increase in consumption of stores and spares by 72.47% to ₹ 13,797.48 lakhs in Fiscal 2023 from ₹7,999.95 lakhs in Fiscal 2022; due to growth in the sales volume in both freight car division and steel foundry division. Freight car sales for Fiscal 2023 was 3,073 Nos as against 1,604 Nos in Fiscal 2022. Similarly, the sales volume in steel foundry was 29,942 MT for Fiscal 2023 and 20,889 MT for Fiscal 2022

(ii) increase in power and fuel by 26.91% to ₹ 7,037.07 lakhs in Fiscal 2023 from ₹ 5,544.74 lakhs in Fiscal 2022 due to growth in the sales volume in both freight car division and steel foundry division. Freight car sales for Fiscal 2023 was 3,073 Nos as against 1,604 Nos in Fiscal 2022. Similarly, the sales volume in steel foundry was 29,942 MT for Fiscal 2023 and 20,889 MT for Fiscal 2022

(iii) increase in insurance expenses by 88.91% to ₹ 702.48 lakhs in Fiscal 2023 from ₹ 371.85 lakhs in Fiscal 2022;

(iv) increase in rates and taxes by 27.94% to 496.87 lakhs in Fiscal 2023 from ₹ 388.38 lakhs in Fiscal 2022.

(v) increase in freight, packaging and transport by 57.72 % to ₹1,355.39 lakhs in Fiscal 2023 from ₹ 859.38 lakhs in Fiscal 2022.

(vi) increase in selling expenses by 12.05 % to ₹ 318.27 lakhs in Fiscal 2023 from ₹ 284.04 lakhs in Fiscal 2022; and

(vii) Increase in donation to ₹ 500.00 lakhs in Fiscal 2023 from ₹ 2.07 lacs in Fiscal 2022

As a percentage of total income, our other expenses was15.51% in Fiscal 2023 compared to 15.89% in Fiscal 2022.

Profit before tax

Our profit before tax decreased by 22.69% to ₹ 2,041.08 lakhs in Fiscal 2023 from ₹ 2,640.25 lakhs in Fiscal 2022.

As a percentage of total income, our profit before tax was 0.90% in Fiscal 2023 as compared to 1.61% in Fiscal 2022.

Total tax expenses

Our total tax expenses decreased by 37.40% to ₹ 887.86 lakhs in Fiscal 2023 from ₹ 1,418.25 lakhs in Fiscal 2022 primarily due to decrease in current tax and deferred tax.

As a percentage of total income, our total tax expenses was 0.39% in Fiscal 2023 as compared to 0.86% in Fiscal 2022.

Profit / loss for the year

As a result of the foregoing, our profit increased by 25.71% to ₹ 2,580.47 lakhs in Fiscal 2023 from ₹ 2,052.79 lakhs in Fiscal 2022.

As a percentage of total income, our profit for the year was 1.14% in Fiscal 2023 as compared to 1.25% in Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Income

Our total income comprises of revenue from operations and other income.
Our total income decreased by 4.07% to ₹ 1,64,416.72 lakhs in Fiscal 2022 from ₹ 1,71,387.95 lakhs in Fiscal 2021.

Revenue from operations

Our total revenue from operations decreased by 3.97% to ₹ 1,62,173.59 lakhs in Fiscal 2022 from ₹ 1,68,884.79 lakhs in Fiscal 2021. The decrease was primarily due to lower production at heavy engineering division, steel foundry division and also the execution of work was slow for rail EPC division.

As a percentage of total income, our revenue from operations was 98.64% in Fiscal 2022 as compared to 98.54% in Fiscal 2021.

Other income

Our other income decreased by 10.39% to ₹ 2,243.13 lakhs in Fiscal 2022 from ₹ 2,503.16 lakhs in Fiscal 2021. The decrease was primarily due to compensation against old refugee settlement area received by the company in Fiscal 2021 of ₹ 589.74 lakhs.

Expenses

Our total expenses decreased by 5.42% to ₹ 1,61,776.47 lakhs in Fiscal 2022 from ₹ 1,71,054.28 lakhs in Fiscal 2022.

As a percentage of our total revenue, total expenses was 98.39% in Fiscal 2022 as compared to 99.81% in Fiscal 2021.

Cost of materials consumed

Our cost of materials consumed increased by 10.27% to ₹ 1,11,724.71 lakhs in Fiscal 2022 from ₹ 1,01,319.68 lakhs in Fiscal 2021. This increase was due to increase in prices of Material and manpower cost for rail EPC division from ₹ 54,101.87 lakhs in Fiscal 2021 to ₹ 59,973.93 lakhs in Fiscal 2022. As a percentage of total income, our cost of materials consumed was 67.95% in Fiscal 2022 as compared to 59.12% in Fiscal 2021.

Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Changes in inventories of finished goods, stock in trade and work in progress was ₹ (2,301.91) lakhs in Fiscal 2022 compared to ₹ 16,844.80 lacs in Fiscal 2021 on account of reasons mentioned above.

Employee benefit expense

Our employee benefit expense increased by 7.83% to ₹ 12,603.35 lakhs in Fiscal 2022 from ₹ 11,688.10 lakhs in Fiscal 2021. The increase was primarily due to increase in our expenses towards salaries wages and bonus, contributions towards provident fund and pension fund, and staff welfare expenses.

As a percentage of total income, our employee benefit expense was 7.67% in Fiscal 2022 as compared to 6.82% in Fiscal 2021.

Finance cost

Our finance cost decreased by 2.65% to ₹ 10,024.14 lakhs in Fiscal 2022 from ₹ 10,296.95 lakhs in Fiscal 2021. The decrease was primarily due to decrease in interest expenses on borrowings from Bank and other borrowing costs.

As a percentage of total income, our finance cost was 6.10% in Fiscal 2022 as compared to 6.01% in Fiscal 2021.

Depreciation and amortisation expense

Our depreciation and amortisation expenses decreased by 3.88% to ₹ 3,600.20 lakhs in Fiscal 2022 from ₹ 3,745.35 lakhs in Fiscal 2021. This decrease was due to decrease in the depreciation of property, plant and equipment, which decreased by 3.06% to ₹3,567.56 lakhs in Fiscal 2022 from ₹ 3,680.24 lakhs in Fiscal 2021 and due to decrease in the depreciation on intangible assets by 49.88 % to ₹ 32.64 lakhs in Fiscal 2022 from ₹ 65.11 lakhs in Fiscal 2022.

Other expenses

Our other expenses decreased by 3.81% to ₹ 26,125.98 lakhs in Fiscal 2022 from ₹ 27,159.40 lakhs in Fiscal 2021. This decrease was primarily due to :

(i) decrease in consumption of stores and spares by 9.25% to ₹ 7,999.95 lakhs in Fiscal 2022 from ₹ 8,815.25 lakhs in Fiscal 2021;

(ii) decrease in rent by 23.99% to ₹ 432.69 lakhs in Fiscal 2022 from ₹ 569.25 lakhs in Fiscal 2021;

(iii) decrease in insurance by 24.40% to ₹ 371.85 lakhs in Fiscal 2022 from ₹ 491.89 lakhs in Fiscal 2021;

(iv) net decrease in freight, packing and transport expenses by 33.07 % to ₹ 859.38 lakhs in Fiscal 2022 from ₹ 1,284.00 lakhs in Fiscal 2021;

(v) decrease in selling agents Commission by 61.35% to 24.08 lakhs in Fiscal 2022 from ₹ 62.32 lakhs in Fiscal 2021;

(vi) decrease in erection expenses by 15.34 % to ₹ 4,815.19 lakhs in Fiscal 2022 from ₹ 5,687.60 lakhs in Fiscal 2021; and

(vii) decrease in royalty and knowhow by 97.17 % to ₹0.68 lakhs in Fiscal 2022 from ₹ 24.01 lakhs in Fiscal 2021;

which was partially offset by an increase in (i) selling expenses to ₹ 284.04 lakhs in Fiscal 2022 from ₹ 134.61 lakhs in Fiscal 2021; (ii) miscellaneous expense to ₹ 3,315.48 lakhs in Fiscal 2022 from ₹ 2,555.95 lakhs in Fiscal 2021; and (iii) Bad debt/impairment/loss of unbilled revenue to ₹ 231.45 lakhs in Fiscal 2022 from ₹ 51.18 lakhs in Fiscal 2021.

As a percentage of total income, our other expenses was 15.89% in Fiscal 2022 as compared to 15.85% in Fiscal 2021.

Profit before tax

Our profit before tax increased to ₹ 2,640.25 lakhs in Fiscal 2022 compared to ₹ 333.67 lakhs in Fiscal 2021.

As a percentage of total income, our profit before tax was 1.61 % in Fiscal 2022 as compared to 0.19% in Fiscal 2021.

Total tax expenses

Our total tax expenses was ₹ 1,418.25 lakhs in Fiscal 2022 compared to ₹ (27.27) lakhs in Fiscal 2021 primarily due to increase in current tax and deferred tax.

Profit / loss for the year

As a result of the foregoing, our profit for the year increased by 70.74% to ₹ 2,052.79 lakhs in Fiscal 2022 from ₹ 1,202.26 lakhs in Fiscal 2021.

As a percentage of total income, our profit for the year increased to 1.25% in Fiscal 2022 from 0.70% in Fiscal 2021.

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flow from operating activities and long term and short-term borrowings from banks and financial institutions] We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions.

Our principal sources of funding include cash from operations, cash and bank balances, and funds raised from time to time from borrowings. As of March 31, 2023, we had cash and cash equivalent balance of ₹ 3,076.76 lakhs. Our secured borrowings (long term and short term) aggregated to ₹83,078.57 lakhs, and our unsecured borrowings (long term and short term) aggregated to ₹ 15,171.16 lakhs, resulting in total secured and unsecured borrowings (long term and short term) of ₹ 98,249.67 lakhs as of March 31, 2023.

Cash Flows

Fiscals 2023, 2022 and 2021

For Fiscal 2023, Fiscal 2022 and Fiscal 2021, we had cash and cash equivalent balances of ₹ 3,076.76 lakhs, ₹5,606.76 lakhs and ₹ 2,260.14 lakhs, respectively. The following table sets out the principal elements of our cash flows for Fiscal 2023, Fiscal 2022 and Fiscal 2021.

(In ₹ lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flow from / (used in) operating activities **(A)**	(10,283.89)	2,717.00	4,031.37
Net cash flow from / (used in) investing activities **(B)**	(7,604.70)	2,035.51	(2,301.18)
Net cash flow from / (used in) financing activities **(C)**	15,099.21	(1,195.24)	(1,313.10)
Net increase / (decrease) in Cash and cash equivalents **(A+B+C)**	(2,530.00)	3,346.62	583.85

Fiscal 2023 compared to Fiscal 2022

Operating Activities

Our net cash flow from operating activities decreased to ₹ (10,283.89) lakhs for Fiscal 2023 from ₹ 2,717.00 lakhs for Fiscal 2022. Net cash inflow from operating activities for Fiscal 2023 consisted of profit before tax and exceptional items of ₹ 2041.08 lakhs as adjusted primarily for depreciation of ₹ 3519.61 lakhs, interest paid of ₹ 11,617.49 lakhs, bad debts written off of ₹ 497.77 lakhs, Provision for excess Liabilities written off (net) of Rs (1.94) Lakhs, interest received of ₹ (628.47) lakhs, Income from investments of ₹ (0.83) lakhs, gain on fair value of bonds of ₹ (0.90) lakhs, and net gain on sale of property, plant and equipment of ₹ (22.08) lakhs. This was further adjusted for changes in working capital, and as a result, cash flow from operating activities before payment of taxes and exceptional items was ₹ (9,754.54) lakhs. Movements in working capital were primarily on account of increase in trade and other receivables of ₹ (33,703.44) lakhs, increase in inventories of ₹ (31,521.96) lakhs, and increase in trade payables and other liabilities of ₹ 38,449.13 lakhs. As a result, net cash from operating activities was ₹ (10,283.89) lakhs for Fiscal 2023.

Investing Activities

Our net cash flow from investing activities was ₹ (7,604.70) lakhs for Fiscal 2023 as compared to ₹ 2,035.51 lakhs for Fiscal 2022. Net cash from investing activities for Fiscal 2023 consisted of outflows in the form of payments made on purchase of property, plant, and equipment of ₹ (5,274.37) lakhs and bank deposits of ₹ (2533.84) lakhs, and outflows in the form of purchase of investments (net) of ₹ (2,143.11) lakhs, interest received of ₹ 2,247.37 lakhs and dividend received of ₹ 99.28 lakhs. Net cash used in investing activities amounted to ₹ (7,604.70) lakhs in Fiscal 2023.

Financing Activities

Our net cash flow from financing activities increased to ₹ 15,099.21 lakhs for Fiscal 2023 as compared to ₹ (1,195.24) lakhs for Fiscal 2022. Net cash used in financing activities for Fiscal 2023 included outflows in the form of interest paid of ₹ (11,843.84) lakhs, dividend paid of ₹ (323.55) lakhs, inflows in the form of receipt of long-term borrowings of ₹ 11,591.55 lakhs and receipt of short-term borrowings of ₹ 15,676.19 lakhs, and repayment of lease liability of ₹ (1.14) lakhs. The net cash used in financing activities amounted to ₹ 15,099.21 lakhs in Fiscal 2023.

Fiscal 2022 compared to Fiscal 2021

Operating Activities

Our net cash flow from operating activities decreased to ₹ 2,717.00 lakhs for Fiscal 2022 from ₹ 4,031.37 lakhs for Fiscal 2021. Net cash inflow from operating activities for Fiscal 2022 consisted of profit before tax and exceptional items of ₹ 2,640.25 lakhs as adjusted primarily for depreciation of ₹ 3,600.20 lakhs, interest paid of ₹ 10,024.14 lakhs, bad debts written off of ₹ 231.45 lakhs, Provision for excess Liabilities written off (net) of Rs (1.46) Lakhs, interest received of ₹ (374.96) lakhs, Income from investments of ₹ (60.05) lakhs, Profit on sale of Investments – Current (Net) of ₹ (22.30), gain on fair value of bonds of ₹ (0.69) lakhs, and net gain on sale of property, plant and equipment of ₹ (10.30) lakhs. This was further adjusted for changes in working capital, and as a result, cash flow from operating activities before payment of taxes and exceptional items was ₹ 4,906.27 lakhs. Movements in working capital were primarily on account of decrease in trade and other receivables of ₹ 3,719.50 lakhs, increase in inventories of ₹ (5,175.60) lakhs, and decrease in trade payables and other liabilities of ₹ (9,663.91) lakhs. As a result, net cash from operating activities was ₹ 2,717.00 lakhs for Fiscal 2022.

Investing Activities

Our net cash flow from investing activities increased to ₹ 2,035.51 lakhs for Fiscal 2022 as compared to ₹ (2,301.18) lakhs for Fiscal 2021. Net cash from investing activities for Fiscal 2022 consisted of outflows in the form of payments made on purchase of property, plant, and equipment of ₹ (1,575.93) lakhs and bank deposits of ₹ (3,774.93) lakhs, and inflows in the form of sale of investments (net) of ₹ 7,415.71 lakhs, interest received of ₹ (187.84) lakhs and dividend received of ₹ 158.50 lakhs. Net cash used in investing activities amounted to ₹ 2,035.51 lakhs in Fiscal 2022.

Financing Activities

Our net cash flow from financing activities was ₹ (1,195.24) lakhs for Fiscal 2022 as compared to ₹ (1,313.10) lakhs for Fiscal 2021. Net cash used in financing activities for Fiscal 2022 included outflows in the form of interest paid of ₹ (10147.81) lakhs, dividend paid of ₹ (250.53) lakhs, inflows in the form of receipt of long-term borrowings of ₹ 1186.72 lakhs and outflow in form of payment of short-term borrowings of ₹ (8096.63) lakhs and increase in securities premium of ₹ 15397.74 lakhs and increase in share capital of ₹ 715.27 lakhs. The net cash used in financing activities amounted to ₹ (1195.24) lakhs in Fiscal 2022.

Fixed assets

Cash outflow on account of purchase of fixed assets for Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 7,654.16 lakhs, ₹ 2,079.35 lakhs and ₹ 1,459.28 lakhs, respectively. The following table provides a breakdown of our property, plant, and equipment by category:

(In ₹ lakhs)

Asset Class	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Land	7,434.42	3769.68	3772.32
Buildings	10,428.03	9095.66	9428.06
Plant & Machinery	20,545.00	21260.94	22419.36
Electrical Equipment	367.40	349.45	401.89
Furniture and Fixtures	250.73	293.22	349.23
Vehicles	594.52	608.80	591.96
Office equipment	174.67	236.50	323.67
Others			
(i) Road	52.93	66.03	82.88
(ii) Railway sidings	244.29	235.85	161.11
	40,091.99	**35,916.13**	**37,530.48**

BORROWINGS

As of March 31, 2023, we had total outstanding borrowings of ₹ 98,249.67 lakhs. The table below sets forth the details of our outstanding borrowings as of March 31, 2023:

(In ₹ lakhs)

Category of borrowing	Outstanding amount as on March 31, 2023
Non Current Borrowings (A)	
Secured	16,359.44
Unsecured	-
Total Non-Current Borrowings (A)	**16,359.44**
Current borrowings (B)	
Secured	66,719.07
Unsecured	15,171.16
Total Short Term Borrowings (B)	**81,890.23**
Total (A+B)	**98,249.67**

For more information, see "*Financial Information*" on page 254.

CONTINGENT LIABILITIES AND COMMITMENTS

As on March 31, 2023, we had the following contingent liabilities and commitments not acknowledged as debts, as disclosed in the notes to our Audited Consolidated Financial Statement:

(In ₹ lakhs)

Particulars	Fiscal 2023
A. Commitments	
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	2,938.38
B. Contingent Liabilities (not provided for) in respect of:	
(a) Bank / Corporate Guarantees given in the normal course of Business	1,21,838.86
(b) Bonds issued to Custom Department	92.20
(c) Claims under dispute (Excise, Service Tax, Income Tax and others)	18,618.86
(d) Claims not acknowledged as debts (Amount unascertainable)	-
(e) Income Tax assessment under appeal (Amount unascertainable)	-

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Our activities expose us to Credit Risk, Liquidity Risk, Market Risk, and Equity Price Risk.

Our financial liabilities comprise borrowings, capital creditors and trade and other payables. Our financial assets include trade and other receivables, cash and cash equivalents, investments including investments in subsidiaries, loans &advances, and deposits.

A. **Credit Risk** – A risk that counter party may not meet its obligations under a financial instrument or customer contract, leading to a financial loss is defined as Credit Risk. We are exposed to credit risk from its operating and financial activities.

   Customer credit risk is managed by the respective marketing department subject to our established policy, procedures and control relating to customer credit risk management. We review the creditworthiness of these customers on an on-going basis. We estimate the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables as we do not hold any collateral as security. We have a practice to provide for doubtful debts as per its approved policy.

B. **Liquidity Risk** - A risk that we may not be able to settle or meet its obligations at a reasonable price is defined as liquidity risks. Our treasury department is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors our net liquidity position through rolling forecasts on the basis of expected cash flows.

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

C. **Interest Risk** – Interest Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. Our exposure to the risk of change in market interest rates related primarily to our short term borrowing (excluding commercial paper) with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. We constantly monitors the credit markets and rebalances its financing strategies to achieve on optimal maturity profile and financing cost.

D. **Market Risk** - A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

   (i) Foreign Currency Risk - A risk that the fair value or future value of the cash flows of an forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. Our exposure to the risk of changes in foreign exchange rates relates primarily to our export, import and foreign currency loan/ derivatives operating activities. We, as per our risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

   (ii) Foreign currency sensitivity - The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on our profit before tax is due to changes in the fair value of monetary assets and liabilities. Our exposure to foreign currency changes for all other currencies are not material.

(In ₹ lakhs)

Particulars	As on 31.03.2023	As on 31.03.2022
Foreign Currency (Payable) / Receivable (net) – EURO	1134.39	1,537.39
Foreign Currency (Payable) / Receivable (net) - USD	(3091.83)	4,764.42
Impact		
- EURO/INR- Increase by 10%	113.44	153.74
- EURO/INR- Decrease by 10%	(113.44)	(153.74)
USD/INR- Increase by 10%	309.18	476.44
USD/INR- Decrease by 10%	(309.18)	(476.44)

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

We generally invests in the equity shares of the Subsidiaries, Associates, Joint Ventures and 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 the subsidiaries and group companies based on the respective business plan of each of the companies.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see "*Financial Information –Fiscal 2023 Audited Consolidated Financial Statements – Note no. – 1.36 – Related Party Disclosure, Fiscal 2022 Audited Consolidated Financial Statements – Note no. – 1.36 – Related Party Disclosure and Fiscal 2021 Audited Consolidated Financial Statements – Note no. – 1.37 – Related Party Disclosure*" on pages 301, 354 and 403, respectively.

Segment Information

We have classified our business operations into three business segments on the basis of our organisational structure, namely: (i) heavy engineering division; (ii) steel foundry division; and (iii) rail EPC.

The table set forth below provides the segment-wise revenues and the segment results for the Fiscal 2023 and Fiscal 2022.

(In ₹ lakhs)

	Fiscal 2023		**Fiscal 2022**	
Business	**₹ lakhs**	**%**	**₹ lakhs**	**%**
Heavy engineering division	1,28,344.87	57.21	68,835.85	42.45
Steel foundry division	22,460.21	10.01	17,518.73	10.80
Rail EPC	73,522.66	32.77	75,819.01	46.75
Total	***2,24,327.74***	***100.00***	***1,62,173.59***	***100.00***

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023

Except as otherwise as set out in this Preliminary Placement Document, to our knowledge and belief, no circumstances have arisen since the date of the last financial information contained in this Preliminary Placement Document which materially affect, or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

INDUSTRY OVERVIEW

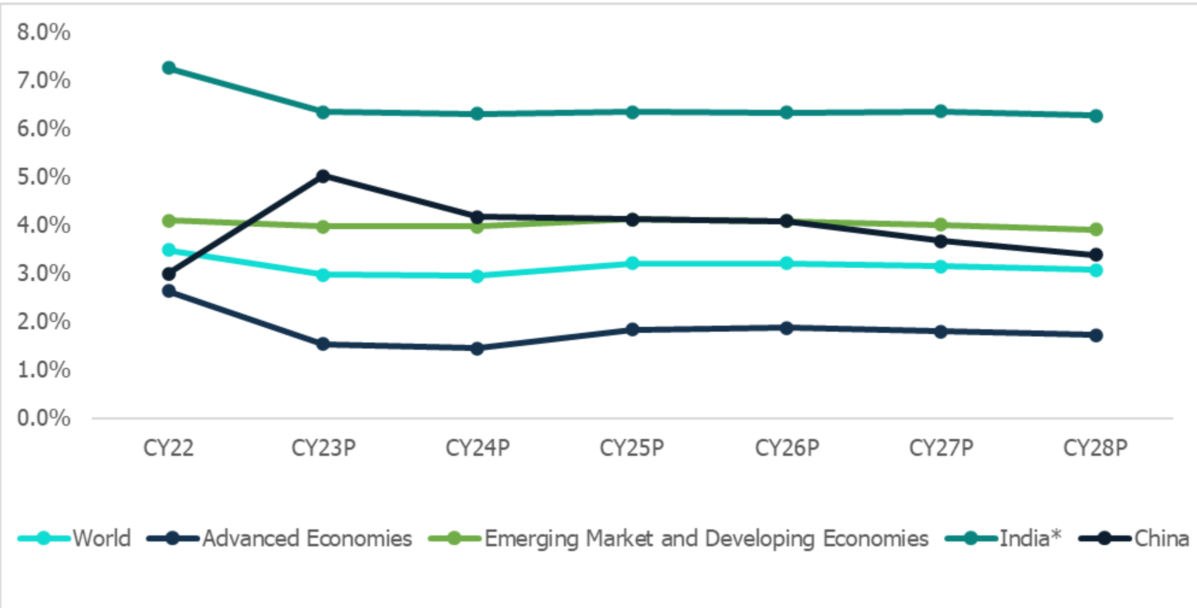
Unless stated otherwise, the industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Industry Research Report on Indian Rolling Stock and Rail EPC*" dated November 2023 ("**CARE Report**"), which is a report exclusively commissioned and paid for by our Company and prepared by CARE, pursuant to an engagement letter dated October 3, 2023, in connection with the Issue. For further details, see "*Industry and Market Data*" and "*Risk Factors – This Preliminary Placement Document contains information from an industry report which we have commissioned from CARE Analytics and Advisory Private Limited. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on pages 13 and 58, respectively.

Economy Outlook

Global Economy

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in October 2023, the global economic growth for CY22 stood at 3.5% on a year-on-year (y-o-y) basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for CY23 is projected to slow down further to 3.0% and 2.9% in CY24, 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 4 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

Chart 1: GDP Growth Outlook for Advanced and Emerging economies vs. India and China



Note: P – Projected; For India, data and forecasts are presented on a fiscal year basis. India's growth projections are 6.5% in CY23 and 5.7% in CY24;
Source: IMF-World Economic Outlook, October 2023

Advanced Economies Group

The major advanced economies registered GDP growth of 2.6% in CY22, down from 5.5% in CY21, which is further projected to decline to 1.5% in CY23. This forecast of low growth reflects increased central bank interest rates to fight inflation and the impact of the Russia-Ukraine war. About 90% of advanced economies are projected to witness decline GDP growth in CY23 compared to CY22. In addition, this is further expected to decline to 1.4% in CY24.

One of the major countries from this group is the **United States**. The United States registered GDP growth of 2.1% in CY22 compared to 5.9% in CY21. Whereas growth for CY23 and CY24 is projected at 2.1% and 1.5%, respectively. Among advanced economies group, private consumption has been stronger in the United States than in the euro area. The business investments have also been robust in the second quarter, in addition, the general government fiscal stance of United States is expected to be expansionary in CY23. However, the unemployment rate is expected to rise coupled with declining wages and savings. With this, the GDP growth is expected to soften in near term.

Further, the **Euro Area** registered GDP growth of 3.3% in CY22 compared to 5.6% in CY21. For CY23 and CY24, the growth is projected at 0.7% and 1.2%, respectively. There is divergence in GDP growth across the euro area. Wherein, Germany is expected to witnesses slight contraction in growth due to weak interest rate sensitive sector and slow trading demand. On the other hand, the GDP growth for France has been revised upwards on account of growing industrial production and external demand.

Emerging Market and Developing Economies Group

For the emerging market and developing economies group, GDP growth stood at 4.0% in CY22, compared to 6.8% in CY21. This growth is further projected at 4.0% in CY23 and CY24. About 90% of the emerging economies are projected to make positive growth. While the remaining economies, including the low-income countries, are expected to progress slower.

Further, in **China**, growth is expected to pick up to 5.0% with the full reopening in CY23 and subsequently moderate in CY24 to 4.8%. The property market crisis and lower investment are key factors leading to this moderation. Whereas, India is projected to remain strong at 6.3% for both CY23 and CY24 backed by resilient domestic demands despite external headwinds.

Table 1: GDP growth trend comparison - India v/s Other Emerging and Developing 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

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

The **Indonesian** economy is expected to register a growth of 5% both in CY23 and CY24 with a strong recovery in domestic demands, a healthy export performance, policy measures, and normalization in commodity prices. In CY22, **Saudi Arabia** was the fastest-growing economy in this peer set with 8.7% growth. The growth is accredited to robust oil production, non-oil private investments encompassing wholesale and retail trade, construction and transport, and surging private consumption. **Saudi Arabia** is expected to grow at 0.8% and 4.0% in CY23 and CY24, respectively. On the other hand, **Brazil** is expected to project growth of 3.1% in CY23 driven by buoyant agriculture and resilient services in the first half of CY23.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the GDP has been estimated to be at USD 3.4 trillion for CY22 and is projected to reach USD 5.2 trillion by CY27. India’s expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6% in the period of CY24-CY28, outshining China’s growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany.

Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7% share in the global economy, with China [~18%] on the top followed by the United States [~15%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

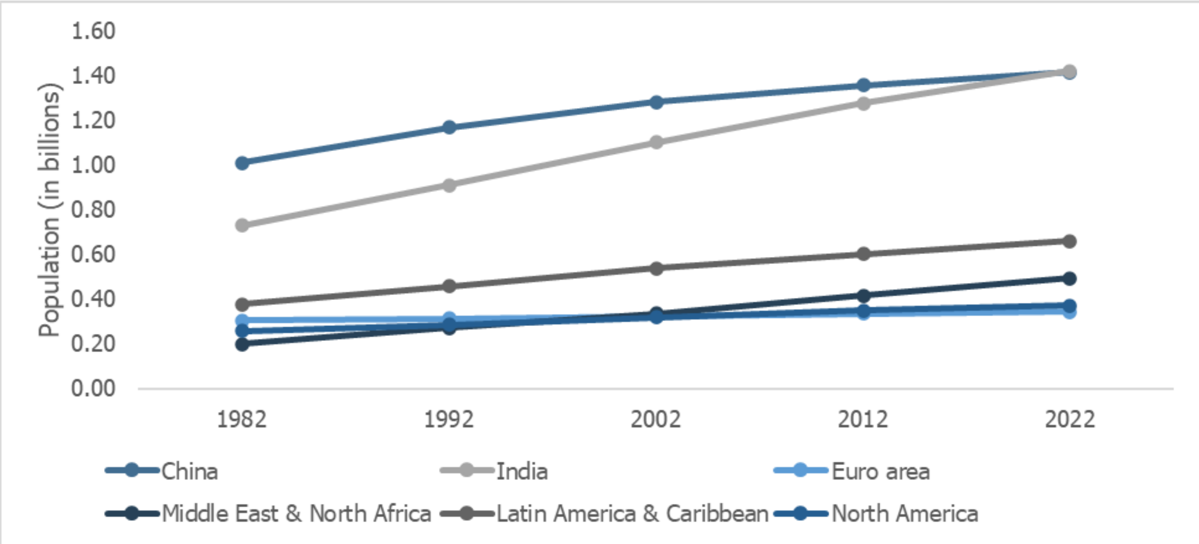
Key Demographic Drivers for Economic Growth

The trajectory of economic growth and private consumption is driven by socio-economic factors such as demographics and urbanization. Some of the key demographic drivers for economic growth areas under:

- **Growing Population and Dependency Ratio**

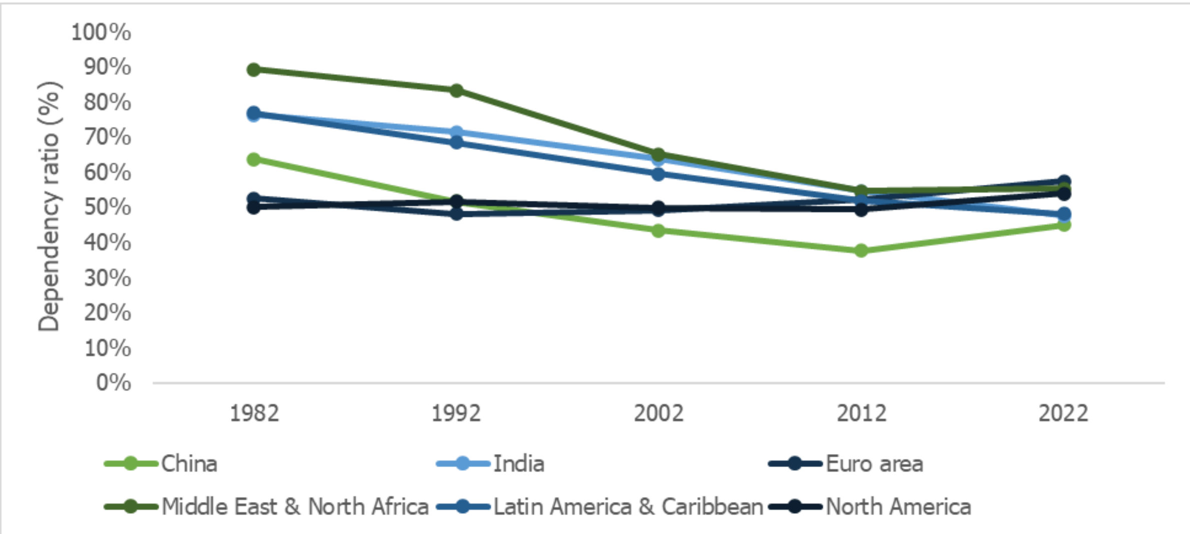
The global population has been witnessing significant growth in the past few decades. In the year 2022, India's population surpassed 1.42 billion slightly higher than China's population 1.41 billion. While for the economies like Latin America and Caribbean, Middle East and North Africa, Euro Area and North America the population ranges between 0.35-0.70 billion.

Chart 2: Population Trend Across Different Economies



Source: World Bank Database

Chart 3: Dependency Ratio Across Economies



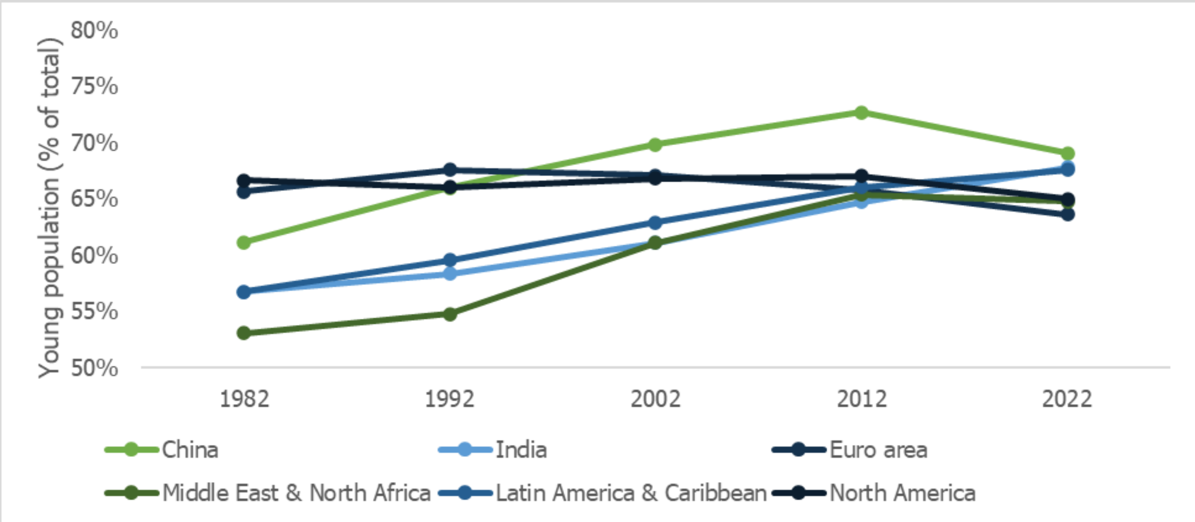
Source: World Bank Database

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend for majority of the economies. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

- Young Population

With an average age of 29, India is home to young demography. With vast resources of young citizens entering the workforce every year, it is expected to create a ‘demographic dividend’ for the economy. Such population advantage will play a critical role in economic growth.

Chart 4: Young Population as % of Total Population

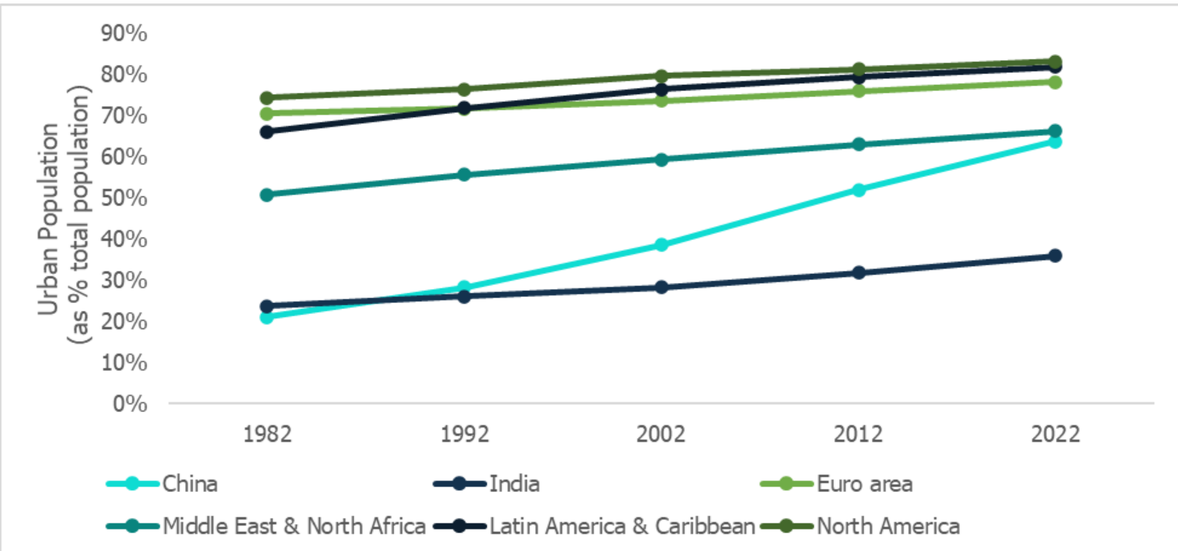


Source: World Bank Database

- Urbanisation

The urban population is significantly growing globally. The North America and Latin America region contain some of the most urbanized landscape with over 80% population from urban area. Alongside, urbanization has been more pronounced in developing economies as well. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in the year 2012 to 508 million (35.9% of total population) in the year 2022. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Chart 5: Urbanization Trend



Source: World Bank Database

- Per Capita Income

Gross national income (GNI) is aggregate of earnings from a nation's current production including compensation of employees, interest, rental income, and profits of business after taxes. In simple terms, GNI is a measure of total amount of money earned by a nation's people and businesses. More income drives more consumption, thereby driving economic growth. Below table depicts the GNI per capita trend among the various economies:

Table 2: Gross National Income Per Capita (USD)

Country Name	2018	2019	2020	2021	2022
India	1,871	1,926	1,789	1,922	2,043
China	9,577	10,127	10,276	11,123	NA
Euro area	36,497	37,018	34,773	36,550	NA
Latin America & Caribbean	8,358	8,344	7,789	8,226	8,468
North America	59,354	60,401	58,147	61,437	NA
Middle East & North Africa	7,425	7,455	7,059	NA	NA

Source: World Bank Database

Indian Economy

India's GDP grew by 9.1% in FY22 and stood at Rs. 149.3 trillion despite the pandemic and geopolitical Russia-Ukraine spill overs. In Q1FY23, 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, Q2FY23 witnessed 6.3% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, GDP for full-year FY23 was valued at Rs. 160.1 trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favourable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities.

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 FY24.

Table 3: RBI's GDP Growth Outlook (Y-o-Y %)

FY24E	Q2FY24E	Q3FY24E	Q4FY24E	Q1FY25E
6.5	6.5	6.0	5.7	6.6

Source: Reserve Bank of India

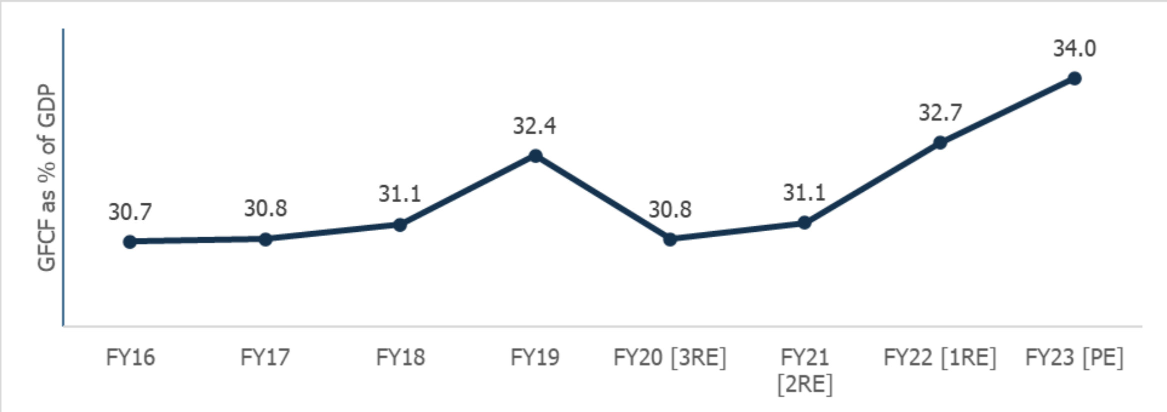
GDP Growth Outlook

- During FY24, strong agricultural and allied activity prospects are likely to boost rural demands. Further, 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.

Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 32.7%, which is the second-highest level in 7 years (since FY15). 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).

Chart 6: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



PE: Provisional Estimates, RE: Revised Estimate; Source: MOSPI

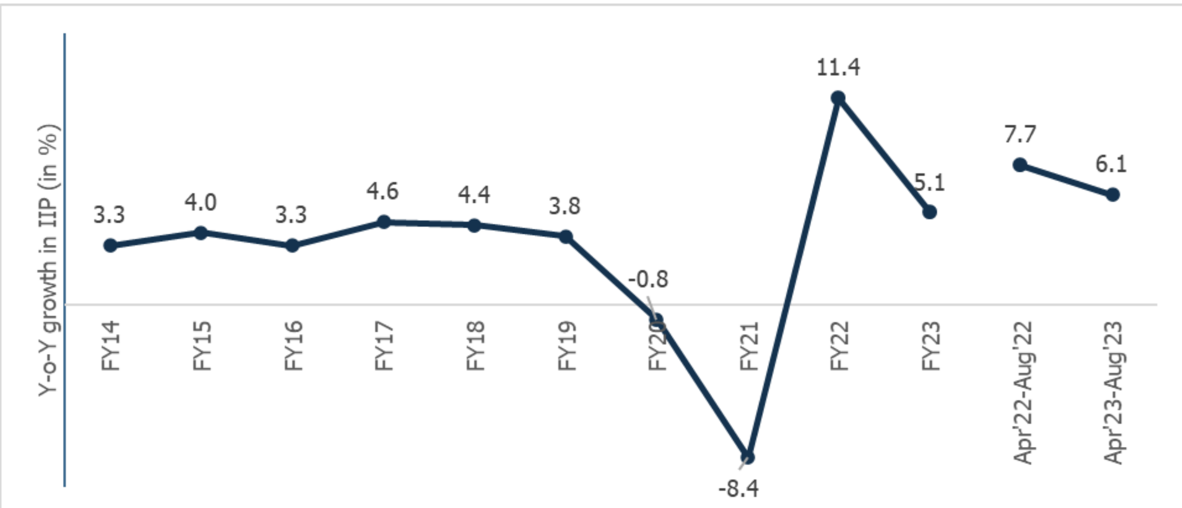
Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

Industrial Growth

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 FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher by 2.0% when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway, it was still at very nascent stages.

During FY23, the industrial output recorded a growth of 5.1% y-o-y supported by a favourable base and a rebound in economic activities. During April 2023 and May 2023, IIP grew by 4.2% y-o-y and 5.3% y-o-y growth, respectively. This growth in April and May 2023 was aided by encouraging performance of the mining and manufacturing sectors. However, in June 2023, the industrial output slowed to 3.7% mainly due to moderation in the manufacturing sector's output. This industrial growth rebounded to 5.7% in July 2023 and further accelerated to 10.3% in August 2023 with improvement in the manufacturing segment. Sectors like mining and electricity as well aided this performance.

Chart 7: Y-o-Y growth in IIP (in %)



Source: MOSPI

The rebound in industrial activity in July 2023 is encouraging. The healthy momentum recorded in the infrastructure and construction sector is likely to continue aided by the Government's focus on this segment. The consumption demand is likely to see an improvement in the upcoming festive season. Over a longer period of time, the unfolding of the domestic demand scenario remains critical for industrial activity. External demand is likely to remain weak and that will continue to cast a shadow on export-dependent sectors.

Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, rising protectionist measures, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. It is expected to grow at 6.3% in CY24 compared to the world GDP growth projection of 3%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

Further, in line with the latest India Meteorological Department (IMD) projection, the rainfall activity has been muted during June 1, 2023 to September 20, 2023, with cumulative rainfall falling back to a 7% deficit. Also, weak-to-moderate El Nino conditions are expected to lead to a prolonged dry spell. A drop-in yield due to irregular monsoon and a lower acreage can lead to a demand-supply mismatch, further increasing the inflationary pressures on the food basket. Going ahead, consumption demand is expected to pick up during the festive season, but the quantum of rise in demand will be dependent on the extent of the impact of the irregular monsoon.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 10 lakh crores for FY24. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private CapEx and investment cycle.

Furthermore, the industry sector is expected to perform better among all sectors, as input costs are now moderating. With flagship programmes like 'Make in India' and the PLI schemes, the government is continuing to provide the necessary support to boost the industry sector. Similarly, the service sector is expected to see continued growth in FY24. However, some segments in the service sector, like information technology, are likely to be impacted by the slowdown in the US and European economies.

Overview on Indian Trade Scenario

Overview

Post-liberalisation, India progressively integrated with the global economy. The pace of foreign trade has expanded over the years with growing trade relationships globally. This has aided the technological and economic developments of the country. In addition, it has facilitated enhanced living standards and disposable incomes.

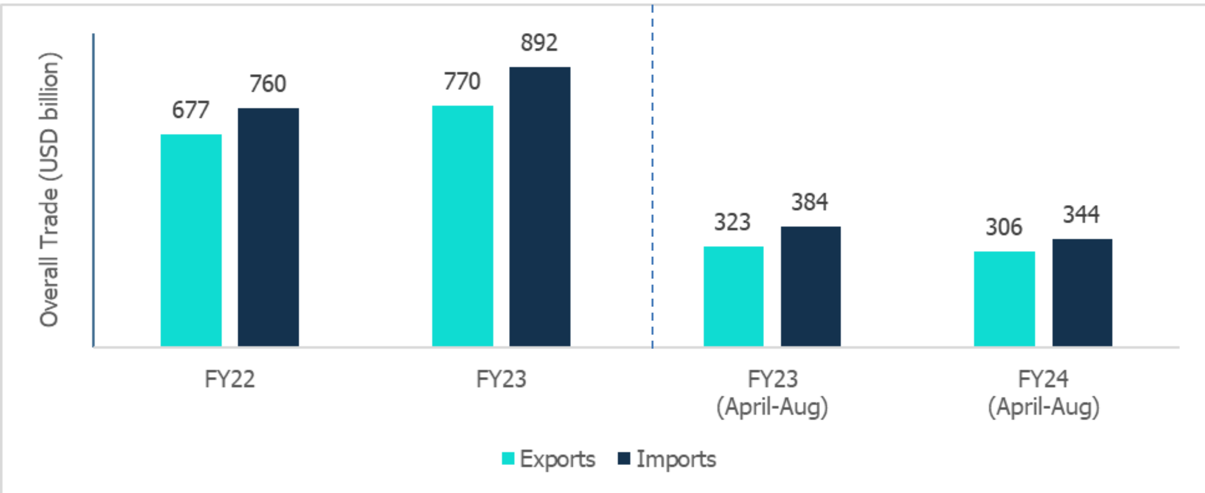
Some of the key factors that make India a lucrative destination for trade are as below:

- Rich natural resources
- Technological proficiency
- High and semi-skilled labour availability
- Favourable demography
- Continuous government support

Foreign trade broadly comprises merchandise (or goods) and services. India's overall exports combining merchandise and services in FY23 were valued at around USD 770 billion, exhibiting healthy growth of 13.8% on a y-o-y basis. Merchandised trade accounted for ~58% of total exports and the remaining ~42% pertained to exports of services during this period. Whereas imports were valued at USD 892 billion in FY23 registering positive y-o-y growth of 17.4%.

Further, during April 2023-August 2023, the overall exports and imports by value witnessed a marginal decline compared to the corresponding previous period. Foreign trade remained weak largely due to a slowdown in major economies like the United States and Europe. Wherein, exports are estimated to have declined by 5.2% y-o-y to USD 306.33 billion. On the other hand, the imports are estimated to have shown a decline of 10.4% y-o-y to USD 344 billion.

Chart 8: Overall Foreign Trade Scenario

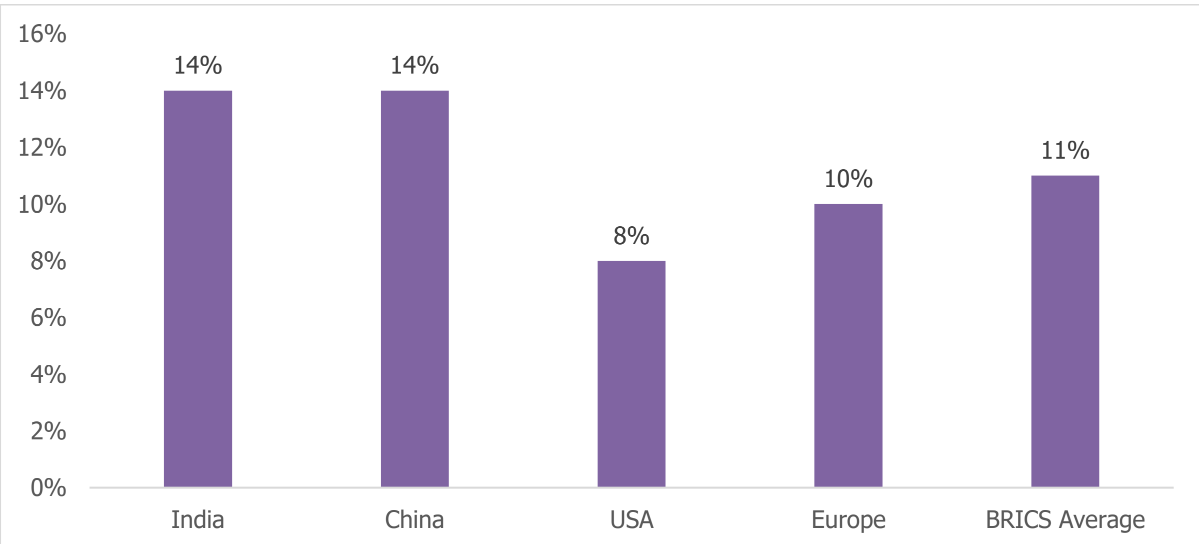


Source: Ministry of Commerce and Industry

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%-10%. The chart below shows the comparison of the share of logistics cost in GPD of India v/s other economies.

Chart 9: 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 26-40T capacity.

(c) Road Infrastructure Constraints

Underdeveloped road infrastructure leads to inefficient movement of freight. Additionally, there is a lack of 4/6 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. CO2 emissions from freight transport are projected to increase by 451% – from 220 million tonnes in FY20 to 1,214 million tonnes in FY50. Currently, road freight is the biggest contributor to these emissions, responsible for 95% of CO2 emissions from freight transport. India has updated its Nationally Determined Contribution (NDC)[1] to the United Nations Framework Convention on Climate Change (UNFCCC) under which India now stands committed to reducing Emissions Intensity[2] of its GDP by 45% by FY30, from FY05 level. Further, India has pledged to cut its net CO2 emission to zero by FY70 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.

Performance of India's Merchandise Trade

The merchandise trade of India crossed USD 1 trillion mark in FY22, wherein, the highest exports of USD 422 billion and imports of USD 613 billion were recorded. Subsequently, the highest exports and imports were registered in FY23 at USD 450 billion and USD 714 billion, respectively. Whereas during April 2023-August 2023, the merchandise exports and imports witnessed a decline of 11.9% to USD 173 billion and 12.1% to USD 272 billion, respectively. This decline can be attributed to global economic slowdown and inflationary pressure in some of the major economies.

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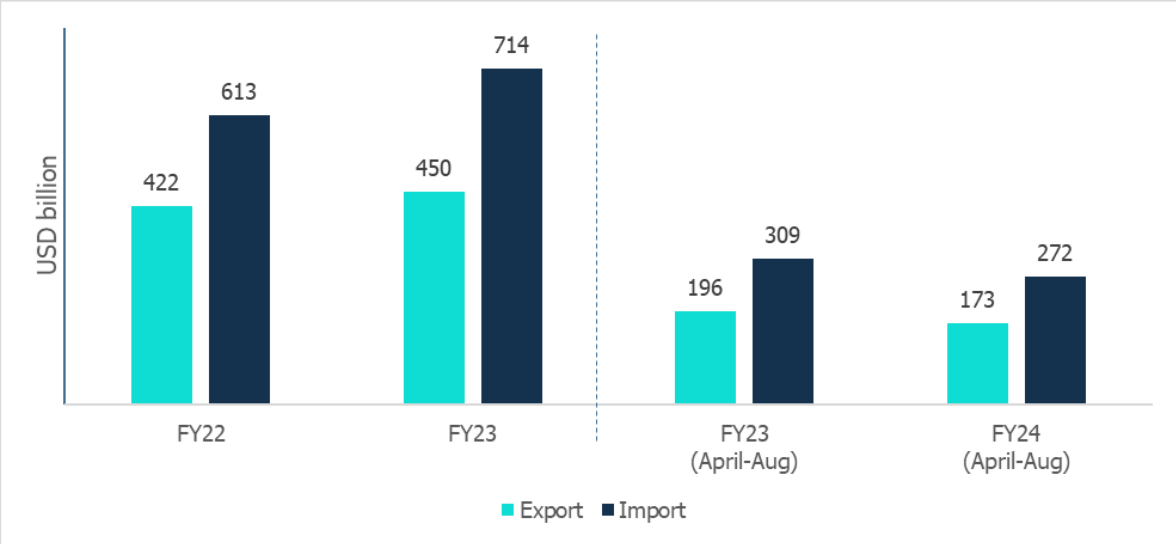
[1] NDC is a climate action plan to cut emissions and adapt to climate impacts. Each Party to the Paris Agreement, adopted at the FY15 United Nations Climate Change Conference, is required to establish an NDC and update it every five years.
[2] The total amount of greenhouse gas emissions emitted for every unit of GDP

Chart 10: Performance of India's Merchandise Trade



Source: Ministry of Commerce and Industry

Product-Wise Exports and Imports

Out of the total merchandise exports in FY23, petroleum products accounted for about 22% share while non-petroleum products accounted for 78%. Among the non-petroleum products, engineering goods accounted for about 22% of total exports in FY23, followed by chemicals and related products (13%), agriculture and allied products (12%), textiles including ready-made garments (8%), electronic goods (6%), and other remaining products (18%).

Under merchandise exports, 6 of the 10 categorised sectors reported positive growth in FY23. Wherein, petroleum products registered a substantial 44% y-o-y increase and exports of electronic goods witnessed an uptick of 49% y-o-y.

The other product categories like agricultural & allied products, leather & leather manufacture, chemicals & related products, and ready-made garments recorded a single-digit growth.

Whereas the remaining four categories, which exhibited negative growth in exports during FY23 are ores and minerals, engineering goods, textile excl. ready-made garments and another commodities group. Out of these, ores and minerals as well as textile excl. ready-made garments witnessed a double-digit fall of about 20% and 24%, respectively. While engineering goods and other commodities groups registered a 5% decline compared to the previous year's performance.

Table 4: Major Exports by Commodities

Particulars	USD Billion			
	FY22	FY23	FY23 (April-Aug)	FY24 (April-Aug)
Total Petroleum - crude and products	68	97	44	32
Total Non-Petroleum Products	355	353	124	113
a) Agricultural and allied products	50	52	19	16
b) Ores & minerals	6	5	2	2
c) Manufactured goods:	295	290	102	93
i) Leather & leather manufactures	5	5	2	2
ii) Chemicals & related products	57	58	20	19
iii) Engineering goods	106	101	47	45
iv) Electronic goods	17	25	8	11
v) Textiles (excluding readymade garments)	24	18	7	6
vi) Readymade garments	16	16	7	6
vii) Other manufactured goods	70	66	24	19
d) Remaining commodities	4	6	2	2

Note: YTD data for Agricultural and allied products, Ores & minerals, Total Manufactured goods, Chemicals & related products, Textiles (excluding readymade garments), Other manufactured goods, Other commodities categories is for the period FY23(Apr-Jul); Source: CMIE

Out of the total merchandise imports in FY23, petroleum products accounted for about 29% share, while, non-petroleum products accounted for 71%. Under the non-petroleum products category, in FY23, engineering goods accounted for about 17% of total imports, followed by electronic goods (11%), chemicals and related products (10%), ores and minerals (8%), agriculture and allied products (5%), and other remaining products (~18%).

Under merchandise imports, almost all categorised sectors reported positive growth. Wherein, ore and minerals as well as the ready-made garment segment registered a significant 44% and 39% y-o-y growth in FY23, respectively. Some of the other product categories like crude and petroleum products, leather and leather manufacture, engineering goods, and textiles (excl. readymade garments) recorded more than 10% growth. While, categories like agricultural & allied products, chemicals & related products, and electronic goods witnessed single-digit growth.

Table 5: Major Imports by Commodities

Particulars	USD Billion			
	FY22	FY23	FY23 (April-Aug)	FY24 (April-Aug)
Total Petroleum - crude and products	162	209	89	68
Total Non-Petroleum Products	452	504	220	203
a) Agricultural and allied products	32	36	12	10
b) Ores & minerals	41	59	26	17
c) Manufactured Goods:	373	404	136	129
i) Leather & leather manufactures	1	1	0.4	0.3
ii) Chemicals & related products	68	74	27	22
iii) Engineering goods	101	124	37	39
iv) Electronic goods	77	80	33	35
v) Textiles (excluding readymade garments)	5	6	2	2
vi) Readymade garments	1	2	0.5	0.5
vii) Other manufactured goods	119	117	42	36
d) Remaining commodities	6	6	2	2

Note: YTD data for Agricultural and allied products, Ores & minerals, Total Manufactured goods, Leather and leather manufactures, Chemicals & related products, Engineering goods, Textiles (excluding readymade garments), Readymade garments, Other manufactured goods, Other commodities categories is for the period FY23(Apr-Jul); Source: CMIE

During the cumulative period of the first five months of FY24, most of the commodity groups have witnessed a decline in exports and imports, which can be attributed to global economic slowdown and geo-political tensions. Along with the inflationary pressures, impeding the tightening of monetary policies is also leading to a slow up in global demand.

Overview on Indian Trade Through Rail Mode

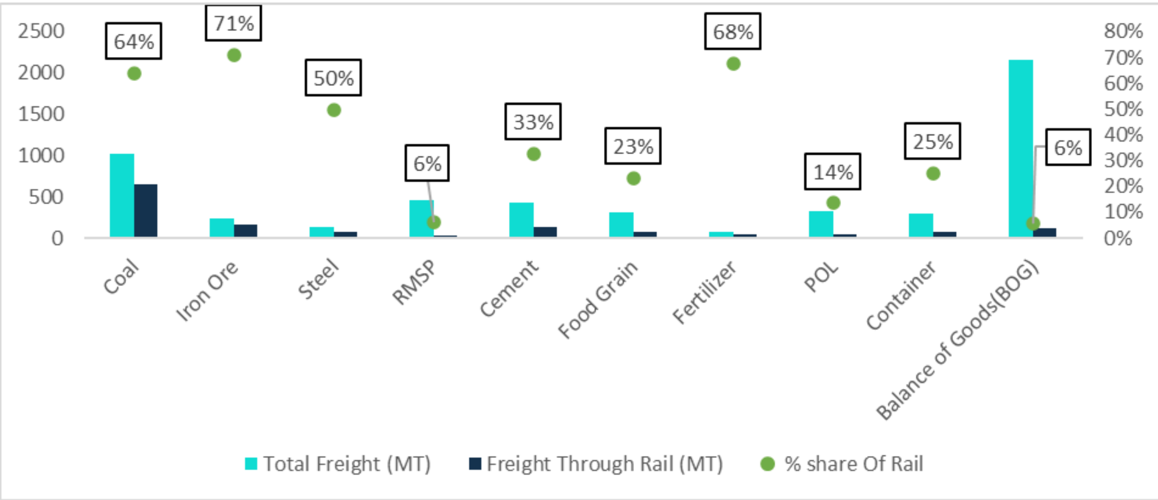
India's overall logistic industry generates about 4,500-5,000 MT of Cargo annually by handling over 10,000 types of diverse products. The Indian logistic industry has been witnessing rapid growth supported by high economic growth coupled with the rising population and improved standards of living. With 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 FY50. 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 FY51 to FY22), 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.

Chart 11: Railway's Current Share in Freight Movement – Commodity-Wise (as on FY22)



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

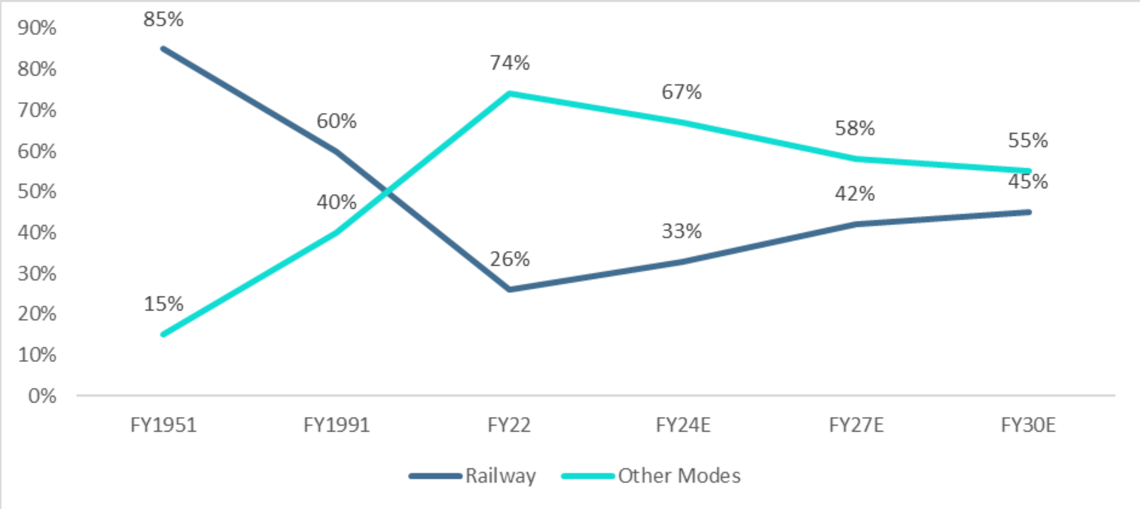
Further, in rail freight volumes, there is a significant dependency on coal, iron ore/steel, cement, food grain, and POL & fertilizer, contributing almost 74% of railway freight volume. These commodities have witnessed slower growth in the past few years and are likely to grow at the same pace in the 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 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 FY22. This is severely limiting the railways' growth potential in the freight segment.

As of FY22, 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 FY20, 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 FY30.

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 FY30. For which, 'Mission 3000MT' has been formulated as an intermediate milestone towards achieving the aforesaid ambitious target of NRP. Details of the aforementioned plans are provided in Section 4.

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 FY30.

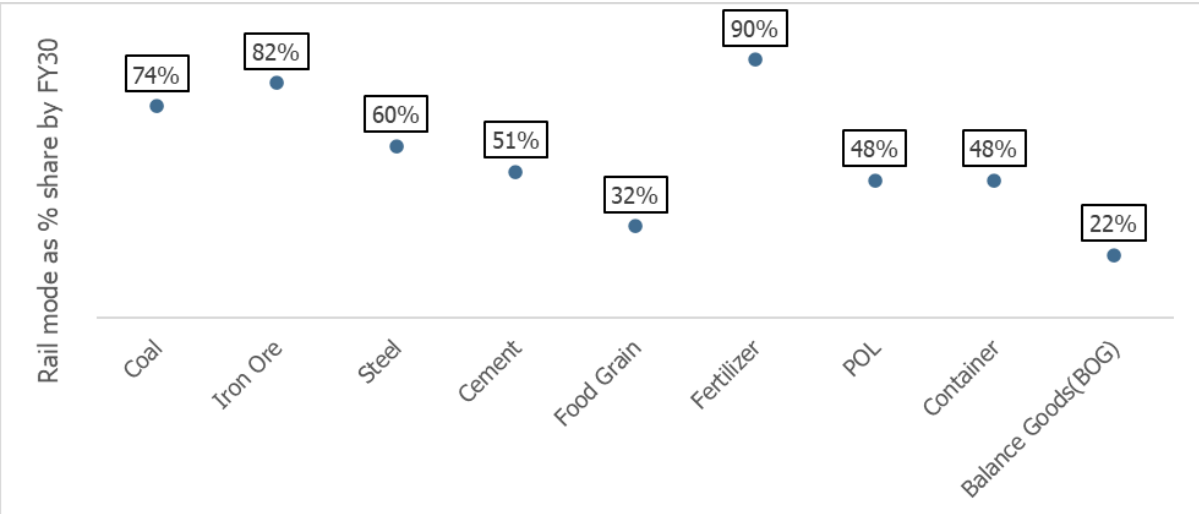
Chart 12: Modal share of Railways vs. Other Modes in Freight Transport



Source: Ministry of Railways, National Rail Plan

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

Chart 13: India Railways Share Across Commodity Basket in FY30E



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 USD 2 trillion by CY30 compared to USD 770 billion in FY23, 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.

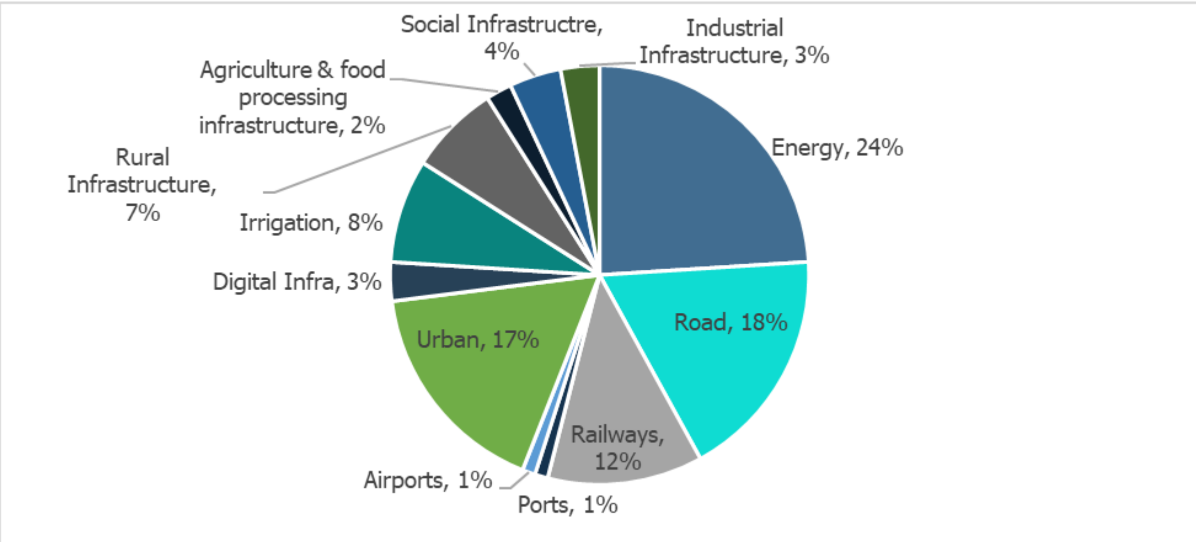
- Along with this, India has been working on the **Chabahar Port project in Iran**, which aims to provide an alternative trade route to Afghanistan and Central Asia. Rail connectivity will be a crucial component of this project, allowing goods to flow seamlessly between Chabahar Port and India's hinterland. 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 Rs.111 trillion to be undertaken by the central government, state governments, and the private sector during FY20-25. The below chart depicts sector-wise break up of capex of Rs. 111 trillion:

Chart 14: Sector-Wise Break-Up of Capital Expenditure of Rs. 111 Trillion during Fiscal FY20- FY25



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 FY20 to FY25 for these sectors are depicted in the table below:

Table 6: Capital expenditure plan between FY20 to FY25

Particulars (Rs. crore)	FY20	FY21	FY22	FY23	FY24	FY25	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 Rs 111 trillion investment targeted over FY20-FY25 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.

To understand the supply side of these sectors, Gross Value Added (GVA) is an appropriate measure. GVA measures the value of goods and services produced in an economy. The table below depicts the sectoral growth on a value-added basis for some of the key industries:

Table 7: Sector-wise GVA and Growth (Y-o-Y % Growth) - at Constant Prices

At constant Prices	FY22 (1RE)	FY23 (PE)	% Growth Y-o-Y	Q1FY23	Q1FY24	% Growth Y-o-Y
Agriculture, Forestry & Fishing	21,49,122	22,34,269	4.0%	4,96,547	5,13,946	3.5%
Industry	43,38,366	45,28,539	4.4%	10,87,111	11,46,458	5.5%
Mining & Quarrying	3,10,415	3,24,708	4.6%	82,809	87,587	5.8%
Manufacturing	25,82,473	26,17,059	1.3%	6,37,520	6,67,770	4.7%
Electricity, Gas, Water Supply & Other Utility Services	3,16,110	3,44,418	9.0%	90,134	92,704	2.9%
Construction	11,29,368	12,42,354	10.0%	2,76,648	2,98,397	7.9%

Note: 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

In FY23, 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

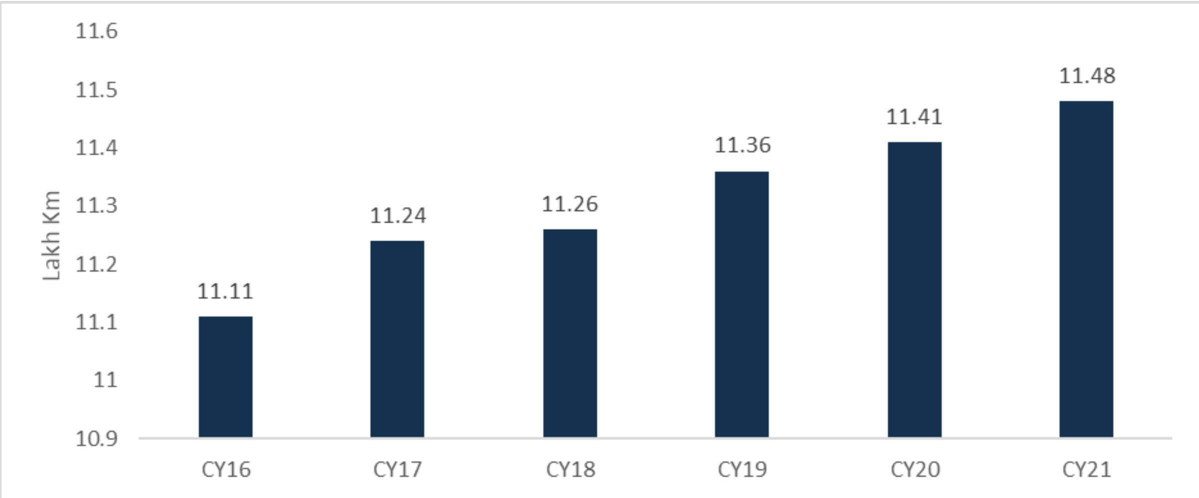
Railway Infrastructure

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.

Region-Wise Track Length

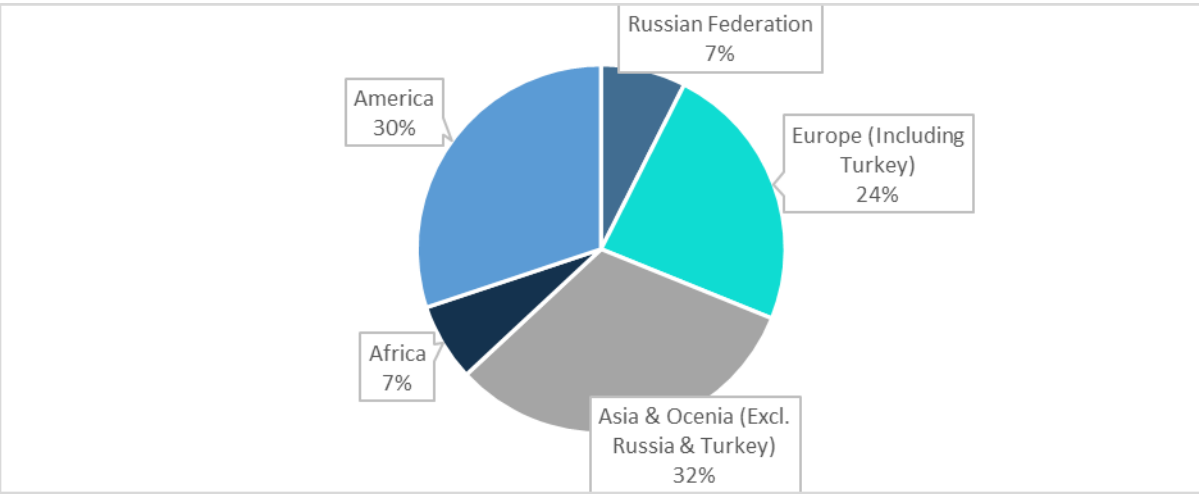
As per the International Union of Railways, the world railway lines stood at 11.48 lakh km at the end of CY21 with Asia and Oceania having the largest share of 32%.

Chart 15: Trend in Global Railway Track Length



Source: International Union of Railways

Chart 16: Regional Share of Railway Lines (CY21)



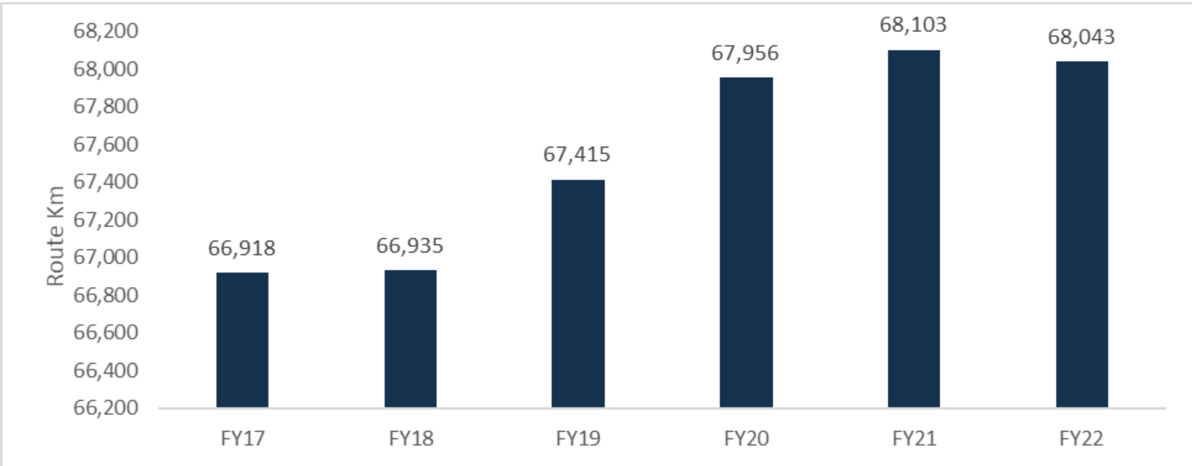
Source: International Union of Railways

Railways are transitioning from conventional steam and diesel engines to alternate fuel-based electric engines, and more recently, developed hydrogen engines. Of the total global rail network, about 30% is estimated to be electrified. Countries targeting to achieve net zero carbon emissions are driving the transition to alternative fuels.

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 FY22. 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 FY24, out of which, 5,243 km was achieved during FY23 as compared to 2,909 km during FY22. It also plans to become a net zero carbon emitter by FY30 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.

Chart 17: Indian Railway Route Length



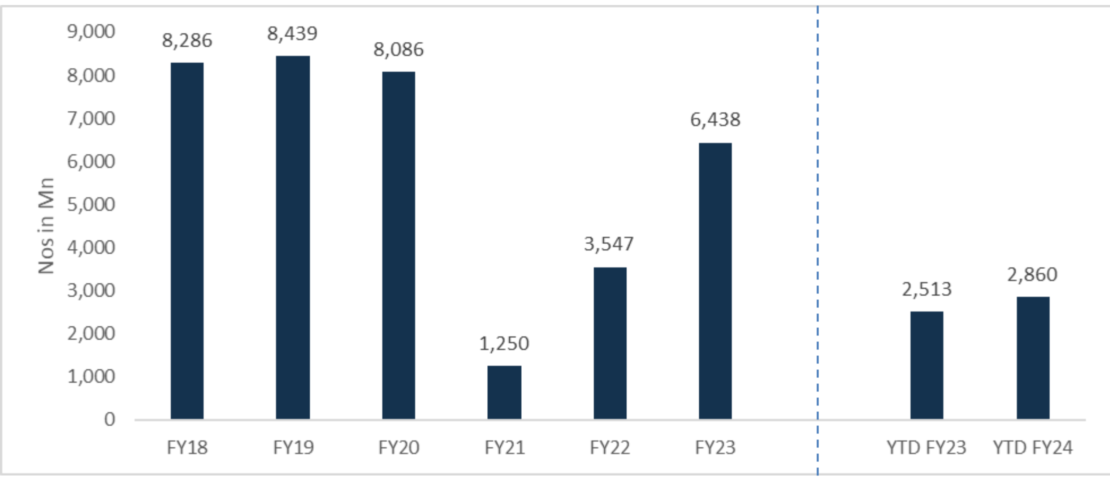
Source: Indian Rail Yearbook

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. Rs 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 approx. 2.35 lakh crore has been incurred upto March, 2022.

Freight and Passengers Carried by Indian Railways

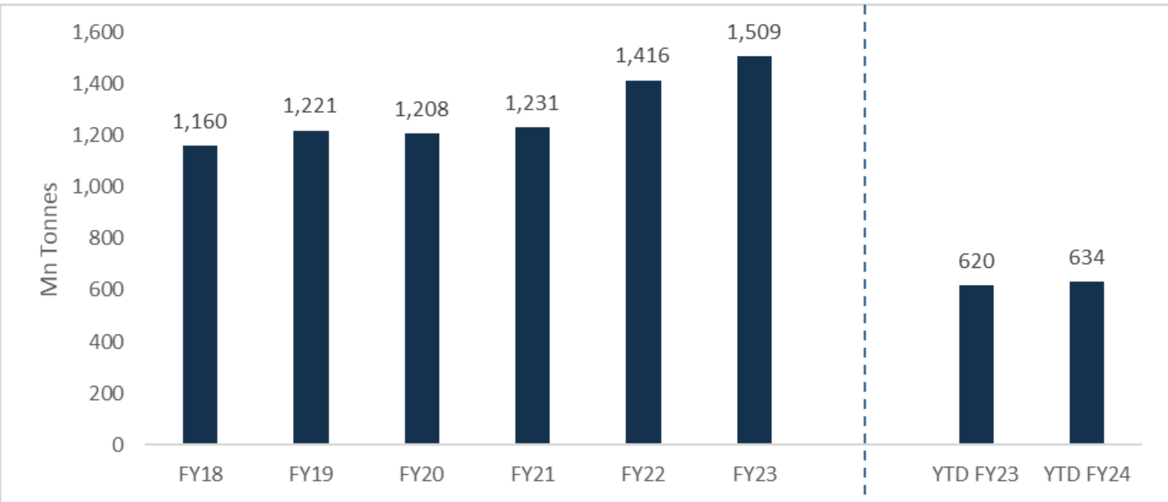
Passenger and freight traffic were adversely affected in FY21 due to the COVID-19 pandemic, associated lockdowns, and restricted movement of passengers and cargo. The passenger numbers decreased by 85% in FY21 but the tonnage carried remained afloat due to the cargo carriages. Whereas in FY23, the passenger traffic rebound with 82% growth and freight traffic grew by 7%.

Chart 18: No of Passenger over the Years



Source: Indian Rail Yearbook; Indian Railway Monthly Evaluation Report August 2023
Note: YTD FY24 and YTD FY23 refer to period from April -August 2023 and April-August 2022, respectively

Chart 19: Tonnage Carried over the Years



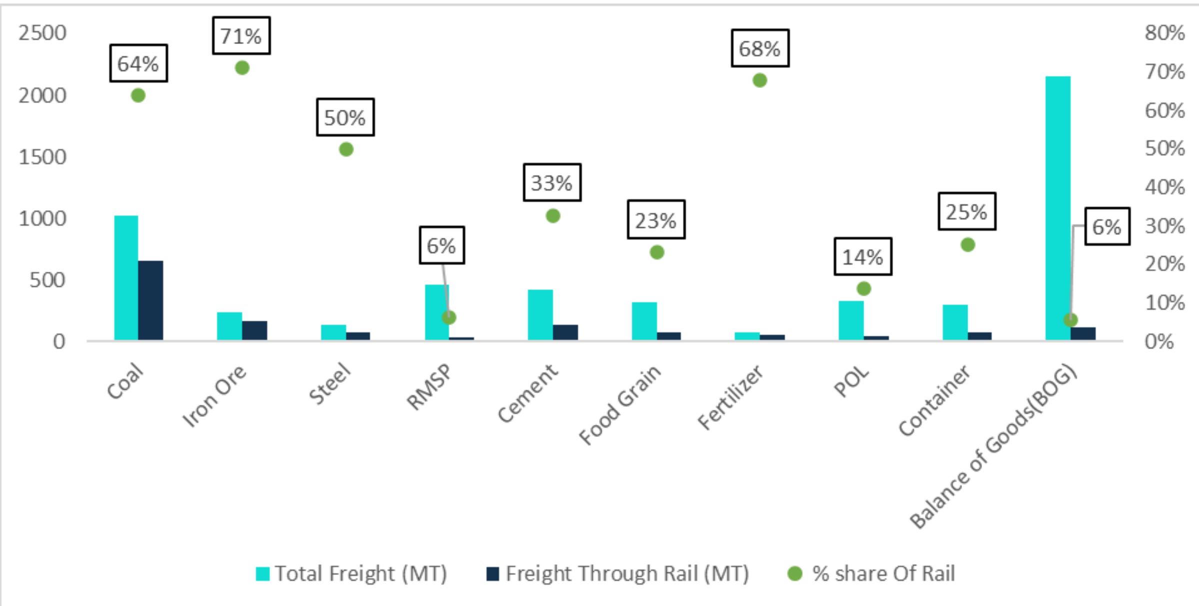
Source: Indian Rail Yearbook; Indian Railway Monthly Evaluation Report August 2023
Note: YTD FY24 and YTD FY23 refer to period from April -August 2023 and April-August 2022, respectively

Split of rail freight across commodity basket, outlook for split by FY30E in India

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 FY51 to FY22), 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 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.

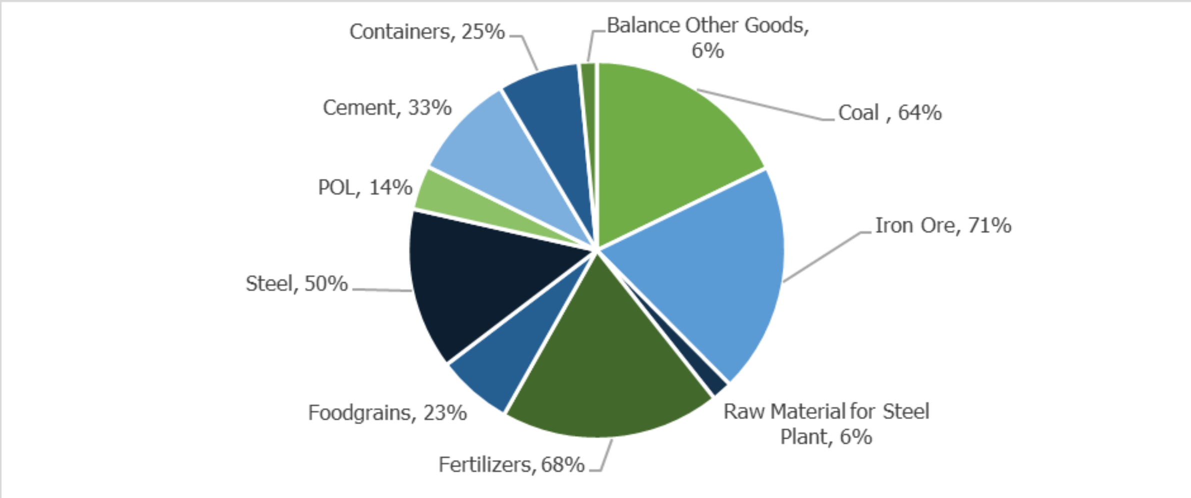
Chart 20: Railway's Current Share in Freight Movement – Commodity-wise (as on FY22)



Source: Ministry of Railways, Report of the Committee on Mission 3000 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 FY22. This situation is severely limiting the railways' growth potential in the freight segment.

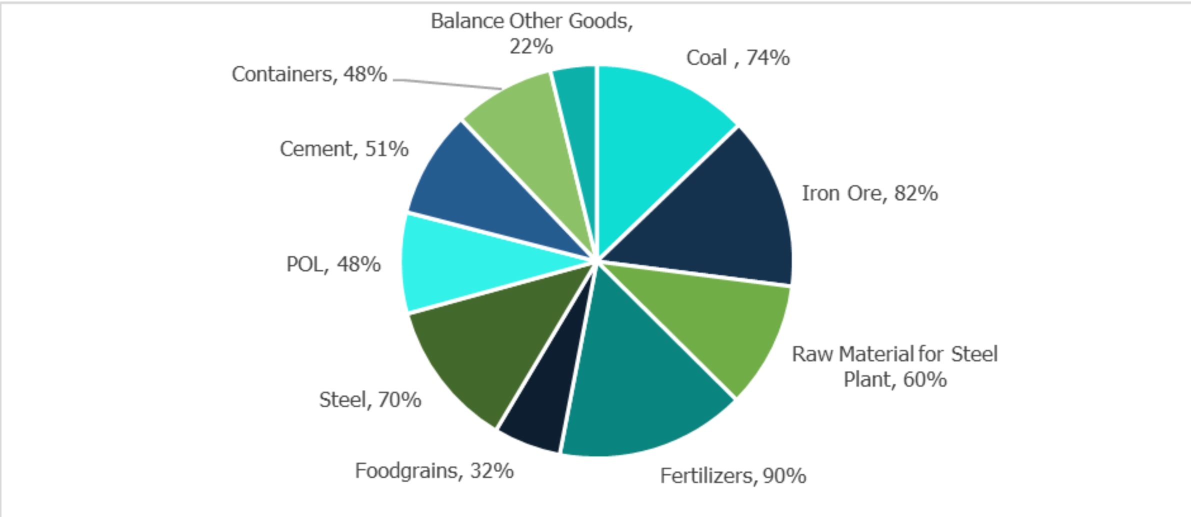
Chart 21: India Railways Share Across Commodity Basket in FY22 (Tonnage- 1,418 MT)



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

Through NRP, Indian Railway is striving to achieve modal share of 45% through a combination of capacity enhancement works and lowering of cost to customer by FY30.

Chart 22: India Railways Share Across Commodity Basket in FY30E (Tonnage- 3600 MT)



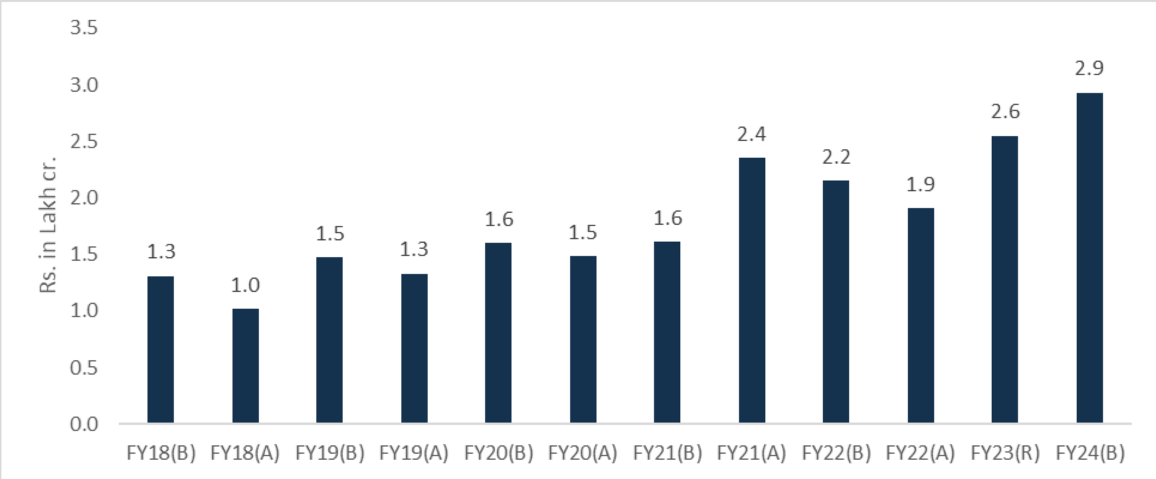
Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes

Government Policies for Railway freight Industry

Budgetary Support

Railways is one of the key enablers for economic growth and an investment of USD 750 billion was suggested by the government in the Union Budget 2019-20 to improve the railway infrastructure over FY18 - FY30. The budgetary allocation to Indian Railways has been on a rise.

Chart 23: 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 FY23-24, the government has allocated Rs 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 Rs 37,581 crore in the union budget 2023-24 from Rs 15,158 crore (revised budget) in FY22-23.

Table 8: Budgetary Outlay toward Railway Projects

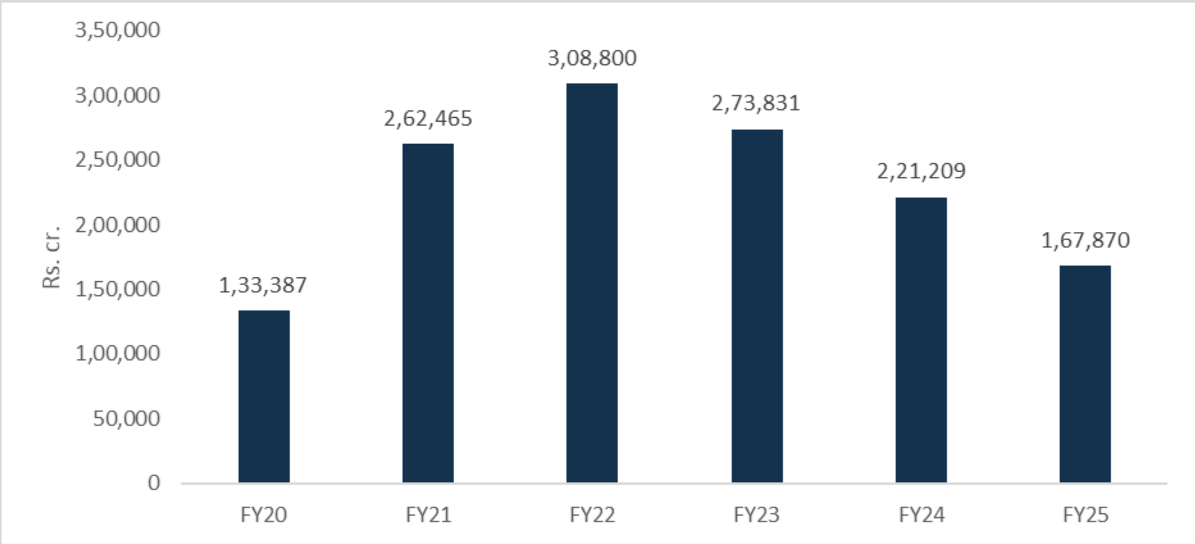
Railway Projects	FY18 (A)	FY19 (A)	FY20 (A)	FY21 (A)	FY22 (A)	FY23 (R)	FY24 (B)
Doubling	1,290	610	678	379	8,681	24,093	30,749
New Lines (Construction)	8,952	5,648	9,871	1,058	20,783	24,914	31,850
Track Renewals	8,884	9,690	9,387	0	16,557	15,388	17,297
Gauge Conversion	2,555	2,590	3,313	117	2,343	3,220	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 Internal and Extra Budgetary Resources (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 USD 5 trillion economy by 2026-27. 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 FY20-25. The expected capex under NIP is USD 1.4 trillion in railways having an allocation of 12% of the total Rs 11 trillion capex allocated to infrastructure segment during FY20-FY25.

Chart 24: 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 & 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 FY19 to 70 kmph by FY25.
- Run Heavy Haul trains (higher axle load of 25/32.5 Tonne) & overall load of 13,000 Tonne.
- Facilitate the running of longer (1.5km) 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 FY22 to 45% by FY30.
- Reduce the logistic cost of transportation

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

Table 9: 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

Design Feature	Indian Railway	DFC
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

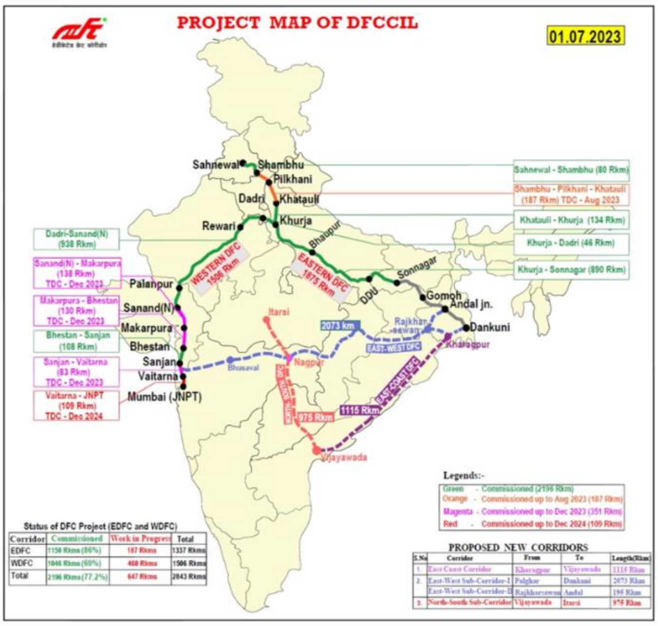
Source: Dedicated Freight Corridor Corporation of India

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 CO2 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.

Chart 25: 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) Mumai-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 Rs 1.1 lakh Cr and is expected to be fully operational by CY27. 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.

Chart 26: Proposed High Speed Rail Corridors in India (FY21)

Source: Invest India

Some of the upcoming high-speed rail corridor projects are-

(i) Delhi – Varanasi HSR (942 km) (including spur of 124 km from Lucknow to Ayodhya)

(ii) Delhi – Ahmedabad HSR (873 km)

(iii) Mumbai – Nagpur HSR (766 km)

(iv) Mumbai – Hyderabad HSR (671 km)

(v) Chennai – Mysore HSR (469 km)

(vi) Delhi – Amritsar HSR (539 km)

(vii) Varanasi – Howrah HSR (792 km)

Vande Bharat Express

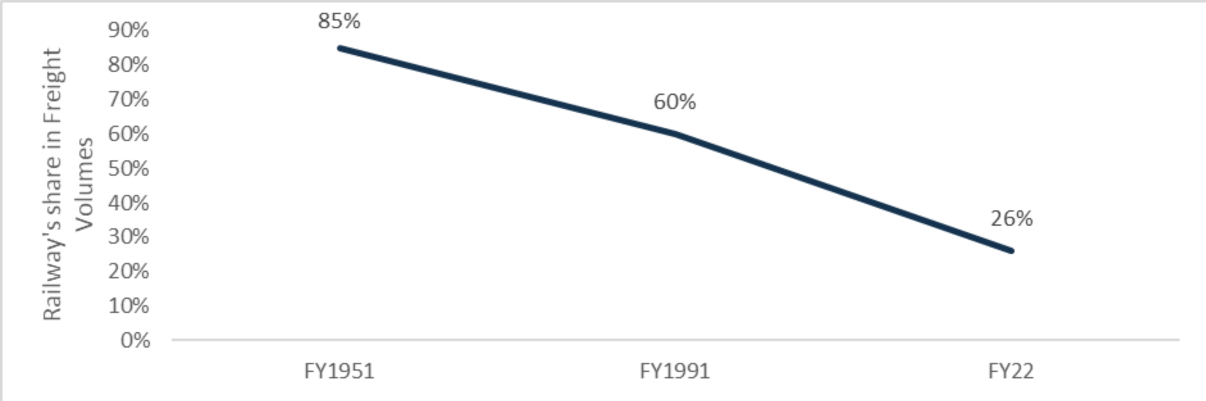
Vande Bharat Express are indigenously manufactured semi-high speed, electrical multiple unit trains operated by the Indian Railway. The Vande Bharat Express is equipped with multiple cutting-edge amenities, such as bio-vacuum toilets, Wi-Fi, completely automated doors, etc. and are 180 kmph capable air-conditioned 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 2022-23, it was announced that 400 Vande Bharat Express will be introduced over the next 3 years.

As on August 2023, Rs. 1,343.7 cr. 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.

Historical Trend of Modal Share of Railways in Freight Transport (FY1951, FY1991, FY22)

The rail mode dominated the transport sector in India in the 1950s. Since then, the transport sector in the country has seen decline in the rail mode and moved toward s a more secular method majorly including transport by road more since 1980s. The modal share of railways in freight transport decreased from 85% in FY1951 to 26% in FY22.

Chart 27: Modal share of Railways in Freight Transport



Source: Ministry of Railways, National Rail Plan

National Rail Plan 2030

Indian Railways has prepared a National Rail Plan (NRP) for India – 2030 which envisages creation of a 'future ready' railway system by FY30. NRP aims to increase modal share of the Indian Railways in freight to 45% by FY30 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in FY22 to 3,600 million tonnes by FY31, implying a CAGR of 11%. The objective of the Plan is to create and invest towards capacity ahead of demand, which in turn would also cater to future growth in demand up to FY50.

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

Following are the key objectives of National Railway Plan:

- Formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% by FY30
- Reduce transit time of freight substantially by increasing average speed of freight trains to 50Kmph
- As part of the National Rail Plan, 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 130kmph on all other Golden Quadrilateral-Golden Diagonal (GQ/GD) routes and elimination of all Level Crossings on all GQ/GD route.
- 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
- 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.

Table 10: Proposed Expenditure under NRP (Rs. Lakh Cr.)

Head	FY21-26	FY26-31	FY31-41	FY41-51	Total
Dedicated Freight Corridors	-	1.5	0.5	0.3	2.3
High Speed Rail Corridors	-	5.1	2.9	7	15

Head	FY21-26	FY26-31	FY31-41	FY41-51	Total
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 FY30

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 Rs 8.45 lakh crore has been earmarked over FY23-27 under Mission 3000 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)[3] and strengthen IT infrastructure for maintenance. Further, Dedicated Freight Corridor (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 50-65 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
- Address the pricing-related concerns

[3] EoTT establishes communication between the locomotive and last wagon of train and ensures that train is running with all coaches/wagons.

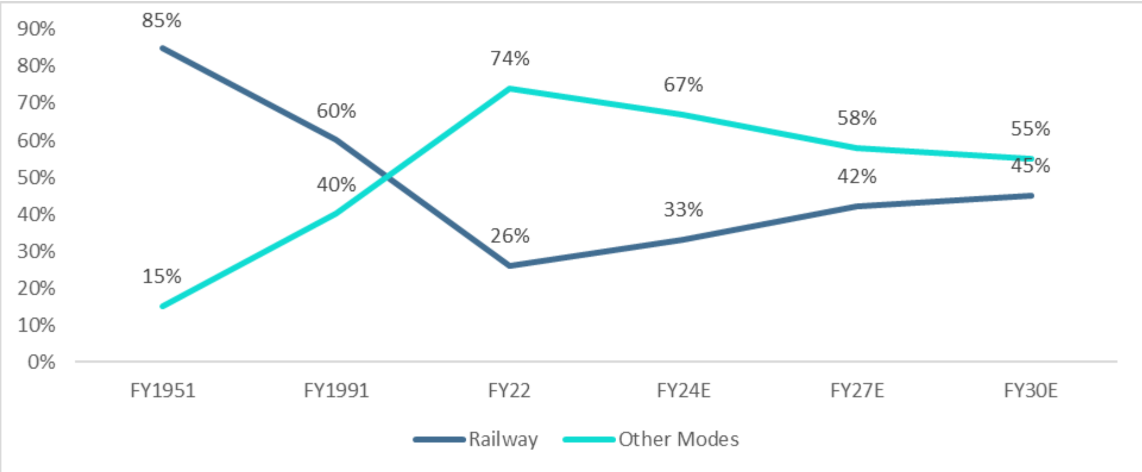
(d) Policy Initiatives for Automobile Sector – Railways currently have a small share in automobile transport. In order to boost auto volumes, Railways introduced the Automobile Freight Train Operator (AFTO) Scheme in 2010 which permitted private parties like automobile manufacturers to procure specially 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.

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

Indian Railways has prepared a National Rail Plan (NRP) for India – 2030 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 FY30 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in FY22 to 3,600 million tonnes by FY31, implying a CAGR of 11%. The objective of the Plan is to create capacity ahead of demand, which in turn would also cater to future growth in demand up to FY50.

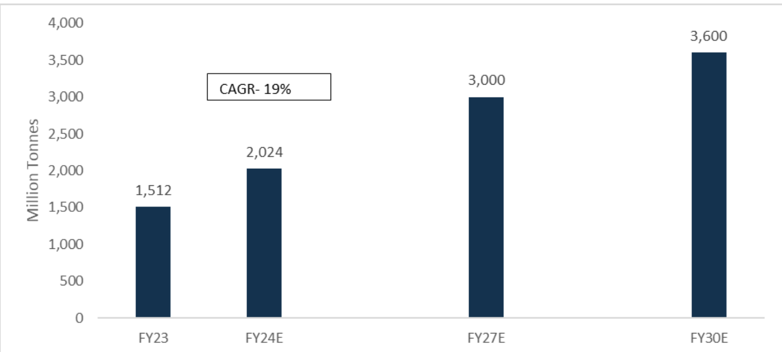
Chart 28: Modal Share of Railways vs. Other Modes in Freight Transport



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 FY30.

Chart 29: Expected Increase in Railway Freight Volumes



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

- **Vision 2024/2024**

Under the NLP, the Indian Railways propose to achieve modal share of 45% in domestic freight transport. One of the biggest challenges before the Indian Railways is overcoming the capacity constraint. Realising that this needs to be addressed at the earliest the Government of India has substantially increased the annual capital expenditure on railway capacity expansion over the past few years. The Indian Railways has decided to divide the capacity leap into two leaps – first leap by 2024 and the second leap by 2030. In this context, the Vision 2024/2024 was launched as a sub-set of NLPs which aims at achieving railway freight traffic volume of 2024 million tonnes by the year 2024.

- **Mission 3000 MT**

Another intermediate milestone of the NLP has been formulated under Mission 3000 MT to achieve 3,000 million tonnes per annum of freight volumes by FY27 by augmentation and upgradation of network track system. It is targeting towards identifying and prioritizing crucial capacity enhancement works for implementation before FY27 and suggesting an action plan for making requisite policy and strategic interventions to induce desired modal shift to railways.

Table 11: Projected Capex under Mission 3000 MT

(Rs crore)

Sr No.	Works	Total Capex	Year wise Capex				
			FY23	FY24	FY25	FY26	FY27
1	Doubling (DL)	2,13,068	31,960	31,960	53,267	53,267	42,614
2	New Line (NL)	1,76,047	26,407	26,407	44,012	44,012	35,209
3	Gauge Conversion (GC)	20,791	3,119	3,119	5,198	5,198	4,158
4	Traffic facility and yard remodelling work	24,172	3,626	3,626	6,043	6,043	4,834
5	Last mile connectivity to Mining, Ports, Industrial Hubs etc	22,010	3,302	3,302	5,503	5,503	4,402
6	Automatic Signalling	13,045	1,957	1,957	3,261	3,261	2,609
7	Upgradation to 2 X25KV	15,183	2,277	2,277	3,796	3,796	3,037
8	25T axle load	10,213	1,532	1,532	2,553	2,553	2,043
9	Multi-tracking (Doubling, 3rd / 4th/ 5th Line)	1,64,743	24,711	24,711	41,186	41,186	32,949
10	Transmission lines	10,833	1,625	1,625	2,708	2,708	2,167
11	Wagons	70,142	10,521	10,521	17,536	17,536	14,028
12	Locomotive	1,05,210	15,782	15,782	26,303	26,303	21,042
	Total	**8,45,458**	**1,26,819**	**1,26,819**	**2,11,364**	**2,11,364**	**1,69,092**

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

Rolling Stock 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:

Table 12: Indian Railway Rolling Stock

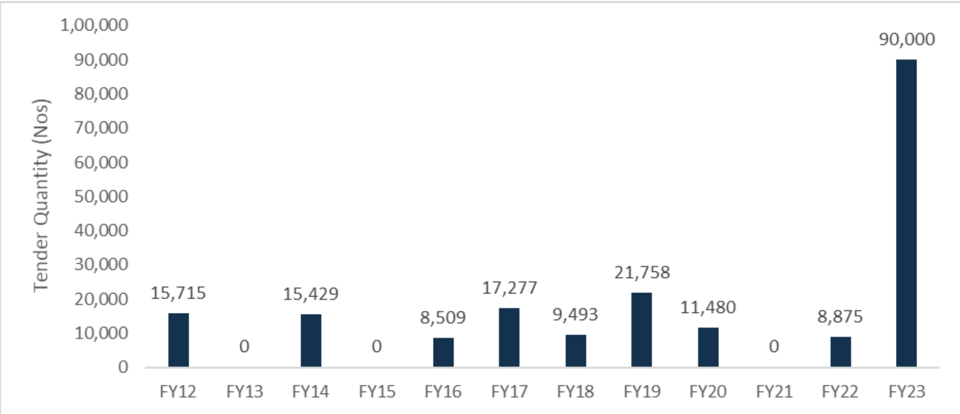
Particulars	FY18	FY19	FY20	FY21	FY22
Locomotives	11,764	12,147	12,729	12,734	13,215
Passenger Coaches					
-EMU	9,556	10,439	11,439	10,991	11,773
-Conventional	54,081	55,282	57,121	58,778	61,002
-DMU	1,690	1,883	1,795	1,965	1,969
-Others	6,537	6,406	6,611	7,949	10,103
Total Passenger Coaches	71,864	74,010	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 FY12-FY23, 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 30-35 years old.

Chart 30: Trend on Wagon Tendering by Indian Railways



Source: Industry Sources

The tendering between FY17 to FY21 was around 9,000-22,000 wagons per year. However, driven by the Indian Railways' target to increase the share in domestic freight to 45% by 2030 under the NLP, tendering has seen a multi-fold increase in the last two years. 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.

Chart 31: Trend in New Wagons Inducted by Indian Railways

Source: Indian Rail Yearbook, Report of the Committee on Mission 3000 million tonnes

Indian Railways has inducted about 8,000-15,500 new wagons per year over FY18-FY22.

(a) Private Sector

The introduction of schemes, such as Liberalised Wagon Investment Scheme (LWIS), Wagon Leasing Scheme (WLS), Automobile Freight Train Operator (ATFO), etc., as discussed in Section 5.5 of this report, 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 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.

Table 13: Private Sector Wagon Induction Trend (CY17-CY22) (Units in Nos.)

Calendar Year	CY17	CY18	CY19	CY20	CY21	CY22	Total
Adani Logistics Ltd			406	143	511	735	1,795
BALCO	120			53	53		226
Birla Corporation Ltd					58		58
Hindalco	151						151
Hindalco Ltd						61	61
HPCL					34		34
Jindal Steel and Power Ltd			90			177	267
JSPL					45		45
Kalinga Metalics Ltd					243	305	548
NTPC			123	5			128
Orissa Metaliks Pvt Ltd			61	61	61		183
Rungta Mines Pvt Ltd			296		60		356
Rungta Sons Pvt Ltd					366	61	427
S M Nirayat Pvt Ltd					302		302
Shyam Metalics Pvt Ltd						122	122
Shyam Sel & Power Ltd						61	61
Steel Authority of India Ltd					60	181	241
TM International Logistics Ltd	120	58	826	445	182	121	1,752
Vedanta	159		53			53	265
Other:							
GATX							4,200
IVC Logistics, Joshi Konoike Transport and Infrastructure pvt. Ltd, Maruti Suzuki, TCI Express, APL Logistics and Vascor Automotive Pvt Ltd							NA
Total	**550**	**58**	**1,855**	**707**	**1,975**	**1,877**	**11,222**

Source: Indian Railways

Growth Outlook

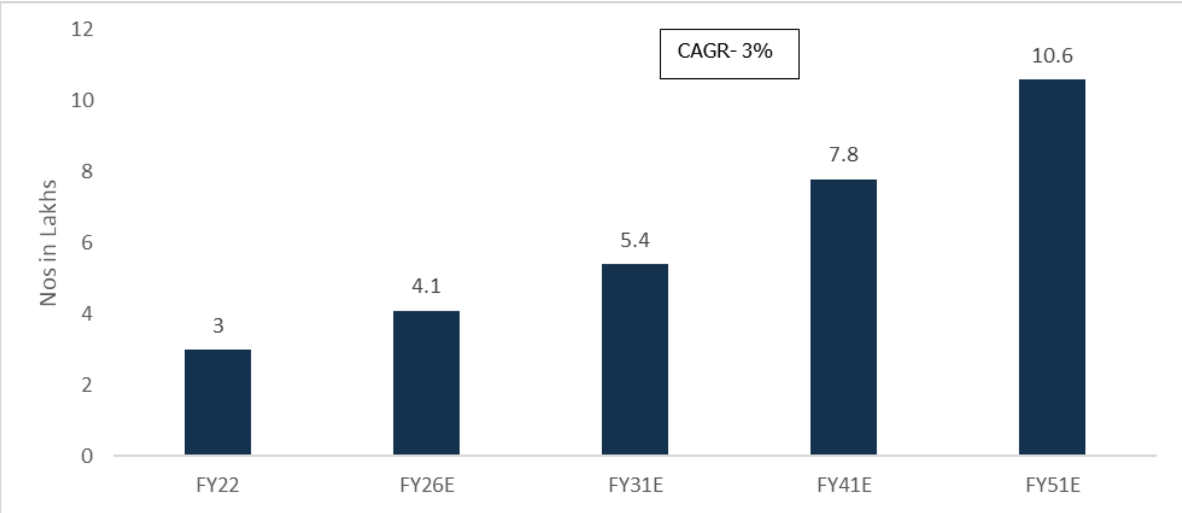
The Government of India has identified railways as a key focus area to boost GDP and make India more export competitive by reducing freight costs. Accordingly, the budgetary outlay towards Indian Railways has been on the rise over the past few years and the government has introduced various schemes such as DFC, NLP, GPWIS, PM Gati Shakti & 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 FY27 and 3,600 million tonnes by FY30 from 1,512 million tonnes in FY23. Further, railway freight traffic measured in Net Tonne Kilometres (NTKM) is expected to double to 1,695 billion NKTM by FY27 from 903 billion NKTM in FY23.

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 FY31 from 3 lakh wagons in FY22 including the replacement demand.

Chart 32: Forecast of Indian Railway Wagon Requirement



Source: Indian Railways, NRP; E-Estimates

Table 14: Forecast of Indian Railway Wagon Requirement- By Type

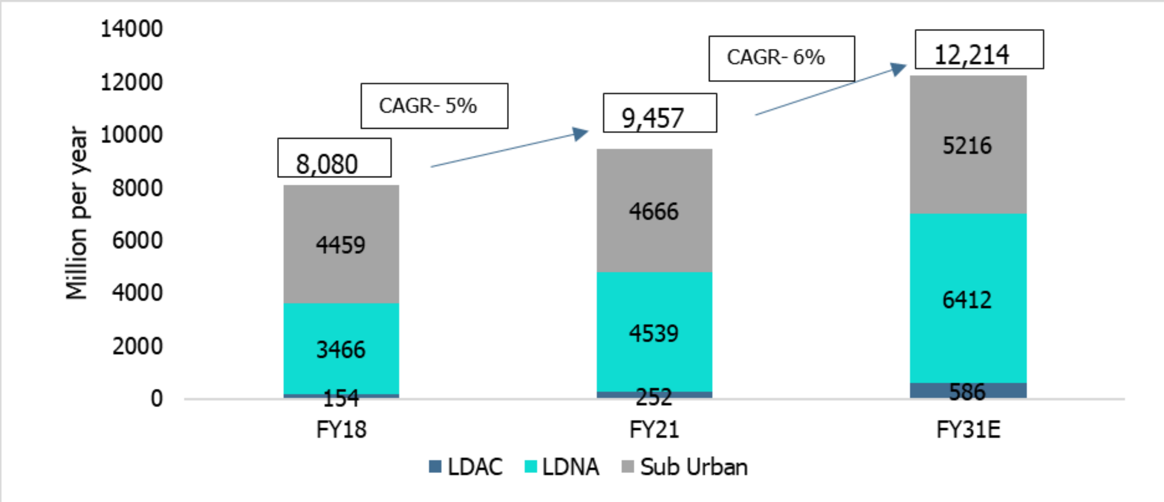
Type of Wagon	FY26	FY31	FY41	FY51
Bogie Covered Wagon (BCN)	1,57,456	2,12,727	2,79,539	3,54,684
Bogie Open High sided with air brakes (BOXN)	1,47,738	1,71,242	2,22,115	2,59,050
Bogie Covered Autorake Double Decker Wagon (BCACBM)	6,523	10,221	14,293	19,754
Bogie Low platform flat wagons (BLC)	48,162	73,525	1,15,135	1,65,333
Bogie Rail Truck with air brakes (BRN)	29,671	35,243	47,895	68,413
Bogie Covered Fly ash Cement (BCFC)	4,158	7,979	21,074	57,413
Bogie Tank wagon for Petroleum product (BTPN)	14,062	34,288	79,020	1,43,483
Total	**4,07,770**	**5,45,225**	**7,79,071**	**10,68,130**

Source: Indian Railways, NRP

Indian Railways is expected to procure around 1-1.2 lakh incremental wagons between FY22 and FY26, representing a market opportunity of Rs. 35,000-40,000 crore over this period.

Passenger Coaches: The passenger traffic is broadly divided into 3 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 FY18 to FY21 and is expected to grow at a CAGR of 6% from FY21 to FY31.

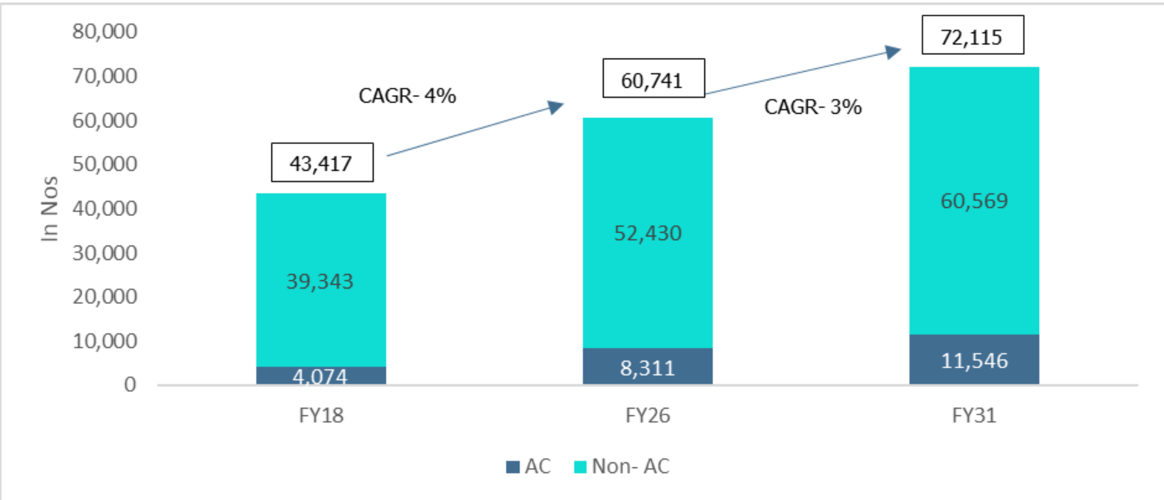
Chart 33: Projected Growth in Passenger Traffic - By Type



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 FY18 to FY26 and at a CAGR of 3% from FY26 to FY31.

Chart 34: Forecast of Indian Railway Coaches Requirement



Source: Indian Railways, NRP

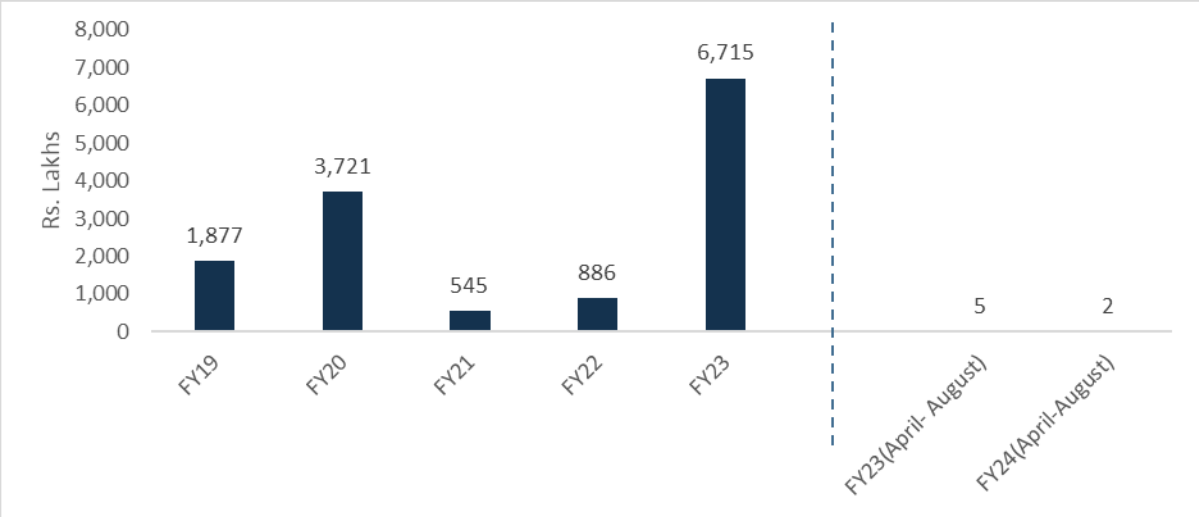
Indian Railways is expected to procure 8,000-9,000 incremental passenger coaches (AC and non-AC) between FY22 and FY26, representing a market opportunity of Rs 15,000-18,000 Cr.

India Exports of Wagons and 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 healthy in the pre-COVID year of FY19 after which it gradually reduced and reached the lowest in FY21. The exports are however picking up since FY22. Wagon exports increased by 6.5x in FY23 vis-à-vis FY22 levels in value terms.

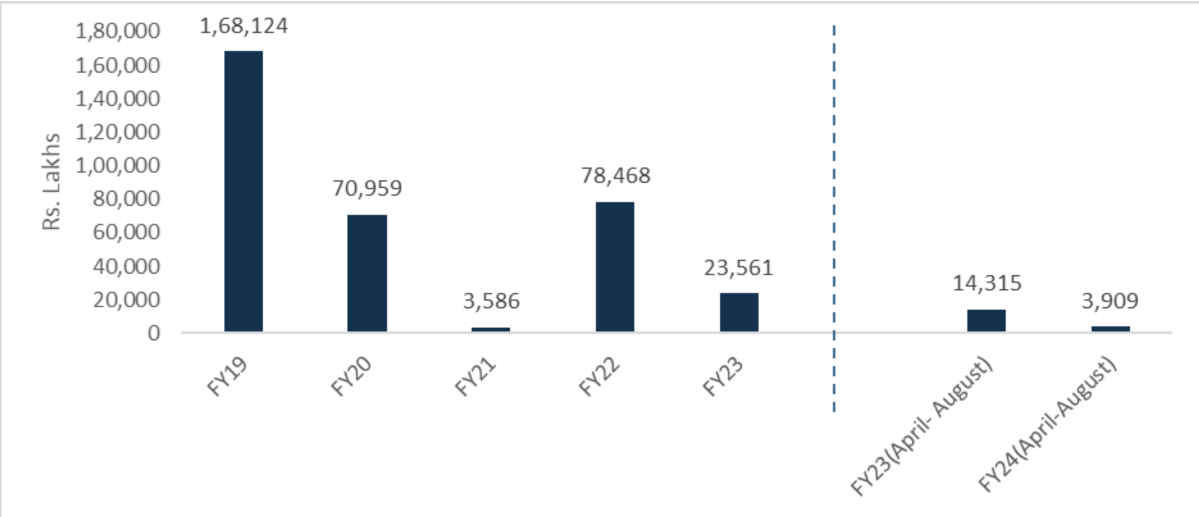
Chart 35: Exports of Wagons from India (in Value)



Source: Ministry of Commerce (HSN Code- 8606)

Exports of passenger coaches decreased by 70% in FY23 as compared to last year.

Chart 36: Exports of Passenger Coaches from India (In Value)



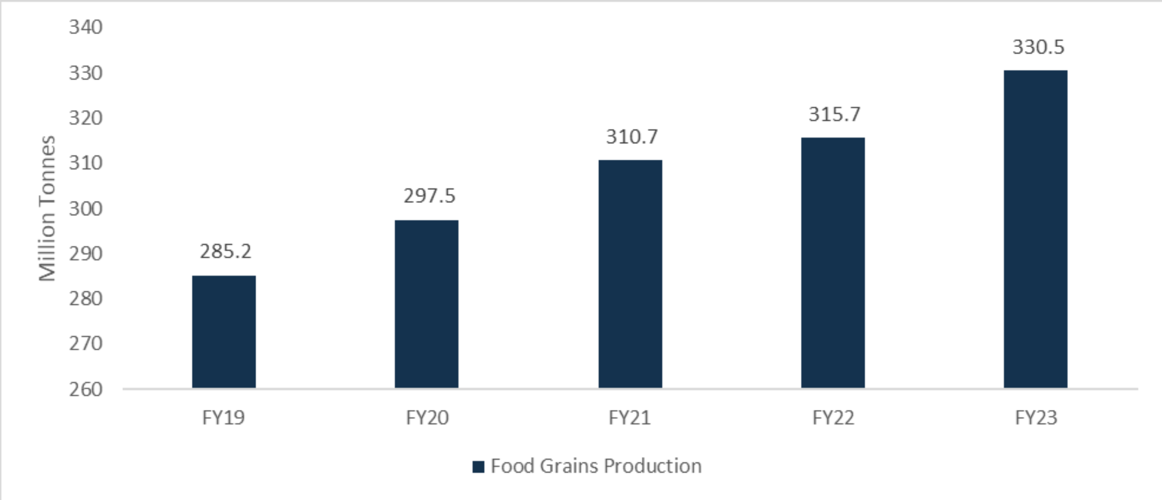
Source: Ministry of Commerce (HSN Code- 8605)

Key Industries and Their Outlook

Agriculture

Food grain production in India has been on the rise. India has witnessed a remarkable surge in the production levels of several key crops, such as rice, wheat, maize, cereals, and lentils. It has risen from 285.2 MT in FY19 to 330.5 MT in FY23.

Chart 37: Past Trend in Food Grains Production in India



Source: Department of Agriculture and Farmers Welfare, Press Information Bureau

This has been led by the continuous increase in area under cultivation and supported by the government's focus on agro-ecological crop planning, diversification from rice and wheat to oilseeds and pulses, and increase in Minimum Support Prices (MSPs), among others.

Further, the agricultural output of the country is expected to continue its upward trajectory in the medium-long term driven by the adoption of technologies to improve crop yields such as soil mapping software, geo-location of crop disease, use of drones, hydroponics, etc. The government support for the sector is also expected to continue.

Mining

Coal

The Coal Ministry has set a target of domestic production of 1 billion tonnes in FY24, a 13% growth y-o-y, which will be driven by a ramp-up in the production of state-owned CIL and NLC India Limited by engaging Mining Developers cum Operators (MDOs). Also, an incremental output is expected from the operational and new captive mines.

Further, the government's initiative, including the amendment of the Mines and Minerals Act, of 1957 which allows the captive mines to sell up to 50% of their annual coal production in the open market after meeting the end-use plant requirements, production through MDO mode, the increasing use of mass production technologies, expansion of existing projects and privatization of coal blocks, 100% Foreign Direct Investments, Single Window Clearance, etc., will continue to boost domestic coal production in the medium term.

Moreover, the dependence on imports, especially for coking coal, is expected to continue in the medium term due to steady demand from sectors such as steel and cement.

Iron ore

The iron ore produced in India is primarily used for domestic steel production and India's steel production is likely to increase backed by infrastructure growth in the country. The continuous thrust toward infrastructure projects by the government is majorly contributing to the rise in steel demand in the domestic market.

XXX Research expects India's steel consumption growth rate to be healthy at 8-10% taking the consumption to 129-132 MT in FY24. Improving activities in the construction sector alongside an uptick in the real estate and automobile sectors are expected to boost the demand for steel products, which, in turn, will increase the demand for its raw material – iron ore. According to the National Steel Policy 2017, 437 MT of iron ore is required to achieve 255 MT of crude production in FY31 as compared to 254 MT of iron ore produced in FY22. This indicates that the demand for iron ore in India is expected to rise going ahead.

Further, the withdrawal of export duty on iron pellets and a reduction in the export duty of iron ore lumps and fines (from 50% to 30%) in November 2022, have raised the export volumes. However, iron ore exports account for a small portion of India's aggregate production and are unlikely to increase significantly in the current fiscal due to weak Chinese demand.

Limestone

Limestone is widely used in the construction of roads, bridges, airways, highways, and railways. In India, the demand for limestone has increased owing to the expansion of the cement industry. The demand for limestone is driven by the cement industry, which projects healthy growth given the rapid increase in urbanization, construction projects (NHAI, metros, smart cities, etc.), and increased government spending momentum due to the upcoming 2024 elections.

Further, the production of limestone is going to rise in the coming years to support the growing demand from end-user industries, mainly construction and real estate. In addition, pick-up in affordable housing & residential and commercial real estate will support the consumption in the domestic market. Moreover, the continued thrust on infrastructure by the government will push the demand for this raw material.

Automobile

The two-wheeler domestic demand is expected to increase by 7%-9% over the medium term with new model launches, upcoming festivals, wedding season, and ease in supplies of chips and semiconductors. This will further support volumes of premium products and electric vehicle expansion. In addition, the premium segment and faster growth in the scooter segment. However, erratic monsoons across the country will restrict the rural demand, which might further impact the 2W demand in the near term.

Further, the overseas demand for the 2W segment is expected to remain weak due to the ongoing geopolitical tensions and inflationary pressures in the near term. The overseas shipments of two-wheelers will remain subdued due to high inflation in countries that India exports to and the weakening of currencies in these countries against the US dollar. However, there is some expectation of normalcy from the Asian, LATAM, and African markets (Nigeria, Guatemala, Guinea, Bangladesh and Nepal) led by build-up of the pent-up demand in the affected markets.

Whereas the slowdown in the demand for internal combustion engine-based two-wheelers will be partially negated by the rising demand for electric two-wheelers (E2Ws). Additionally, the growing interest in sustainable transportation alternatives among consumers and the increasing availability of affordable E2Ws, are expected to drive further growth in the coming years. Advances in battery technology and the increasing availability and use of battery swapping stations have also contributed to the demand.

Moreover, strategic agreements between manufacturers, service providers, and charging companies are building alliances that will accelerate the penetration of electric two-wheelers. On the other hand, the E2Ws segment is anticipated to face continued supply challenges and economic pressures, despite new schemes. Meanwhile, the cutback in FAME subsidies casts a shadow over EV sales.

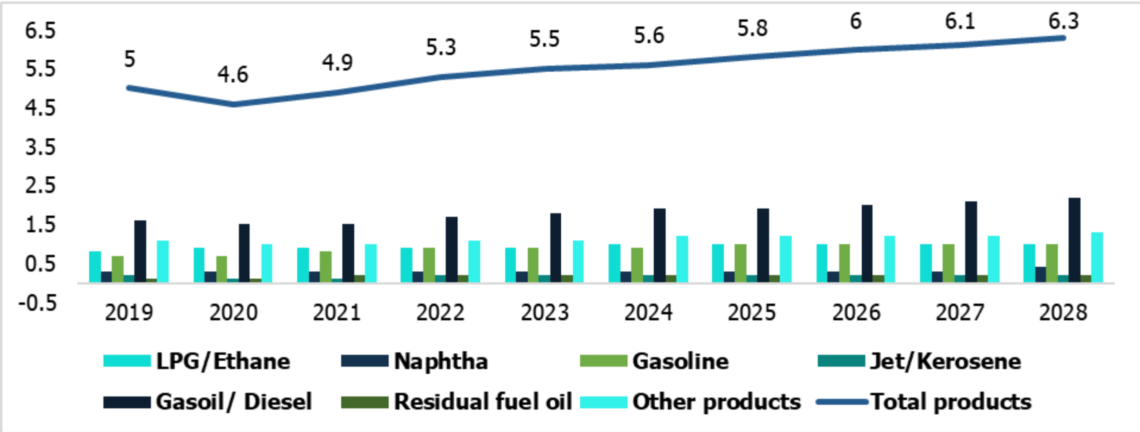
Furthermore, the increasing prices of vehicles, in addition to high interest rates, are likely to impact demand in the coming quarters. Also, prices of motorcycles in the entry-level segment have increased cumulatively. The steep increase in vehicle prices is attributed to higher commodity costs, upfront five-year insurance premium payment, and transition to new emission norms, thereby increasing the overall cost of producing motorcycles.

While vehicle prices have risen sharply, rural income has not gone up by a similar proportion. This impacted the demand for motorcycles, especially in the rural and semi-urban markets where buyers are price-sensitive. Accordingly, other factors such as an increase in interest rates, inflationary pressure, new regulatory norms, and a possible global recession are likely to impact sales of two-wheelers alongside vehicle prices and fuel prices.

Crude Oil

India is expected to overtake China in terms of global y-o-y oil demand growth in 2027, as per the International Energy Agency (IEA). The fastest-growing economy in the world, with GDP growth averaging 6.9% for CY24-CY28, is bound to show a recovery in the oil demand. Whereas the total oil demand in India is expected to grow at a CAGR of around 3% from CY22-CY28, as per IEA. This will be supported by robust economic and transportation activities within the air travel, industrial, and agricultural segments. However, as the demand for EVs is on the rise, the transition of fuel can impact the oil demand over the long term.

Chart 38: India's Oil demand by Product (mb/d[4]): CY19-CY28



Source: IEA

As India has been significantly reliant on imports to meet the crude oil demand, the government has been taking initiatives to increase the domestic output such as the development of discoveries in the Krishna Godavari Basin, integrated development of fields, monetization of discoveries in Nomination/New Exploration Licensing Policy (NELP) blocks, induction of improved oil recovery and enhanced oil recovery technologies, etc. Last year, the government deregulated the sale of domestically produced crude oil w.e.f. 01.10.2022. This will facilitate marketing liberty to oil exploration and producing companies, thus encouraging investments in the oil exploration sector.

Moreover, recovery technologies, hydrocarbon exploration & licensing policy, discovered small field policy, increased participation of private players, and de-regulation of sale of domestically produced crude oil will help to expand the area under exploration and production and reduce the reliance on imported fuel.

Logistics

The logistics industry is expected to be driven by the thriving key end-user sectors such as e-commerce, manufacturing, FMCG, and pharmaceuticals and the expanding manufacturing activities. The increasing penetration of online retail across product categories and their expansion to Tier-2 and Tier-3 cities will also provide a fillip to logistics and warehousing demand in India.

The logistics cost in India accounts for about 14% of GDP compared to global averages of 8%-10%. Also, the government is focusing on bringing down the logistics cost in line with global averages to boost domestic consumption. This is to further achieve the GDP target and make Indian products more export-competitive.

Moreover, the government is focusing on building a better road network, dedicated freight corridors, tech-driven warehousing, etc., which substantiates the role of logistics in the economic growth of the country. Furthermore, the National Logistics Policy was launched last year to ensure quick last-mile delivery, end transport-related challenges, save time and money for manufacturers, prevent wastage of agricultural products, and ensure the desired speed in the logistics sector. It aims to develop a technologically enabled, integrated, cost-efficient, resilient, sustainable, and trusted logistics ecosystem for accelerated and inclusive growth. Besides, initiatives such as the implementation of GST for streamlined taxation, geotagging of warehouses, and encouragement to 'IoT' are improving logistics efficiency, augur well for the industry.

In the Union Budget 2023-24, the finance minister has emphasized on development of the logistics and warehousing industry by announcing 25,000 km of new highways through the PM Gati Shakti National Master Plan for expressways. In addition, railways are expected to develop newer services to small farmers and MSMEs, along with easy transport of parcels through the country which will make freight transport easier and improve intra-state connectivity. It has also made other budgetary allocations toward the improvement of connectivity, which will translate into improving the overall logistics and transportation across the country, thereby supplementing the growth of the logistics and warehousing industry.

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[4] Million barrel per day

E-commerce plays an important role in the growth of the logistics and warehousing sector. After the pandemic, consumers have moved their preferences to online shopping over shopping physically from the outlets. This trend is expected to continue, given the convenience of e-commerce and significant discounts being offered by e-commerce players. As a result, the e-commerce sector will play a significant role in driving demand for the logistics and warehousing industry going forward.

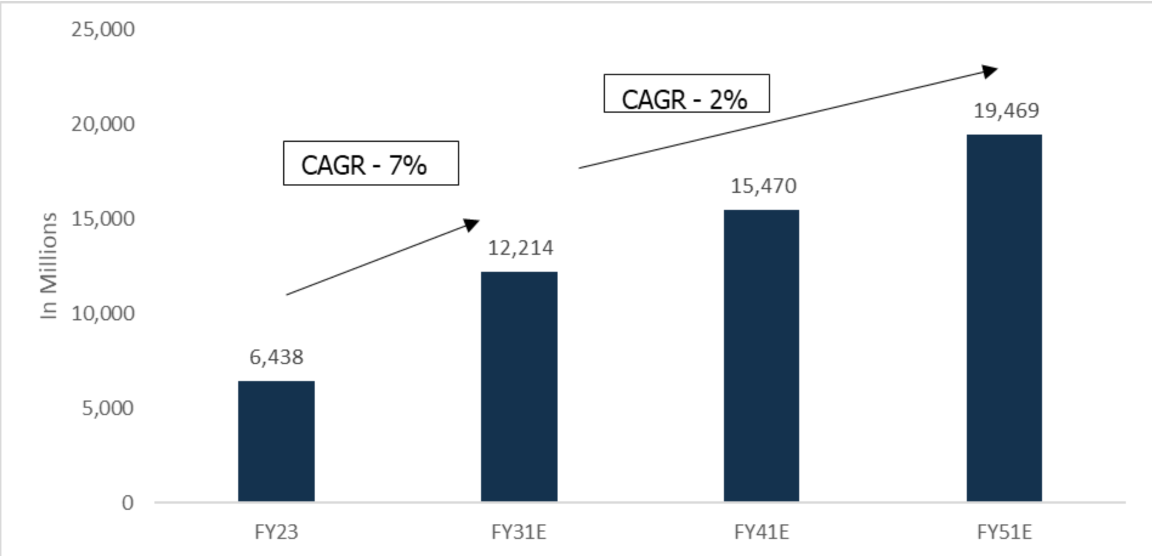
Besides, the warehousing market is expected to benefit from supportive government policies such as the establishment of logistic parks and free trade warehouse zones. Also, an increasing number of warehouses is expected to come up in Tier-2 and Tier-3 cities to fulfil the rising demand for e-commerce in these areas. Accordingly, urban logistics or in-city warehousing will also gain traction due to the higher penetration of online grocery retailing. Whereas in industrial space, warehousing will grow as per the governments thrust on India becoming self-reliant. Moreover, in the agriculture warehousing space, measures taken by the government to curb post-harvest loss would lead to demand for modern Agri-warehouses and cold storage in the country.

Overall, a favorable environment has been set up for the warehouse and logistics industry which will lead to higher growth going forward. However, certain factors such as land acquisition costs and timelines, escalated construction costs, fluctuations in fuel costs, and enhanced transportation infrastructure as planned are key monitorable for the industry.

Passenger Growth

Rail passenger traffic is expected to increase in the coming years due to the increasing population and movement of people from rural to urban cities. It is the most sought-after means of travelling, given its cost and time efficiency. Accordingly, the passenger traffic is expected to increase at a CAGR of 7% from FY23-31 and 2% CAGR after that till FY51.

Chart 39: Forecast of Passenger Traffic in the Indian Railways



Source: Indian Railways, NRP

Private Players Participation

The private sector procurement of freight wagons is on the rise driven by government schemes like the Liberalized Wagon Investment Scheme (LWIS), Automobile Freight Train Operator (ATFO), Wagon Leasing Scheme (WLS), etc.

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 FY19, 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 2017-2022.

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.

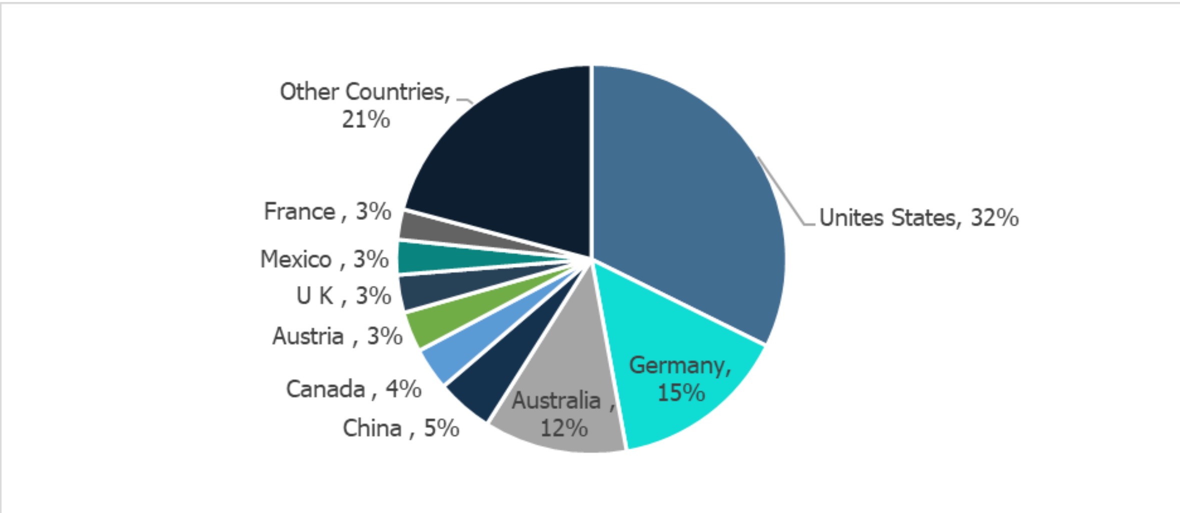
Further, logistics players and automobile manufacturers have also acquired private wagons under the AFTO scheme.

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 FY23 registered a substantial 28% y-o-y growth at USD 87.5 million. The major importer of rolling stock from India was the United States with a 32% share in FY23. This was followed by Germany (15%), Australia (12%), China 5%, and Canada (4%).

Chart 40: Key Export Destinations of Rolling Stock in FY23



Source: Ministry of commerce

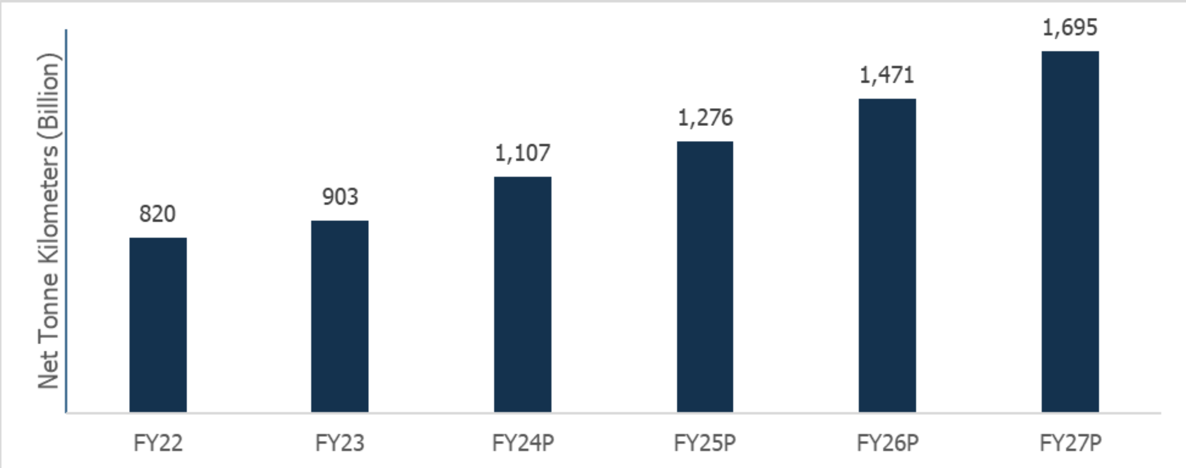
Key Growth Drivers

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.

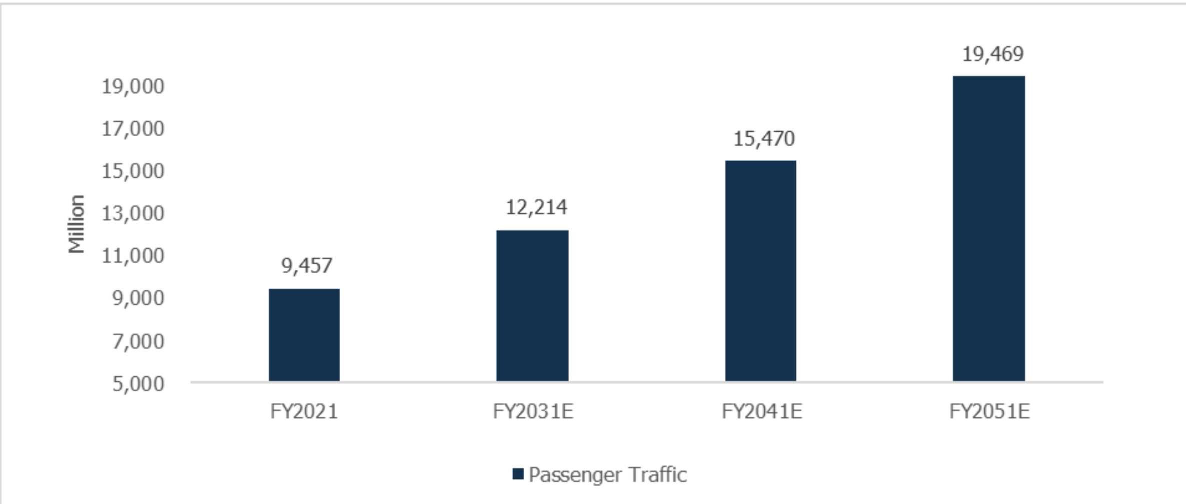
Chart 41: Trend in Indian Railway Freight Traffic



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

The passenger traffic is expected to grow at a CAGR of 7% between FY23 and FY31 driven by population growth and growing workforce.

Chart 42: 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 Liberalized Wagon Investment Scheme (LWIS), Automobile Freight Train Operator (ATFO), Wagon Leasing Scheme (WLS), General Purpose Wagon Investment Scheme (GPWIS) etc., as described in Section 5.5. 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.

- **Product Linked Incentive Scheme (PLI)**

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.

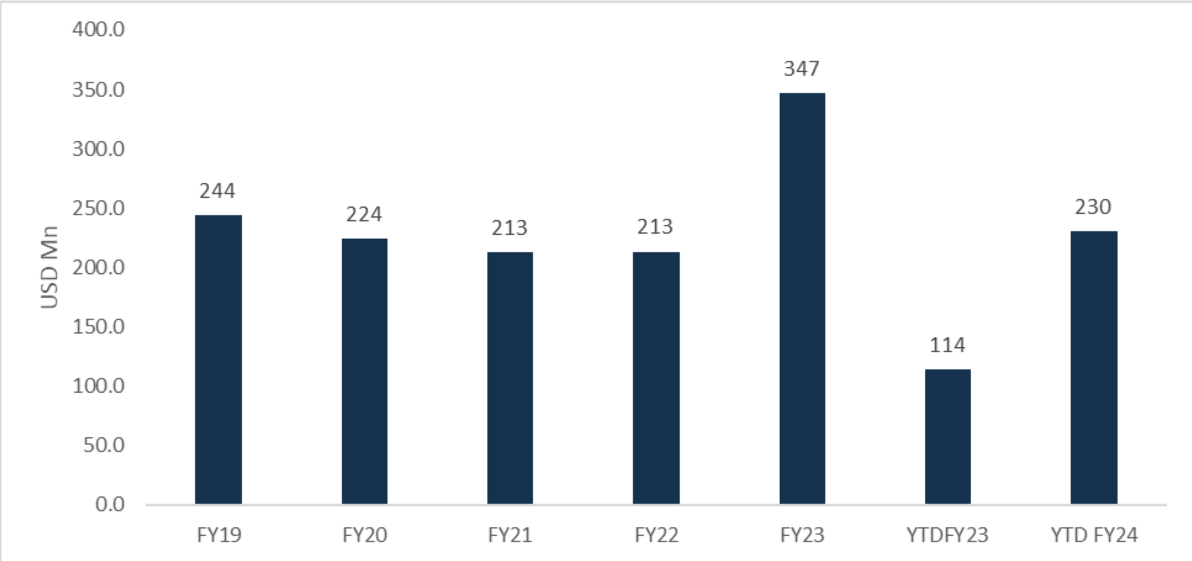
Key Challenges

- **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 USD 200-350 Mn 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:

Chart 43: Trend in Imports of Rolling Stock Accessories (HSN Code- 8607)



Source: Ministry of Commerce and Industry, Note- YTD FY24 and YTD FY23 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 in section 7.1 and 7.2.

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%-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.

Table 15: Key Rolling Stock Accessories Manufacturers in India

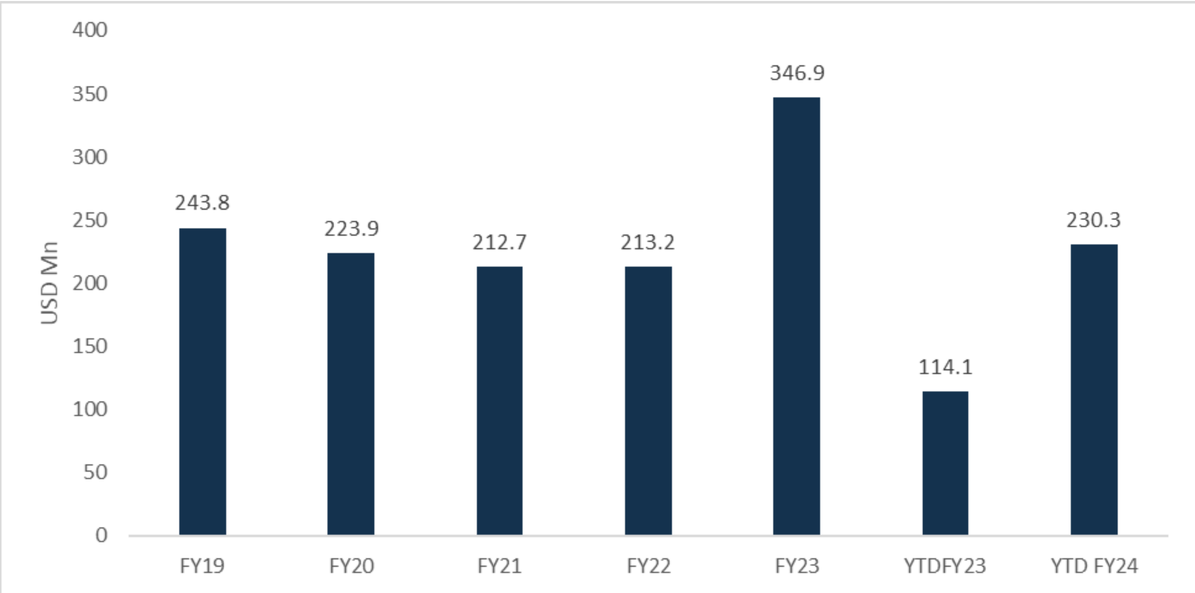
Type of Accessory	Key Domestic Manufacturers
Wheel and Axle	Indian Railway, Railway Wheel Factory, Bangalore
Brake Systems and Brake Discs	Jupiter Wagons, Faiveley Transport Rail Technologies India, Greysham International, Knorr-Bremse India, Stone India Limited
Couplers	Titagarh Rail Systems, Jupiter Wagons, Frontier Alloys, Bhilai Engineering Corporation (BEC), Texmaco Rail & Engineering
Cast Bogies	Titagarh Rail Systems, Jupiter Wagons, Texmaco Rail & Engineering
Draft Gears	Titagarh Rail Systems, 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 USD 200-350 Mn per year. The imports have been highest in FY23 at USD 346.9 Mn, an increase of 63% as compared to FY22. Accordingly, the imports have grown by 102% in YTD FY24 as compared to YTD FY23. Wheel and axle systems are imported from China while brake systems are imported mainly from Germany, France, and Hungary.

Chart 44: Trend in Imports of Rolling Stock Accessories (HSN Code- 8607)



Source: Ministry of Commerce and Industry, Note- YTD FY24 and YTD FY23 indicates April- August 2023

Growth Drivers & 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.

Global and Indian Rail EPC

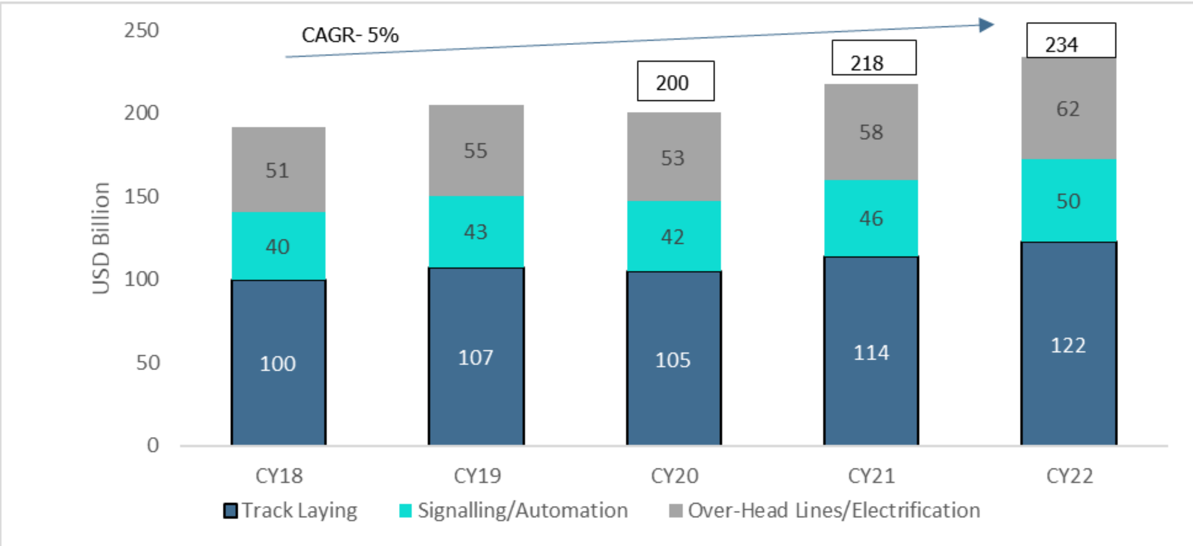
Considering that improved and modernised project execution capabilities are critical for speedy capacity creation, the Engineering, Procurement and Construction (EPC) mode of contracting is used for the construction of railway projects. The EPC provides services for track laying, signalling & automation, laying over headlines, and electrification.

Global Rail EPC Market

The Global Rail EPC market size stood at USD 2.33 Tn in CY22. It grew at a CAGR of 5% between CY18 to CY22. Although there was a slight drop in the market size in CY20 due to Covid-19, the market for Rail EPC recovered.

The rail EPC sector is divided into 3 segments, track laying, signalling & automation, and over-head lines & electrification.

Chart 45: Global Rail EPC Market Size

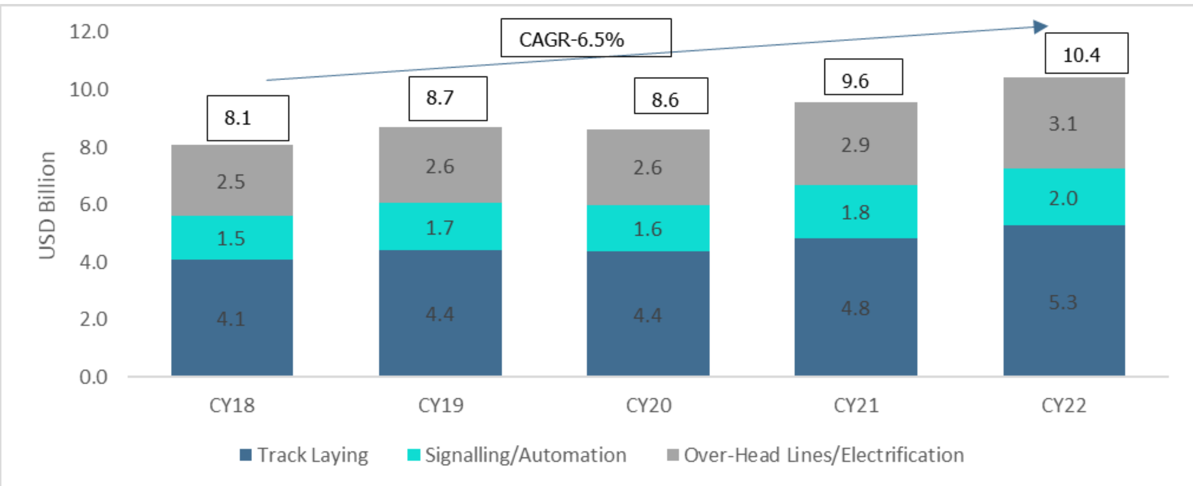


Source: XXX Research, Maia Research
Note: Track Laying includes the construction and repair of railway tracks and construction of infrastructure such as bridges, tunnels, and station buildings

Indian Rail EPC Market

The current Indian Rail EPC market size stood at USD 10.4 bn in CY22 growing at a CAGR of 6.5% between CY18 and CY22.

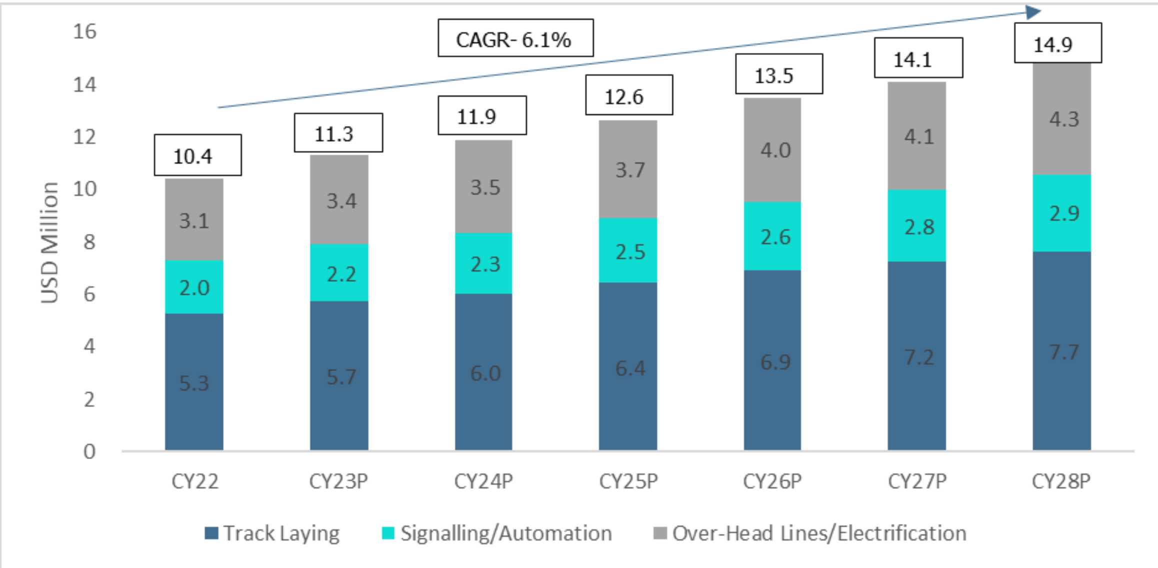
Chart 46: Current India Rail EPC Market Size



Source: XXX Research, Maia Research
Note: Track Laying includes the construction and repair of railway tracks and construction of infrastructure such as bridges, tunnels, and station buildings

Driven by government initiatives as mentioned in Section 4, the Indian Rail EPC is expected to grow at 6.1% CAGR between CY22 and CY28 to reach USD 14.9 Bn from USD 10.4 Bn.

Chart 47: Forecasted India Market Size



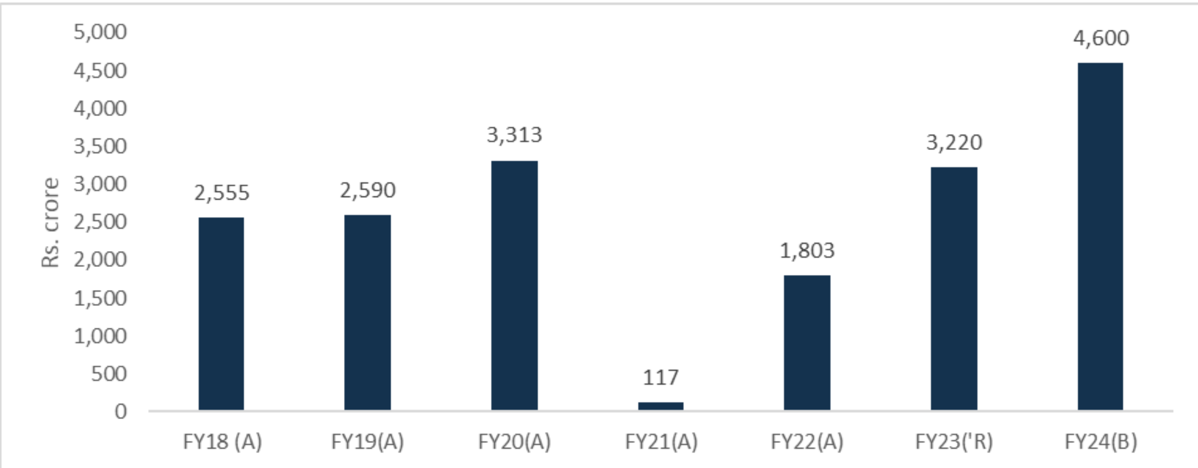
Source: XXX Research, Maia Research
Note: Track Laying includes the construction and repair of railway tracks and construction of infrastructure such as bridges, tunnels, and station buildings

Key Growth Drivers for Rail EPC

- **Gauge Conversion-**

Indian 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 2024. Total CapEx of Rs. 20,791 cr. has been projected under Mission 3000MT for Gauge Conversion by FY27.

Chart 48: Budgetary Outlay toward Gauge Conversion



Source: Budget Document; A- Actual, R- Revised, B-Budgeted

- **Electrification**

The Indian Railways have targeted to achieve net zero carbon emission by CY30. Some of the key steps to achieve this target include 100% electrification of the broad-gauge railway network and a shift from diesel to electric locomotives. As of July 2023, the railways have mustered electrification of 59,096 Route Kms, i.e., 100% of the total broad-gauge network.

Further, the share of electric locomotives in the Indian Railway fleet has been on the rise. By the end of FY24, 6,500 RKM of broad-gauge network is to be electrified and a budget outlay of Rs 8,070 cr. has been allocated for the same.

Moreover, Indian Railways has set a target to become the world's largest green railway with zero carbon emissions by 2030. It has already achieved full 100% railway electrification in 14 states/UTs, making significant strides towards achieving this ambitious goal.

- **Re-Development of Stations**

The Prime Minister of India has announced that 1,309 railway stations will be redeveloped as ‘Amrit Bharat Stations’. Out of the 1,309 railway stations, the foundation has already been laid for 508 Amrit Bharat Stations as of August 2023. These 508 stations are spread across 27 states and union territories which include 55 each in Uttar Pradesh and Rajasthan, 49 in Bihar, 44 in Maharashtra, 37 in West Bengal, 34 in Madhya Pradesh, 32 in Assam, 25 in Odisha, 22 in Punjab, 21 each in Gujarat and Telangana, 20 in Jharkhand, 18 each in Andhra Pradesh and Tamil Nadu, 15 in Haryana, and 13 in Karnataka among others.

The total cost of redevelopment is around Rs. 24,470 cr. It involves the preparation of master plans and their implementation in phases to improve the amenities at the stations like enhanced station access, circulating areas, waiting halls, toilets, mandatory lifts/escalators, cleanliness, free Wi-Fi, kiosks for promotion of local products through schemes like ‘One Station One Product’, better passenger information systems, executive lounges, nominated spaces for business meetings, landscaping, etc.

- **Government Thrust on Rail Infrastructure Improvement**

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 toward 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 & 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 High-Speed Rail Corridors and Vande Bharat Express.

- **Initiatives for Improvement of Rail Safety**

The Indian Railways have taken various infrastructural changes to ensure rail safety and efficient functioning of railways.

Some of the infrastructural changes are-

- **Railway Signalling and Protection Systems:**

Railway signalling systems are used to control the movement of railway traffic on the rail network. It is one of the most important components of the railway systems as it ensures train movement safety.

Based on the type of technology used, the railway signalling systems globally are classified into four types:

(a) Automatic Train Protection (ATP) Systems: This system continuously checks whether the train speed is compatible with the permitted speed allowed by signalling, including automatic stop under certain circumstances.

(b) Positive Train Control (PTC) Systems: These systems are designed to prevent train-to-train collisions, over-speed derailments, prevention of incursions into established work zones, and movements of trains through switches left in the wrong position.

(c) Communication-based Train Control (CBTC) Systems: It is a modern communication-based system that uses radio communication to transfer timely and accurate train control information. CBTC is the choice of mass-transit railway operators today, with over a hundred systems currently installed worldwide. In India, the CBTC technology is finding applications in Metro railways.

(d) Automatic Train Operation (ATO) Systems: ATO systems are advanced systems used to automate the operations of a train.

Conventional Indian Railways signalling was based on colour light signals and train detection with the help of track circuits and axle counters. Although this technology is suitable for the detection and control of trains it was still not able to utilize the section capacity to its full advantage.

Over the last decade, railways have seen a huge transition from conventional railway signalling systems to modern signalling systems including electronic signalling interlocking systems, automatic block signalling, and interlocking with signals at level crossing gates to enhance the safety at crossing.

Railways has also indigenously developed an automatic train protection system under 'Kavach,' designed to automatically bring the train to a halt when it notices another train on the same line within a prescribed distance. Kavach is now being deployed across the railway lines.

- **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 also 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 Systems:**

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. 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 to improve 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) for tracking trains for passenger trains which has been developed in collaboration with the Indian Space Research Organisation (ISRO). 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 further facilitated automatic charting of trains and real-time updates to passengers regarding train running information.

Further, 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.

Key Players

Key Wagon Manufacturers

<table>
<tr><th>Company</th><th>Details</th></tr>
<tr><td>Texmaco Rail & Engineering Ltd</td><td>Year of Incorporation: 1998
Plant Location: West Bengal and Chhattisgarh
About the Company: The company is one of the largest manufacturers of wagons in India. It also manufactures wagon accessories and provides rail EPC services. It operates a steel foundry with an installed capacity of 42,000 MT. The company also exports certain rolling stock accessories.
Certifications: The company is certified by AAR (American Association of Railroad)
Order Book (as on March'23)- Rs. 9,033 cr.
Installed Capacity:
<table><tr><td>Wagon</td><td>10,000 units</td></tr></table>
Key Products Manufactured: Manufacturing of wagons and accessories, selling and providing service for rail and rail related products
Market share in Railway wagon ordering (FY12 to FY23): 16%-19%
Strategic Partners:
<table>
<tr><th>Particulars</th><th>Country</th><th>Business Activity</th></tr>
<tr><td>Hindalco</td><td>India</td><td>Design and production of aluminium rail wagons and coaches</td></tr>
<tr><td>CAF</td><td>Spain</td><td>For Manufacture and supply of electronic interlocking system</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Company</th><th>Details</th></tr>
<tr><td></td><td>
<table>
<tr><td>UGL Rail Services Ltd.</td><td>Australia</td><td>The JV caters to the requirement of locomotive, wagon and coach components for the Australian market</td></tr>
<tr><td>Wabtec Corporation</td><td>The United States</td><td>The JV provides hi-tech freight products and services, and other railway products to the Indian Rail network.</td></tr>
<tr><td>Touax Rail</td><td>France</td><td>JV has been formed for wagon leasing</td></tr>
</table>
</td></tr>
</table>

Other Wagon Manufacturing Players

<table>
<tr><th>Company</th><th>Details</th></tr>
<tr><td>Jupiter Wagons Limited</td><td>
Year of Incorporation: 1979
Plant Location: West Bengal, Madhya Pradesh, Jharkhand and Himachal Pradesh
About the Company: The company is a manufacturer of railway freight cars and accessories. It also has presence in electric commercial vehicles manufacturing.
Certifications: The company is certified by AAR (American Association of Railroad)
Installed Capacity:
<table>
<tr><td>Wagon</td><td>8,000 units</td></tr>
</table>
Key Products Manufactured: Railway wagons, high-speed bogies, couplers, draft gears, and railway castings.
Market share in Railway ordering (FY12 to FY23): 8%-12%

Strategic Partners:
<table>
<tr><th>Particulars</th><th>Country</th><th>Business Activity</th></tr>
<tr><td>DAKO-CZ</td><td>Czech Republic</td><td>DAKO-CZ is a leading manufacturer of pneumatic, electromechanical and hydraulic brake systems for rolling stock.</td></tr>
<tr><td>Kovis D.O. O</td><td>Slovania</td><td>JV products include brake discs, axles and gear boxes for railway rolling stock.</td></tr>
<tr><td>Talleres Alegra</td><td>Spain</td><td>JV will produce Weldable Cast Manganese Steel (WCMS) Crossings for both BG (Broad Gauge) and Metro.</td></tr>
</table>
</td></tr>
<tr><td>Titagarh Rail Systems Limited</td><td>
Year of Incorporation: 1997
Plant Location: West Bengal and Rajasthan
About the Company: The company is a manufacturer of rolling stock and rolling stock accessories.
Installed Capacity:
<table>
<tr><td>Wagon</td><td>8,400 units</td></tr>
</table>
Key Products Manufactured: Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipment & Bridges, Ships, etc.
Market Share in Railway Ordering (FY12 to FY23): 18%-22%
Strategic Partners:
<table>
<tr><th>Particulars</th><th>Country</th><th>Business Activity</th></tr>
<tr><td>ABB Ltd</td><td>India</td><td>to design, develop and manufacture IGBT based propulsion systems for EMU/MEMU</td></tr>
<tr><td>GE Equipment Services</td><td>United States</td><td>Equipment servicing</td></tr>
</table>
Subsidiaries/Joint Venture:
<table>
<tr><th>Particulars</th><th>Country</th><th>Business Activity</th></tr>
<tr><td>Titagarh Bridges & International Private Ltd</td><td>India</td><td>Engaged in designing, marketing and manufacturing of metallic bridges</td></tr>
<tr><td>Titagarh Singapore Pte. Limited</td><td>Singapore</td><td>SPV for holing investments in foreign subsidiaries</td></tr>
<tr><td>Titagarh Wagons AFR</td><td>France</td><td>Engaged in manufacture of freight wagons</td></tr>
<tr><td>Titagarh Firema S.p.A</td><td>Italy</td><td>Engaged in manufacture of passenger trains, metros, hi-</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Company</th><th>Details</th></tr>
<tr><td></td><td><table>
<tr><td></td><td></td><td>speed trains, train electrical, locomotives etc.</td></tr>
<tr><td>Titagarh Mermec Pvt Ltd</td><td>India (Joint Venture)</td><td>Engaged in development and manufacture of cost-effective diagnostic solutions for signalling and safety</td></tr>
</table></td></tr>
<tr><td>Besco Limited</td><td>Year of Incorporation: 1922 as Bhartia Electric Steel Co. Renamed as BESCO in 1993

Plant Location: West Bengal and Himachal Pradesh

About the Company: The company is railway equipment manufacturer, catering to the railway services and equipment

Installed Capacity: NA

Key Products Manufactured: Railway Freight Cars, Steel Casting for all Engineering Applications, Freight Car Bogies - Cast Steel, Centre Buffer Couplers for Freight Cars and Passenger Cars, Centre Buffer Couplers for Locomotives, Draft Gears - Friction and Rubber Type, Side Buffers - Spring and Rubber Type, Permanent Way- Cast Manganese Steel Crossings (Frogs), Coil Springs for Freight Car Applications, Metal to Rubber Bonded Components.

Market Share in Railways Ordering (FY12 to FY23): 7%-9%

Key Products Manufactured: Railway Freight Cars, Steel Casting for all Engineering Applications, Freight Car Bogies - Cast Steel, Centre Buffer Couplers for Freight Cars and Passenger Cars, Centre Buffer Couplers for Locomotives, Draft Gears - Friction and Rubber Type, Side Buffers - Spring and Rubber Type, Permanent Way- Cast Manganese Steel Crossings (Frogs), Coil Springs for Freight Car Applications, Metal to Rubber Bonded Components.

Collaborations: Company has been in technical collaboration for 20 years with Amsted Industries International, USA for manufacturing Cast Steel Bogies and Centre Buffer Couplers of Railways applications, Indian Railways in Particular. Another collaboration of over 20 years with Cardwell Westinghouse, USA for manufacture of Rubber Draft Gears for various Railways and High Capacity Friction Draft Gears for the Indian Railways.</td></tr>
<tr><td>Jindal Rail Infrastructure Limited</td><td>Year of Incorporation: 2007 as 100% subsidiary of JITF Urban Infrastructure Services Ltd

Plant Location: Gujarat

About the Company: The company is a manufacturer of railway or tramway goods vans and wagons

Key Products Manufactured: Wagons, Brake Van, Bogies frame for Coaches and Floor Frame assembly for Locomotives.

Market Share in Railways Ordering (FY12 to FY23): 1%-2%

Key Products Manufactured: Wagons, Brake Van, Bogies frame for Coaches and Floor Frame assembly for Locomotives.</td></tr>
<tr><td>Hindusthan Engineering & Industries Limited</td><td>Year of Incorporation: 1947

Plant Location: West Bengal and Gujarat

About the Company:

• The company has 65 years of experience
• It operates steel foundry
• It exports railway accessories

Installed Capacity: NA

Key Products Manufactured: Wagons, Bogies, Side Frames, Bolsters, Coupler Assembly, Coupler Body, Yoke, Striker, Draft Gear, Locomotive Castings, Chemicals and Jute Products

Market Share in Railways Ordering (FY12 to FY23): 8%-10%</td></tr>
</table>

Company	Details
	Key Products Manufactured: Wagons, Bogies, Side Frames, Bolsters, Coupler Assembly, Coupler Body, Yoke, Striker, Draft Gear, Locomotive Castings, Chemicals and Jute Products **Other Details about Company**: Company is licensees of Standard Car Truck Company, U.S.A for Barber design freight Bogies and have been exporting Bogies to South Korea, Australia and North America. We are the first company in India to develop anode yokes for supply to Aluminium Smelters.

Table 16: Comparison of Wagon Manufacturers Based on Operational Parameters

Company Name	Sales Volume (nos.)			Order Book (Rs. cr.)*		
	FY21	FY22	FY23	FY21	FY22	FY23
Texmaco Rail & Engineering Ltd	NA	1,604	3,073	NA	2,600	9,033
Jupiter Wagons	11,493	13,607	14,729	NA	4,686	58,200
Titagarh Rail Systems	NA	NA	NA	2,600	10,675	27,546

*Note: * order book represents order book for all businesses as applicable*

Key Railway EPC Players

Ircon international ltd.	**Year of Incorporation**: 1956 **Presence**: India, Malaysia, Bangladesh, Mozambique, Ethiopia **Key Segment**: Railway Infrastructure Projects and Redevelopment, Railway Electrification, Civil and Railway **Key Capabilities**: Railway, Highways, Bridge/Fly Over, Buildings, Electrical, Signaling/ Telecom, Mechanical, Coach Factory, Station Building, Aviation **Order Book (as on March'23)**: Rs. 35,195cr. (Rs. 26,243 cr.- Railway Crore) **Other Details about Company**: It is a turnkey construction company. It has completed more than 300 infrastructure projects in India and about 100 projects across the globe
K&R Rail Engineering Ltd.	**Year of Incorporation**: 1998 **Presence** : India **Key Segment**: Rail Infrastructure, Bridges & Civil works, Track works, Railway Electrification, Earthworks, S&T Signaling. **Key Capabilities**: Over Head Electrification Works (OHE), Signalling, Telecommunications, Railway Operation & Maintenance **Order Book** : Rs. 463.24 cr (as on March 2021) Other Details about Company: The company has about 30 years of experience. The company has many turnkey clients and is authorized by the Railway Headquarters and Divisional Railway Authorities.
L&T	**Year of Incorporation**: 1938 **Presence**: India, Middle East, USA & Europe, etc. **Key Segment**: Infrastructure, Power, Process Industry, EPC, etc. **Key Capabilities**: Infrastructure, Energy, Hi-Tech manufacturing, Others **Order Book (as on March'23)** *: Rs. 3,99,526 cr. **Other Details about Company**: The company serves in around 50 countries. It has about 93 subsidiaries dealing in construction, Building, Heavy civil Infrastructure, Power Transmission and Distribution, water, mineral and metal business, Renewable Energy etc.
KEC International Ltd	**Year of Incorporation**: 1945 **Presence**: India, Asia, Africa, USA & Europe, etc. **Key Segment**: Power Transmission & Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas and Cables **Key Capabilities**: Civil, Railways, Cables, Oil & Gas, Smart Infra, Substations, Railway Bridges, Speed Upgradation **Order Book (as on March'23)**: Rs. 30,553 cr. **Other Details about Company**: The company has around 75 years of experience. KEC is an integrated player in the Railway EPC industry, providing complete turnkey solutions for all types of railway contracts.
GR Infraprojects Ltd	**Year of Incorporation**: 1995 **Presence**: Mainly India

	Key Segment: Project Management, Roads & Highways, Bridegs, Airports, Railways, Metros, Power **Key Capabilities**: EPC, Hybrid Annuity Model, Railways, Transmission **Order Book (as on March'23)**: Rs. 19,529 cr. **Other Details about Company**: G R Infraprojects Limited offers the entire range of services on a turnkey basis in railway infrastructure projects. The company has over 25 years of experience. It provides services like EPC, BOT (Build Operate Transfer), HAM, OFC (Optical Fibre Cable), etc.
Tata Projects	**Year of Incorporation**: 1979 **Presence** India, Asia, Africa **Key Segment**: Urban Infrastructure, Oil & Gas, Transportation, Power, Water **Key Capabilities**: EPC, Infrastructure **Order Book (as on March'23)**: Rs. 40,957 cr. **Other Details about Company**: • Tata Projects has executed large and complex urban and industrial infrastructure projects and also has strong presence in refineries, petrochemical plants. • TATA Projects has proficiency in designing and executing complex rail projects and integrated mass rapid transit systems
Kalpatru Power	**Year of Incorporation**: 1969 **Presence**: India, Asia, Africa, USA & Europe, Middle East etc. **Key Segment**: Power Transmission & Distribution, Buildings & Factories, Water, Railways, Oil& Gas, Urban Infra **Key Capabilities**: Track Laying, Overhead Electrification, Signalling, Telecom, Bridges **Order Book (as on March'23)**: Rs. 45,918 cr. **Other Details about Company**: The company has completed about 250 projects across various segments. KPIL is executing marquee projects covering design, testing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis.
Vijay Norman Co. Pvt. Ltd	**Year of Incorporation**: 1982 **Presence**: Mainly India **Key Segment**: Roads, Bridges & Metros, Urban Infrastructure, Industrial Infrastructure, Ports & Terminals **Key Capabilities**: Construction of roads, bridges, railways, metros, Buildings, EPC **Order Book**: Rs. 2000 cr. (FY21) **Other Details about Company**: The company has around 425 projects across various segment.
Paras Railtech Pvt Ltd (PRPL)	**Year of Incorporation**: 2007 **Presence**: Mainly India **Key Segment**: Technology Services of railway track construction **Key Capabilities**: Track construction, repairing and maintenance **Order Book (as on March'23)**: Rs. 506.81 cr. **Other Details about Company**: The company is responsible for track engineering, including the construction of new railway lines. PRPL is a registered contractor with several government department including Delhi Metro Rail Corporation (DMRC), Lucknow Metro Rail Corporation (LMRC), Mumbai Metro Rail Corporation (MMRC) and Northern Eastern Railway and operates as an EPC contractor for the rail transport sector.
ITD Cementation India Ltd	**Year of Incorporation**: 1931 **Presence**: Mainly India **Key Segment**: Maritime Structures, Highways, Bridges & Flyovers, Tunnel, Industrial Structure, Power **Key Capabilities**: Urban Infrastructure, MRTS and Airports, Highway, Bridges and Flyovers, Maritime Structures, Industrial Structures and Buildings, Hydro, Dams, Tunnels and Irrigation, Water and Waste Water, Foundation and Specialist Engineering Order Book (as on March'23): Rs. 20,044 cr. **Other Details about Company**: The company has over 8 decades of experience. It undertakes EPC for heavy Civil and Infrastructure Projects

*Note: * order book represents order book for all businesses as applicable*

Peer Comparison based on Financial Parameters

Table 17: Peer Comparison based on Financial Parameters

	Revenue (Rs.cr.)			EBITDA Margin (%)			PAT Margin (%)		
Company Name	**FY21**	**FY22**	**FY23**	**FY21**	**FY22**	**FY23**	**FY21**	**FY22**	**FY23**
Texmaco Rail & Engineering Ltd	1,829	1,814	2,600	7%	7%	5%	1%	10%	8%
Rolling Stock Segment:									
Titagarh Rail Systems	1,026	1,475	2,781	13%	12%	11%	5%	5%	8%
Jupiter Wagons	995	1,178	2,068	11%	10%	12%	5%	4%	6%
Besco Ltd	55	66	NA	8%	7%	NA	1%	1%	NA
Jindal Rail Infrastructure	114	257	357	16%	13%	2%	-24%	-7%	1%
Hindusthan Engieering & Industries Ltd	800	943	NA	13%	10%	NA	5%	4%	NA
Rail EPC Segment:									
Ircon international ltd.	5,342	7,380	10,750	13%	11%	10%	7%	8%	7%
K&R Rail Engineering Ltd.	130	195	NA	7%	6%	NA	3%	3%	NA
L&T	73,316	1,01,000	1,10,501	15%	13%	12%	8%	8%	7%
KEC International Ltd	13,114	13,742	17,282	9%	7%	5%	4%	2%	1%
G R Infraprojects Limited	7,244	7,919	8,148	20%	18%	18%	11%	10%	10%
TATA Projects	12,187	13,679	16,948	7%	0%	-2%	1%	-5%	-5%
Sumitomo Corporation	221	300	NA	12%	13%	NA	6%	9%	NA
Kalpataru Power	12,949	14,777	16,361	12%	9%	9%	5%	4%	3%
Vijay Nirman Co Pvt Ltd	644	840	NA	7%	3%	NA	-5%	-4%	NA
Paras Railtech Pvt Ltd	116	169	NA	10%	13%	NA	10%	13%	NA
ITD Cementation India Ltd	2,728	3,809	5,120	8%	8%	8%	1%	2%	2%

Source: Company Reports

Table 18: Break-up of Revenue for Wagon Segment

Company Name	Domestic Sale (Rs. cr.)			Export Sales (Rs. cr.)		
	FY21	**FY22**	**FY23**	**FY21**	**FY22**	**FY23**
Texmaco Rail & Engineering Ltd	920	1,738	2,356	91	112	244
Jupiter Wagons	995	1,178	2,065	NA	NA	3
Titagarh Rail Systems	991	1,451	2,777	35	24	3

Source: Company Reports

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in the section titled "Risk Factors" on page 39. This section should be read in conjunction with such risk factors.

*Unless otherwise indicated, industry and market data included in this section has been derived from the report titled "Industry Research Report on Indian Rolling Stock and Rail EPC" dated November 2023 (the "**CARE Report**"). This section should be read in conjunction with the "Industry Overview" on page 126. Neither we, nor the BRLMs, nor any other person connected with the Issue has independently verified this information.*

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Audited Consolidated Financial Statements and the Consolidated Unaudited Financial Results included in this Preliminary Placement Document in "Financial Information" on page 254.

OVERVIEW

We are a part of the Adventz Group of companies, which is engaged in various sectors such as agri business, engineering, infrastructure, real estate, consumer durables and services sectors. We are an ISO: 9001-2015, premier multi-discipline, multi-unit engineering and infrastructure company, with six manufacturing units. The Company, headquartered in Kolkata, is involved in the business of manufacturing of rolling stock, such as wagons, coaches, EMUs, loco shells & parts, hi-tech components etc., hydro mechanical equipment, steel castings, rail EPC, bridges, and other steel structures. Over the years, we have entered into technical collaborations with renowned multinationals for developing and expanding our product portfolio. We are a diversified heavy engineering company, with products including railway freight wagons, hydro-mechanical equipment and industrial structures for infrastructure industry, locomotive components and locomotive shells, railway bridges, steel castings, and pressure vessels, etc. We are also one of the few private sector companies engaged in signalling, rail telecommunication, track constructions, including the ballast less tracks for metro rail. Our Company became operational on April 1, 2010, post the demerger of the heavy engineering and steel foundry division of Texmaco Limited, a company founded in 1939. Texmaco Limited was set up as a textile machinery manufacturing unit and subsequently diversified into other engineering fields including wagon manufacturing, hydro-mechanical equipment, steel castings, providing services to core sectors and process industries in India and abroad.

Our major operating divisions presently are: (i) the Heavy Engineering Division comprising of the manufacture and supply of freight cars, hydro-mechanical equipment, and bridges and steel structures; (ii) the Steel Foundry Division, and (iii) Rail Engineering Procurement Construction ("**EPC**") division. Presently, we have six manufacturing facilities at six locations, of which five are in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal and one at Urla, Raipur located in Chhattisgarh.

We have expanded our market overseas and have exported freight cars and rolling stock components to various countries. We have exported gondola wagons to Liberia, tank wagon to Cameroon, Bangladesh and Sri Lanka, phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreadnought ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa. We have strong in-house capabilities for the design and manufacture of commodity specific special purpose wagons for core sectors such as cement, coal, alumina, ammonia, steel, container freight wagons, oil, chemicals, fertilisers, and the defence sector among others. We have been certified by the RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. We have an annual production capacity of 42,000 metric tonnes of steel castings. Our steel foundry is engaged in manufacturing of railway castings such as bogies, couplers, draft gears, cast manganese steel ("**CMS**") crossings, and industrial castings such as shrouds for mining equipments, and hub castings for hydro equipment. We supply steel castings to the Indian Railways and other wagon builders in India. We have also built strong capabilities in designing, marketing, manufacturing, erecting, and commissioning of hydro- mechanical equipment and executed several hydro-mechanical projects both in India and overseas. We are also exporting steel castings to USA, Australia, Mexico, and Malaysia. We were awarded the ‘Star Performer Award’ by the Engineering Export Council of India for achieving the highest level of exports of steel castings in the eastern region of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Promotion Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2018.

Currently, the Company has two Joint Ventures with (a) Wabtec Corporation from the United States of America; and (b) Touax Group from France.

Our Board of Directors at their meeting held on October 14, 2023 approved, a Scheme of Arrangement (“**Scheme**”) and Demerger between Texmaco Rail & Engineering Limited (“**Transferor Company**” / “**Demerged Company**”) and Belgharia Engineering Udyog Private Limited (“**Transferee Company**”/ “**Resulting Company**”) and their respective shareholders and creditors, under Section 230 to 232 of the Act and other applicable provisions of the Act and Rules framed thereunder. The Scheme is subject to necessary approvals including that from the Securities and Exchange Board of India, the shareholders and creditors of the Company, and the Hon’ble National Company Law Tribunal, Kolkata Bench (‘NCLT’). The Scheme contemplates demerger of the Demerged Undertaking from Transferor Company into and with the Transferee / Resulting Company. The Demerged Undertaking, as defined in the Scheme refers to “Infra – Rail & Green Energy” Division (comprises of Kalindee Division, Hydro Mechanical & Bridges Division) i.e., the business of execution of projects in the area of hydro mechanical works, bridge & structural, track laying, signalling & telecommunication etc., along with related assets, customer contracts, employees and intellectual properties.

We had expanded our business by entering into strategic collaborations with renowned multi-national companies which have diverse experience in the rail industry. For instance, our joint ventures with the Touax Group in France, Touax Texmaco Railcar Leasing Private Limited, has helped us diversify our income stream by commencing leasing of railway wagons. Additionally, Wabtec Texmaco Rail Private Limited, our joint venture with Wabtec Corporation in the United States of America, is geared towards the production of high value components including bogie mounted brake systems, low and high friction brake blocks, and friction wedges. Additionally, our Company has entered into a binding joint venture agreement with NYMWAG CS a.s. – AZC Group, one of the leading European conglomerates on April 20, 2023, for the purpose of manufacture of freight wagon and/or its components or parts.

The order book of our Company, as on September 30, 2023, stood at ₹ 7,80,000 lakhs. For the Fiscal 2023, Fiscal 2022, and Fiscal 2021, our Order Book stood at ₹ 9,00,000 lakhs, ₹ 2,60,000 lakhs and ₹ 3,40,000 lakhs showing a CAGR of 62.69% from FY 2021 to FY 2023.

The table below sets forth the composition of our Company’s total income and profit after tax, for Fiscal 2023, Fiscal 2022 and Fiscal 2021:

(In ₹ lakhs)

Particulars	For the six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Income				
- Heavy Engineering Division	1,11,776.31	1,19,108.79*	60458.07*	66012.90*
- Steel Foundry Division	37,395.46	54,562.15	33,603.56	31,962.80
- Infra – Rail & Green Energy Division	21,994.63	66,198.92*	68248.23*	65291.49*
- Infra – Electrical Division	6,193.30	20,154.59	19,131.72	19,674.71
Total Income	1,77,359.70	2,60,024.45	1,81,441.58	1,82,941.90
Profit after tax	3,728.46	2,580.47	2,052.79	1,202.26

**Infra – Rail & Green Energy division comprises of Kalindee division, Hydro mechanical and Bridges division. Hydro mechanical and Bridges division was earlier part of Heavy Engineering division.*

OUR STRENGTHS

Our principal competitive strengths are set forth below:

One of the leading manufacturers of wagons in India

We are in the business of manufacturing wagons. The Ministry of Railways, Government of India has recognised us as one of the suppliers of wagons to the Indian Railways, supplying approximately 26%, ~14%, ~9% and ~10% of the total wagon demand for the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, respectively. We have been certified by RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Our Company is capable of manufacturing specialised wagons that cater to specific types of cargo, such as cement wagons, alumina wagons, car carrying wagons, liquid petroleum and

gas carrying wagons, fly ash carrying wagons, coal hopper wagons, steel coil carrying wagons and container wagons. Our Company is also one of the leading exporters of freight cars from India.
For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, our revenue from our sales of wagons, locomotive shells and rolling stock was ₹ 1,11,776.31 lakhs, ₹ 1,19,108.79 lakhs, ₹ 60,458.07 lakhs, and ₹ 66,012.90 lakhs, which comprised 63.02%, 45.81%, 33.32% and 36.08% of our total income, respectively.

AAR approved steel foundry

With its commitment towards manufacturing and environmental excellence, our steel foundry facility and quality management system is certified with ISO 9001, ISO 14001, ISO 45001, and AAR M- 1003. The foundry also drives a self-designed robust safety system towards the goal of "Accident Free" workplace. Our Company operates a steel foundry with an installed capacity of 42,000 MTPA. With its pioneering vision, obsession for technology, continuous improvement, robust infrastructure, and skilled workforce. Our steel foundry has shown sustainable capability to produce high volume wide range of steel castings with utmost precision and quality. Further our steel foundry is equipped with twin high pressure moulding production lines. We have received certification as a "Class A" foundry by RDSO, Ministry of Railways. We have also been certified by RDSO as an approved source for manufacturing bogies, couplers, CMS crossings and draft gears. We believe that our steel foundry is one of the leading foundry producing steel castings for Railways (a) one of the steel foundry to use High Pressure Moulding Lines (HPML) for heavy weight railway bogie castings (b) our Foundry in India is accredited by AAR (Association of American Railroads) for supply of railway bogie castings to North America, (c) our R&D centre located at Belgharia Works, Kolkata (West Bengal) has been recognised by the Department of Scientific and Industrial Research Technology Bhavan, Ministry of Science and Technology, Government of India (d) one of the very few foundries having in-house facility for manufacturing latest weldable CMS crossing for railway. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for achieving the highest level of exports of steel castings in the eastern region of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Promotion Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2018.

Our steel foundry facility is equipped with the best-in-class technology across the design, production, and quality system. In-house design capability with SOLIDWORKS 3D modelling and flow and thermal simulation, moulding and core making facilities with fully automated Kunkel Wagner High Pressure green sand moulding, automated sand plant, no bake moulding system with fast loop line, automated lampe cold box core machine, melting facility with electric arc and induction furnaces , wide range of machining facilities and the complete in-house quality control capability with spectrometry, radiography, MPI, metallography, mechanical laboratory and various other NDT testing and gauging facilities makes the foundry as the most preferred supplier for major Indian and overseas OEMs.

For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, our revenue from our steel foundry division was ₹ 37,395.46 lakhs, ₹ 54,562.15 lakhs, ₹ 33,603.56 lakhs, and ₹ 31,962.80 lakhs, which comprised 21.08%, 20.98%, 18.52% and 17.47% of our total income, respectively.

Partnership with global leaders

Our company has successfully built positive relationships in business with global leaders. We have a joint ventures partnership with two global majors:

(a) **Wabtec Texmaco Rail Private Limited**: This Joint venture was incorporated on June 23, 2017, in collaboration with Wabtec Corporation. The objective of Wabtec Texmaco Joint Venture was to establish a state of art manufacturing facility for hi-tech rolling stock components like draft gear, friction wedges, brake blocks for freight, loco and coach applications, bogie mounted brake systems - durable, lightweight materials, freely suspended systems. For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, the revenue from operations were ₹ 4,522.48 lakhs, ₹ 7,606.23 lakhs, ₹ 3,622.14 lakhs, and ₹ 3,910.60 lakhs respectively.

(b) **Touax Texmaco Railcar Leasing Private Limited:** This Joint Venture was incorporated on May 10, 2014, in collaboration with Touax group. The objective of Touax Texmaco joint venture was to serve a diverse customer-base made of private companies or operators of industrial clients. For the six-month period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, the revenue from operations were ₹ 2,327.94 lakhs, ₹ 4,327.04 lakhs, ₹ 4,057.19 lakhs, and ₹ 2,883.32 lakhs respectively.

Our joint venture partnerships have contributed to a growth in our revenue from operations and access to technology.

Well-equipped manufacturing facilities

We own five well-equipped manufacturing facilities in Kolkata and one well-equipped manufacturing facility in Raipur, having the requisite technology and infrastructure to manufacture a wide range of our various product offerings. Our infrastructure facilities located at Belgharia and Agarpara, Kolkata are spread over approximately 113.86 acres of land and have approximately 1,39,354.55 square meters of well-equipped covered manufacturing space. These facilities also have a large internal network of 15 railway lines, which are capable of holding three to four full rakes of wagons.

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

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

Our manufacturing facilities are certified by ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 & EN 15085 CL1. The unit has adequate in-house infrastructure and equipped with CNC laser/plasma/oxy plate cutting, CNC Bending, robotic bevelling and welding, stress relieving, CNC 5 axis machining, environment-controlled blasting and painting. In addition to quality products, we got recognition from our valued customers for on time delivery. We not only focus on operational excellence but also aim to follow best industrial practices on the aspects of health, safety, and environment.

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

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

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

We have a well-equipped research and development centre which has been registered and recognised by the Department of Scientific and Industrial Research, Government of India. As of September 30, 2023, the centre has 13 permanent employees, and is engaged in developing various new products and processes. Our research and development centre has helped our Company improve profit margins by developing new products and improving the quality of existing products.
Some of the products and processes developed by our research and development centre include the following:

- Four new centre plate castings that are designed to cater to the requirements of the North American market.
- Development of 22 new components for ground excavating applications with improved wear resistance.

- Development of a unique heat treatment process for components to be engaged in ground excavating applications in order to improve their toughness and wear resistance; and
- Development of alloy steel yoke castings for the North American market.

Strong and long-lasting relationship with customers

We have strong, long-standing relationships with our customers. While we are a diversified product manufacturer, we believe that our strategically located manufacturing facilities, consistent performance, and adherence to quality standards has helped us maintain customer engagements and attract almost all the key manufacturing brands. We continually strive to strengthen our customer relationships through timely delivery, superior product, and service quality and by ensuring that our products keep pace with the requirements of the rapidly changing industry. We have dedicated design team, thereby enabling us to develop new products for our customers and keeping track of the latest developments. To take into account the requirements of our customers, our design team regularly interacts with our product development team and our customers to focus on developing new products with improvements in quality and design.

Management led by professionals

Our operations are led by an experienced and highly qualified senior management with extensive experience in our Company's business with commercial, engineering, and technical background. who have the professional expertise and vision to maintain our position as one of the leaders in the industry. Our Deputy Managing Director, Mr. Sudipta Mukherjee, has completed a diploma in social work (labour welfare) from University of Calcutta, The Program on Production Management for India (INCI) from The Association for Overseas Technical Scholarship (AOTS), Japan and the Fullbright-Nehru-CII Fellowships for Leadership in Management Program from Tepper School of Business, Carnegie Mellon University, USA. Our Vice Chairman, Mr. Indrajit Mookerjee, holds a bachelor's degree in technology (honours in chemical engineering) from Indian Institute of Technology, Kharagpur and has completed his master of science in chemical engineering from Georgia Institute of Technology, Atlanta, USA. Our CEO (Steel Foundry Division), Mr. Avijit Mitra holds an advanced diploma in Foundry Technology from National Institute of Foundry and Forge Technology. Our CFO, Mr. Hemant Bhuwania, is a qualified Chartered Accountant. Our Board is also adequately supported by a team of professional managers with varied experience.

Set forth below are our key performance indicators for the periods indicated:

(₹ in lakhs, unless otherwise stated)

Sr. No.	Particulars	Six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021	Description
1	Net Revenue	1,46,186.84	2,24,327.74	1,62,173.59	1,68,884.79	*Net Revenue from operations (incl. other operating income)*
2	EBITDA	9,739.83	14,540.76	14,021.46	11,872.81	*EBITDA*
3	*EBITDA Margin%*	6.66%	6.48%	8.65%	7.03%	*EBITDA / Net Sales * 100*
4	PAT	3,728.46	2,580.41	2,052.79	1,202.26	Profit after tax
5	*PAT Margin%*	2.55%	1.15%	1.27%	0.71%	*PAT / Net Sales * 100*
6	*ROCE%*	4.62%	6.85%	7.48%	6.82%	*EBIT / (Net worth + long term borrowings)*
7	*ROE%*	3.29%	1.47%	1.99%	0.29%	*PBT / Net worth*
8	*Cash from operations (CFO)*	1,110.23	(10,283.89)	2,717.00	4,031.37	From cash flows
9	Total Export Sales as a % of Net Revenues	5.10%	9.40%	5.96%	6.07%	-

OUR STRATEGIES

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

Leveraging on the capabilities of our foundry

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

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

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

Focus on strengthening exports and targeting new markets

We export wagons, wagon components and steel castings abroad. We have expanded our export business and earned ₹ 21,094.16 lakhs, ₹ 9,669.70 lakhs, and ₹ 10,255.24 lakhs from exports in Fiscal 2023, Fiscal 2022, and Fiscal 2021, respectively, resulting in a significant increase in comparison to the previous years. We intend to continue to focus on international markets.

We believe that, with the spiralling price hike of petroleum products, freight movement through road transport is becoming more and more expensive, and consequently a large chunk of the freight being moved by road is bound to get diverted to rail transportation segment. Thus, we believe that, in the backdrop of improved rail transport system coupled with liberalized wagon procurement schemes of Railways, we are optimistic of a steady growth of special purpose wagons in the coming years to cater to additional load of freight transportation over railway system.

AAR has also certified that our steel foundry has met the requirements of the AAR's quality assurance program as specified in M-1003 for manufacture of freight wagon side frames and bolsters and centre plates. This certification enables us to market certain certified steel casting products for wagons in the United States of America. In Fiscal 2023, our Company exported 33.45% of the castings produced in the steel foundry.

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

Development of new technology products

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

Development of Component Business

The components division of our Company consists of the Hitech Unit is an integral part of our Company. The manufacturing facility manufactures niche and critical fabricated and machined components for freight cars, passenger rolling stock and locomotives.

The manufacturing facility is quipped with CNC laser cutting, plasma cutting, Oxy CNC cutting machines, and CNC plasma bevelling machine. The plant is further equipped with high end manual welding machines and two welding robots. Electric hearth furnace, atmosphere-controlled shot blasting and paint booth. With the above inclusions, we are fully independent for the in-house pre-processing, cutting, bending, welding, stress relieving, machining and finishing for metal fabricated components.

The unit is Certified for ISO 9001 (QMS), ISO 14001 (EMS), ISO45001(OHS), EN15085 (welding of railway components), ISO 3834 (welding quality systems) and IRIS – ISO TS 22163.

Hitech Unit has long-term contracts with both domestic and international customers. We have in contract with a leading MNC for their Indian Railways project in India and for their global requirements. We are supplying bogie frame, under frame, fuel tank, end assembly, bolster, snow-plow, brake levers and APU (Auxiliary Power Unit) components to list a few. Similarly, we have long term contract another leading MNC to supply Car Body Shell (CBS) components for IR e-Loco project. We are approved source for exports to an Australian based MNC for mining and earth mover equipment components.

The components division is well placed on a growth trajectory with our strategy to grow in domestic and global markets. As a backward integration we are also supplying freight car components to our freight car division. We are closely partnering with European Wagon manufacturers and have bagged initial orders for niche fabricated components for freight cars.

Continue to focus on cost efficiencies, improve operational efficiency and profitability

As an integral part of our continuing efforts targeted at ensuring cost efficiencies, we have undertaken a number of initiatives aimed at improving operational efficiencies and optimizing our manufacturing operations including reduction in lead-time in manufacturing processes, leveraging our sourcing networks to control raw material costs through bulk purchases, improving inventory management to optimize transportation costs and expedite raw materials procurement and product delivery, and controlling consumption and wastage through effective supervision of manufacturing processes. We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our international presence and economies of scale as well as by targeting savings in our administrative, procurement and production processes.

Further, we also aim to continue to improve profitability by constant cost rationalization, backward integration, improving product mix by enhancing contribution of machined products, increasing capacity utilization, and increasing exports. We also constantly aim to identify opportunities to implement product improvements and dedicate research and development resources to optimize production processes.

Improving working capital levels

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

OUR BUSINESS DIVISIONS

Heavy Engineering Division

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

Rolling Stock Division

<u>Freight cars</u>

We cater to customers including container freight operators and industries involved in the production of commodities such as cement, alumina, coal, steel, oil, chemicals, food grains and fertilisers. We have also been successful in securing an order from the Ministry of Defence to supply wagons to carry defence equipment.

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

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

Hydro-Mechanical Equipment

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

Bridges and other steel structures

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

Our revenue from our heavy engineering division was ₹ 1,11,776.31 lakhs in the six months period ended September 30, 2023, ₹ 1,19,108.79 lakhs in Fiscal 2023, ₹ 60,458.07 lakhs in Fiscal 2022 and ₹ 66,012.90 lakhs in Fiscal 2021, comprising of 63.02%, 45.81%, 33.32% and 36.08% of our total income, respectively.

Raw materials

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

Manufacturing process

<u>Rolling stock division</u>

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

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

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

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

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

Our Products

<u>Rolling stock division</u>

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

Hydro-mechanical equipment

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

Bridges and other steel structures

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

Steel Foundry Division

Our steel foundry at Belgharia, Kolkata is equipped with 2 PLC controlled Automatic High Pressure Moulding Lines and other most modern equipment, at Belgharia, capable of producing quality castings for both domestic and export primarily in Railway Segment. The foundry is approved by Association of American Railroads (AAR) both for our quality system and product which qualifies the Company's products to be used in American market. As on September 30, 2023, our export content is approximately ~25% of our Kolkata foundry production, and we aim to make the Kolkata foundry predominantly export oriented. Another steel foundry at Urla, Raipur, apart from railway castings also specialises in hand moulded heavy castings (wherein a single piece can weigh up to 25 tons) and caters to heavy industry and defence.

Our steel foundry both at Kolkata and Urla, Raipur has been accredited by the Indian Railways as a Class 'A' Foundry.

AAR has certified that our steel foundry has met the requirements of the AAR quality assurance program as specified in M-1003 and M-201, M-210, M-215 for manufacture of freight yokes, freight side frames and bolsters, and center plates. Such certification enables us to market certain certified steel casting products for wagons in the United States of America.

Our steel foundry at Belgharia has been accredited by the Bureau Veritas Certification (India) Private Limited with the ISO 9001:2015 and ISO 14001:2015 management system certification for manufacture and despatch of (a) open, covered, hopper and tank type wagons, (b) fabricated coaches, and (c) hydro-mechanical equipment.

Our steel foundry division recorded a revenue of ₹ 37,395.46 lakhs in the six months period ended September 30, 2023, ₹ 54,562.15 lakhs in Fiscal 2023, ₹ 33,603.56 lakhs in Fiscal 2022 and ₹ 31,962.80 lakhs in Fiscal 2021, comprising of 21.08%, 20.98%, 18.52% and 17.47% of our total income, respectively.

Raw materials

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

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

Our Products

The products of the steel foundry include:

Bogies (HS, HL, NLB, BLC and Amsted)	Side Frames
	Bolster
	Pivot (Top And Bottom)

	Side Bearer (Top And Bottom)
Couplers (TT and NTT)	Coupler Body
	Yoke
	Tight Lock Couplers
	Striker Casting
	Back Stop
	Knuckle
	Lock
	Yoke Pin
	Draft Gear
	Follower
CMS crossings	-
Export castings	Shrouds
	30T Axle Load Bogie Casting
Others	Manganese Crossing
	Bracket Casting
	Hub Casting
	Lip Casting.

Our Customers

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

Rail EPC Division

We have been successful in completing a track-laying project in Bangladesh and have also been actively bidding for other projects in countries such as Bangladesh. We have also commenced providing rail EPC services to metro rail projects in addition to the Indian rail network. Our Rail EPC Division comprises of Infra-Rail & Green Energy Division (comprises of Kalindee Division, Hydro Mechanical & Bridges Division) and Infra-Electrical Division (earlier known as Bright Power Division).

Our Infra-Rail & Green Energy Division recorded a revenue of ₹ 21,994.63 lakhs in the six months period ended September 30, 2023, ₹ 66,198.92 lakhs in Fiscal 2023, ₹ 68248.23 lakhs in Fiscal 2022 and ₹ 65291.49 lakhs in Fiscal 2021, comprising of 12.40%, 25.46%, 37.61% and 35.69% of our total income, respectively.

Our Infra-Electrical Division recorded a revenue of ₹ 6,193.30 lakhs in the six months period ended September 30, 2023, ₹ 20,154.59 lakhs in Fiscal 2023, ₹ 19,131.72 lakhs in Fiscal 2022 and ₹ 19,674.71 lakhs in Fiscal 2021, comprising of 3.49%, 7.75%, 10.54% and 10.75% of our total income, respectively.

Our Products

The products and services offered by our rail EPC division include track laying, signalling, rail tele-communication, ballast-less tracks, automated fare collection systems, and overheard electrification and transmission. We have also recently forayed into the field of maintenance of installed railway assets.

EXPORTS

We export wagons, hydro mechanical equipment, and steel castings abroad namely to USA, Australia, Africa, Nepal, Bangladesh, Sri Lanka, South Korea, Canada, and Thailand. We have expanded our export business in the last fiscal and earned ₹ 7452.26 lakhs, ₹ 21,094.16 lakhs, ₹ 9,669.70 lakhs, and ₹ 10,255.24 lakhs from our export operations in the six months period ended September 30, 2023, Fiscal 2023, Fiscal 2022, and Fiscal 2021, respectively.

Our diversified facilities are well compatible to meet the sophisticated customer requirements and we intend to continue to focus on international markets for our products. Our Kolkata foundry, with its capabilities is producing reliable quality castings for exports. We have stepped up our efforts to further strengthen and establish our presence in international markets and are exporting steel castings to USA, Australia, and Southeast Asia. We believe this will provide us with further opportunities to expand our markets in these countries.

MANUFACTURING FACILITIES

We have six manufacturing facilities, strategically located, in the outskirts of Kolkata, in Agarpara, Belgharia, Sodepur and Panihati, West Bengal and Urla in Chhattisgarh at present. All five manufacturing facilities located in the outskirts of Kolkata are located within a five km radius. Our infrastructure facilities are spread over approximately 155 acres of land and include two million square feet of manufacturing facilities. Urla unit is spread over an area of 28.18 acres of land at Raipur. We have 15 railway lines inside our facility with a capacity of carrying three to four rakes at a time**.** Our manufacturing facilities adhere to strict quality standards. We also have quality testing facilities in our premises located at Belgharia and Agarpara. We have 12 Bays for production of freight cars/loco shells and a large yard to hold 200+ freight cars.

Details of our manufacturing facilities are set forth below:

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

Our Agarpara facility has also been accredited by SGS United Kingdom Limited Systems with the ISO 9001: 2015 and ISO 45001:2018 certification management system certification for: (a) manufacture of open, covered, Gondola, hopper and tank type wagons including special purpose wagons of stainless steel and mild steel suitable for metre, standard and broad gauge lines for Indian railways and export purposes; (b) manufacture of fabricated coaches including bogies for passenger coaches; (c) design and manufacture of hydro-mechanical equipment, fabricated structures and pressure vessels; and (d) signalling items.

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

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

Urla: Our other steel foundry division is located at Urla, Raipur, and we manufacture railway castings, bogies, ladles, and other heavy steel products.

Our Urla facility is spread across an area of ~28.18 acres of land. This facility has been accredited by the Bureau Veritas Certification (India) Private Limited with the ISO 9001:2015 management system certification for manufacture and despatch of machined and assembled carbon and alloy steel castings for rolling stock and heavy industrial casting for Industry at large. This division also manufactures components for Ministry of Defence.

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

Our Sodepur facility is spread across an area of 30.18 acres of land. Our Sodepur facility has been accredited by the SGS United Kingdom Limited with the ISO 45001:2018, the ISO 14001:2015 and the ISO 9001: 2015 management system certifications for (a) manufacture of open, covered, hopper and tank type wagons including special purpose wagons of stainless steel and mild steel suitable for metre, standard and broad gauge lines for Indian railways and export purposes; (b) manufacture of fabricated coaches including bogies for passenger coaches; and (c) design and manufacture of hydro-mechanical equipment, fabricated structures and pressure vessels to various national and international standards.

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

Our Panihati facility is spread across 11.80 acres of land. Our Panihati facility has been accredited by SGS United Kingdom Limited with the ISO 45001:2018, the ISO 14001:2015 and the ISO 9001:2015 management system certifications for the manufacture of hydro-mechanical equipment and fabricated structures, and for machining and assembly of loose castings for bogies, coupler and manganese steel crossings along with loose components as per the specifications of our customers.

As of September 30, 2023, our manufacturing facilities had the following aggregate production capacities:

S. No.	Location	Heavy engineering	Steel Foundry	Rail EPC	Total
1.	Agarpara	4,700 Vus	NA	NA	4,700 Vus
2.	Sodepur	2,100 Vus	NA	NA	2,100 Vus
3.	Panihati	9,600 MT	NA	NA	9,600 MT
4.	Belgharia	NA	30,000 MT	NA	30,000 MT
5.	Urla	NA	12,000 MT	NA	12,000 MT

The following tables indicate the respective capacity utilisation of our manufacturing facilities for Fiscal 2023, Fiscal 2022, and Fiscal 2021:

(a) Agarpara

Period	Heavy engineering	Steel foundry	Rail EPC	Total (number of units)
For the six months period ended September 30, 2023	2090 VU	NA	NA	2090 VU
Fiscal 2023	2195 VUs	NA	NA	2195 VUs
Fiscal 2022	812 VUs	NA	NA	812 VUs
Fiscal 2021	739 VUs	NA	NA	739 VUs

(b) Belgharia

Period	Heavy engineering	Steel foundry	Rail EPC	Total
For the six months period ended September 30, 2023	NA	10486.10 MT	NA	10486.10 MT
Fiscal 2023	NA	16786MT	NA	16786MT
Fiscal 2022	NA	11644MT	NA	11644MT
Fiscal 2021	NA	10,868 MT	NA	10,868 MT

(c) Sodepur

Period	Heavy engineering	Steel foundry	Rail EPC	Total
For the six months period ended September 30, 2023	941 VU	NA	NA	941 VU
Fiscal 2023	902 VUs	NA	NA	902 VUs
Fiscal 2022	737 VUs	NA	NA	737 VUs
Fiscal 2021	920 VUs	NA	NA	920 VUs

(d) Panihati

Period	Heavy engineering	Steel foundry	Rail EPC	Total

For the six months period ended September 30, 2023	568.60 MT	NA	NA	568.60 MT
Fiscal 2023	1,080 MT	NA	NA	1,080 MT
Fiscal 2022	1,835 MT	NA	NA	1,835 MT
Fiscal 2021	1,689 MT	NA	NA	1,689 MT

(e) Urla

Period	Heavy engineering	Steel foundry	Rail EPC	Total
For the six months period ended September 30, 2023	NA	6091.41 MT	NA	6091.41 MT
Fiscal 2023	NA	9979MT	NA	9979MT
Fiscal 2022	NA	5547MT	NA	5547MT
Fiscal 2021	NA	4853MT	NA	4853MT

***Note**: As certified by Tapan Kumar Ghosh, Chartered Engineer by way of its certificate dated November 21, 2023.*

RESEARCH AND DEVELOPMENT

We have a research and development centre which has been registered and recognised by the Department of Scientific and Industrial Research, Government of India. As on September 30, 2023, we have a dedicated team, comprising of 13 permanent employees for carrying out in-house research and development activities.

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

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

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

MARKETING

Our marketing network is spread across the major cities of India. Most of the orders procured by our Company are through tenders floated by our major customers. We also engage with our customers to develop solutions to their requirements, to develop new designs and solutions. We have an active marketing team for our EPC business, which is continuously engaged with our customers.

EMPLOYEES

As on September 30, 2023, we have 2,624 permanent employees and 3,714 contract labour.

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

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

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

Name of the union	Affiliation
Texmaco Workers' Union	Centre if Indian Trade Unions (CITU)
Texmaco Engineering Employees Union	Indian National Trade Union Congress (INTUC)
Texmaco Mazdoor Union	Indian National Trinamool Trade Union Congress (INTTUC)
Texmaco Permanent Shramik Sangh	Independent

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

INSURANCE

We maintain a range of insurance policies to cover our assets, including a standard fire and special perils policy for our manufacturing facilities situated at Agarpara, Belgharia, Sodepur, Panihati, Urla and the steel foundry division at Belgharia. As of September 30, 2023, our total insurance coverage on our fixed assets was ₹ 84,781.16 lakhs and the value of our fixed assets was ₹ 40,174.69 lakhs post depreciation, covering 211.03% of our total assets.

We have also maintained certain marine open cover policies (cargo).

Our Company believes that the amount of insurance cover presently maintained by us represent the appropriate level of coverage required to insure our businesses. For further details, see "*Risk Factors - Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.*" on page 53.

PROPERTY

Immovable property

Our registered and corporate office is located at Belgharia, Kolkata – 700 056.

Intellectual property

We have registered our business logo as a trademark under Classes 9, 12, 37, 38 and 42. Further, the trademark and corporate logo 'Adventz' is registered with the Registrar of Trademarks in India in the name of our group company, Adventz Industries India Limited. For further details, see "*Risk Factors - Our Company does not own the trademark or corporate logo 'Adventz' and is permitted to use the same by Adventz Industries India Limited by way of a license agreement. Termination, non-renewal or renewal on unfavourable terms of this license agreement or any negative impact on the 'Adventz' brand may adversely affect our business, reputation, goodwill, financial condition and results of operations.*" on page 50.

ENVIRONMENTAL MATTERS

Our Company is committed to improve the environment and health and safety of its work environment by continuous training and coaching its employees, contractors and other stakeholders. We have undertaken various activities to promote green technology and reduce waste generation towards environmental protection, such as installing solar power plants on our rooftops. We have also installed pollution control measures at some of our facilities to minimise the impact on environment. Additionally, we have commenced the practice of sending all notices, annual reports and other documents to our shareholders in electronic format only, with a printed copy being provided only on request from the shareholder.

CORPORATE SOCIAL RESPONSIBILITY

We are actively engaged in corporate social responsibility activities that we believe are vital towards fulfilling critical societal need gaps in the communities we operate in. We have established the Texmaco Neighbourhood Welfare Society with the objective of promoting education, literature, arts, science, culture and social upliftment, amongst the people living in and around our manufacturing facility located at Belgharia, Kolkata (West Bengal) for extending assistance in the field of healthcare and education to the impoverished section of the society residing in the neighbouring areas of our registered office in Belgharia.

We have also contributed to the welfare of children by providing grants, special rewards and scholarships towards educational needs. We have also provided job opportunities, training and special assistance for health and education to people residing in the neighbourhood of our manufacturing facilities. Texmaco Neighbourhood Welfare Society provides financial assistance to the poor and needy for their health, education and social needs.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall not have more than 15 Directors.

As of the date of this Preliminary Placement Document, our Board comprises 12 Directors, of which five are Executive Directors, one is a Non-Executive Director and six are Independent Directors including one woman Independent Director.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
1.	**Saroj Kumar Poddar** ***Address***: Poddar Niket, 2 Gurusaday Road, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation:*** Industrialist ***Nationality***: Indian ***Term***: For a period of five years with effect from September 25, 2020 till September 24, 2025 and not liable to retire by rotation ***DIN***: 00008654	78	Executive Director and Chairman
2.	**Indrajit Mookerjee** ***Address***: 7/1A, Sunny Park, Apartment No – B202, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation:*** Service ***Nationality***: Indian ***Term***: For a period of three years with effect from April 2, 2023 till April 1, 2026 and liable to retire by rotation ***DIN***: 01419627	76	Executive Director and Vice Chairman
3.	**Sudipta Mukherjee** ***Address***: 137A Karunamoyee Debi Road, Talpukur, North 24 Parganas, Barrackpore – 700 123, West Bengal, India ***Occupation***: Service ***Nationality***: Indian ***Term***: For a period of three years with effect from June 1, 2023 till May 31, 2026 and liable to retire by rotation ***DIN***: 06871871	48	Deputy Managing Director
4.	**Damodar Hazarimal Kela** ***Address***: Pankaj Apartment, Flat – 15, 86 Ballygunge Place, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation***: Service ***Nationality***: Indian	82	Executive Director

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
	Term**:* For a period of three years with effect from September 25, 2021 till September 24, 2024 and liable to retire by rotation ***DIN: 01050842		
5.	**Ashok Kumar Vijay** ***Address:*** Queens Mansion, Russell Street, Middleton Row, Kolkata – 700 071, West Bengal, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** For a period of three years with effect from January 1, 2023 till December 31, 2025 and liable to retire by rotation ***DIN:*** 01103278	70	Executive Director
6.	**Akshay Poddar** ***Address***: Poddar Niket, 2 Gurusaday Road, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation**:* Business ***Nationality**:* Indian ***Term**:* Liable to retire by rotation ***DIN***: 00008686	47	Non-Executive Director
7.	**D. R. Kaarthikeyan** ***Address***: 102, G/F, Anand Lok, August Kranti Marg, Andrewsganj, South Delhi, Delhi – 110 049, India ***Occupation**:* Retired government official ***Nationality**:* Indian ***Term**:* For a period of five years with effect from September 4, 2019 till September 3, 2024 ***DIN***: 00327907	84	Independent Director
8.	**Utsav Parekh** ***Address***: 2/3, Sarat Bose Road, PO Elgin, Kolkata – 700 020, West Bengal, India ***Occupation**:* Business ***Nationality**:* Indian ***Term**:* For a period of five years with effect from September 4, 2023 till September 3, 2028 ***DIN***: 00027642	57	Independent Director
9.	**Virendra Sinha** ***Address***: Flat 1/4/B, 59 Pramathesh Barua Sarani, Ballygunge, Kolkata – 700 019, West Bengal, India ***Occupation**:* Professional ***Nationality**:* Indian	68	Independent Director

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
	Term**:* For a period of three years with effect from February 17, 2021 till February 16, 2024 ***DIN: 03113274		
10.	**Partha Sarathi Bhattacharyya** ***Address:*** NA 15 Sanjeeva Town, Konchpukur, New Town, Kolkata – 700 102, West Bengal, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** For a period of three years with effect from January 1, 2022 till December 31, 2024 ***DIN:*** 00329479	72	Independent Director
11.	**Rusha Mitra** ***Address:*** P-97, Kalindi Housing Estate, Lake Town, North 24 Parganas – 700 089, West Bengal, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** For a period of three years with effect from February 17, 2021 till February 16, 2024 ***DIN:*** 08402204	38	Independent Director
12.	**Amitabha Guha** ***Address:*** DL 182, Tank No 10, Sector 2, Bidhannagar (M), North 24 Parganas – 700 091, West Bengal, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** For a period of three years with effect from May 6, 2022 till May 5, 2025 ***DIN:*** 02836707	75	Independent Director

Brief profiles of our Directors

Saroj Kumar Poddar is the Executive Director and Chairman of our Company. He has been associated with our Company since September 25, 2010. He is currently the chairman of Adventz group and a director on the board of *inter alia* Chambal Fertilisers and Chemicals Limited, Lionel India Limited, Paradeep Phosphates Limited, Zuari Agro Chemicals Limited and Zuari Industries Limited.

Indrajit Mookerjee is the Executive Director and Vice Chairman of our Company. He has been associated with our Company since September 9, 2019. He holds a bachelor's degree in technology (honours in chemical engineering) from Indian Institute of Technology, Kharagpur and has completed master of science in chemical engineering from Georgia Institute of Technology, Atlanta, USA. He is currently a director on the board of Pacific Consolidated Industries (PCI) Gases India Private Limited, Calcutta Promotions, Rai Enclave Facilities Management Private Limited, Wabtec Texmaco Rail Private Limited, Belur Engineering Private Limited, and Touax Texmaco Railcar Leasing Private Limited.

Sudipta Mukherjee is the Deputy Managing Director of our Company. He has been associated with our Company since June 1, 2023. He holds a diploma in social work (labour welfare) from University of Calcutta. He has also completed a program on production management for India (INCI) from The Association for Overseas Technical

Scholarship (AOTS), Japan and the Fullbright-Nehru-CII fellowships for leadership in management program from Tepper School of Business, Carnegie Mellon University, USA.

Damodar Hazarimal Kela is an Executive Director of our Company. He has been associated with our Company since January 1, 2010. He is currently a director on the board of Belur Engineering Private Limited.

Ashok Kumar Vijay is an Executive Director of our Company. He has been associated with our Company since November 2, 2010. He is currently a director on the board of Touax Texmaco Railcar Leasing Private Limited, Belur Engineering Private Limited, Texmaco Infrastructure & Holdings Limited, Texmaco Transtrak Private Limited, Texmaco Rail Electrification Limited, Magnacon Electricals India Limited and Panihati Engineering Udyog Private Limited.

Akshay Poddar is a Non-Executive Director of our Company. He has been associated with our Company since September 2, 2011. He is currently a director on the board of *inter alia* Adventz Securities Enterprises Limited, Lionel Edwards Limited, Mangalore Chemicals and Fertilizers Limited, Zuari Agro Chemicals Limited, Texmaco Infrastructure and Holdings Limited and Touax Texmaco Railcar Leasing Private Limited.

D.R. Kaarthikeyan is an Independent Director of our Company. He has been associated with our Company since September 2, 2011. He is currently a director on the board of Texmaco Infrastructure and Holdings Limited, Lotus Eye Hospital and Institute Limited, Taj GVK Hotels and Resorts Limited, Life Positive Private Limited and Rootes Auto Products Private Limited.

Utsav Parekh is an Independent Director of our Company. He has been associated with our Company since September 4, 2018. He is currently a director on the board of SMIFS Capital Markets Limited, Xpro India Limited, Spencer's Retail Limited, Eveready Industries India Limited, Jay Shree Tea & Industries Limited and Firstsource Solutions Limited.

Virendra Sinha is an Independent Director of our Company. He has been associated with our Company since February 17, 2021. He is currently a director on the board of Electro Steel Castings Limited, Etrans Solutions Private Limited, TM International Logistics Limited, Andhra Paper Limited and International Shipping & Logistics FZE.

Partha Sarathi Bhattacharyya is an Independent Director in our Company. He has been associated with our Company since January 1, 2022. He is currently a director on the board of *inter alia* Tide Water Oil Co India Limited, Deepak Fertilisers and Petrochemicals Corporation Limited, Ramkrishna Forgings Limited, Performance Chemiserve Limited, Smartchem Technologies Limited and Karam Chand Thapar & Bros (Coal Sales) Limited.

Rusha Mitra is an Independent Director of our Company. She has been associated with our Company since February 17, 2021. She is currently a director on the board of *inter alia* Harrisons Malayalam Limited, Lux Industries Limited, GKW Limited, Naga Dhunseri Group Limited, PCBL Limited and Quest Capital Markets Limited.

Amitabha Guha is an Independent Director of our Company. He has been associated with our Company since May 6, 2022. He is currently a director on the board of Xpro India Limited, Khazana Jewellery Private Limited and Ramkrishna Forgings Limited.

Terms of Appointment of Executive Directors

Each of the Executive Directors of our Company are entitled to the following remuneration and perquisites:

Saroj Kumar Poddar

Saroj Kumar Poddar is the Executive Director and Chairman of our Company. The following table sets forth the current terms of appointment of Saroj Kumar Poddar, pursuant to the Nomination and Remuneration Committee resolution dated July 17, 2023, Board resolution dated August 3, 2023 and Shareholders' resolution dated September 30, 2020:

Sr. No.	Category	Remuneration
i.	Salary	₹ 26,62,500 per month

Sr. No.	Category	Remuneration
ii.	Perquisites	
	Category – A	
a)	Medical Reimbursement / Allowance	Reimbursement of actual expenses incurred by the Executive Chairman for self and his family subject to the ceiling of one's month salary in a year or three month's salary over a period of three years.
b)	Bonus / Performance pay	As per the rules of the Company.
c)	Leave	As per the rules of the Company.
	Category – B	
	Contribution to Provident Fund	As per the rules of the Company.
	Category – C	Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Indrajit Mookerjee

Indrajit Mookerjee is the Executive Director and Vice Chairman of our Company. The following is a description of the current terms of appointment of Indrajit Mookerjee, pursuant to the Nomination and Remuneration Committee resolutions dated June 1, 2023 and July 17, 2023, Board resolution dated August 3, 2023 and Shareholders' resolution dated September 30, 2022:

Sr. No.	Particulars	Amount
i.	Salary	₹ 6,00,000 per month
	Other allowances (including special allowance)	₹ 3,58,500 per month
ii.	Perquisites	
	Category – A	
a)	Leave	As per the rules of the Company.
b)	Performance pay	As per the rules of the Company.
c)	Club Fees	Membership fee for the club as per the rules of the Company.
	Category – B	Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Sudipta Mukherjee

Sudipta Mukherjee is the Deputy Managing Director of our Company. The following is a description of the current terms of appointment of Sudipta Mukherjee, pursuant to the Nomination and Remuneration Committee resolution dated July 17, 2023, Board resolutions dated June 1, 2023 and August 3, 2023 and Shareholders' resolution dated August 25, 2023:

Sr. No.	Particulars	Amount
i.	Salary	₹ 5,00,000 per month
	Other allowances (including special allowance)	₹ 7,50,000 per month
ii.	Variable Pay	₹ 20,00,000 per annum
iii.	Retirement benefits	₹ 10,08,000
iv.	Perquisites:	
	Category – A	
a)	Medical/ LTA allowances	₹ 10,00,000
c)	Leave	As per the rules of the Company.
d)	Club Fees	Membership fee for the club as per the rules of the Company.
	Category – B	
a)	Contribution to Provident Fund	As per the rules of the Company.
b)	Gratuity	As per the rules of the Company.
	Category – C	The Company will provide owned and maintained car and fuel for office purposes.

Damodar Hazarimal Kela

Damodar Hazarimal Kela is the Executive Director and Vice Chairman of our Company. The following is a description of the current terms of appointment of Damodar Hazarimal Kela, pursuant to the Nomination and Remuneration Committee resolution dated July 17, 2023, Board resolution dated August 3, 2023 and Shareholders' resolution dated September 24, 2021:

Sr. No.	Particulars	Amount
i.	Salary	₹ 9,15,000 per month
ii.	Perquisites	
	Category – A	
a)	Housing	i. House rent allowance of ₹ 45,630 per month ii. The expenditure incurred on gas, electricity, water and furnishing shall be valued as per Income-tax Act, 1962
b)	Medical Reimbursement / Allowance	As per the rules of the Company.
c)	Leave Travel Concession	For self and his family once in a year in accordance with the rules of the Company.
d)	Bonus / Performance pay	As per the rules of the Company.
e)	Leave	As per the rules of the Company.
f)	Club Fees	Subject to maximum of one club. No admission or life membership fee will be paid by the Company
	Category – B	
a)	Contribution to Provident Fund, Superannuation Fund and National Pension Scheme	As per the rules of the Company.
b)	Gratuity	As per the rules of the Company.
	Category – C	Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Ashok Kumar Vijay

Ashok Kumar Vijay is the Executive Director and Vice Chairman of our Company. The following is a description of the current terms of appointment of Ashok Kumar Vijay, pursuant to the Nomination and Remuneration Committee resolution dated July 17, 2023, Board resolution dated August 3, 2023 and Shareholders' resolution dated September 30, 2022:

Sr. No.	Particulars	Amount
i.	Salary	₹ 5,03,745 per month
ii.	Perquisites	
	Category – A	
a)	Housing	i. Free furnished accommodation or HRA up to 30% of salary ii. The expenditure incurred on gas, electricity, water and furnishing shall be valued as per Income-tax Act, 1961
b)	Medical Reimbursement	Reimbursement of actual expenses incurred for self and his family subject to the ceiling of one month's salary in a year or three month's salary over a period of three years.
c)	Leave Travel Concession	For self and his family once in a year in accordance with the rules of the Company.
d)	Bonus / Performance pay	As per the rules of the Company.
e)	Leave	As per the rules of the Company.
f)	Club Fees	Membership fee for two clubs. No admission or life membership fee will be paid by the Company.
	Category – B	
a)	Contribution to Provident Fund, Superannuation Fund	As per the rules of the Company.
b)	Gratuity	As per the rules of the Company.
	Category – C	Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Remuneration to Independent Directors and Non-Executive Directors

Sitting fees

Our Independent Directors and Non-Executive Director are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committees and reimbursements of expenses. Pursuant to the Board resolution dated May 13, 2019, our Independent Directors are entitled to sitting fees of ₹ 40,000 for attending each meeting of the Board and Audit Committee and ₹ 25,000 for attending each meeting of all other committees of the Board.

Commission

Our Independent Directors and Non-Executive Director are entitled to receive remuneration by way of commission upto one percent of the net profits of the Company in a financial year subject to a ceiling limit of ₹ 2,00,000 per annum pursuant to the Nomination and Remuneration Committee Resolution dated May 12, 2021, Board resolutions dated February 6, 2012 and May 14, 2021 and Shareholders' resolution dated September 24, 2021.

Remuneration paid to Executive Directors

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the six months period ended September 30, 2023:

Sr. No.	Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration from April 1, 2023, to September 30, 2023
1.	Saroj Kumar Poddar	2,74,37,284	4,23,83,030	3,84,87,818	1,91,69,000
2.	Indrajit Mookerjee	58,89,838	80,08,000	1,04,69,355	57,48,000
3.	Sudipta Mukherjee*	NA	NA	NA	53,31,000
4.	Damodar Hazarimal Kela	95,37,810	1,68,50,765	1,52,51,347	69,14,000
5.	Ashok Kumar Vijay	54,79,587	89,92,142	91,78,335	41,44,000

**Appointed on our Board in Fiscal 2024 and accordingly did not receive any remuneration in earlier fiscals.*

Independent Directors and Non-Executive Director:

The following tables set forth the details of sitting fees and commission paid by our Company to the Independent Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the six months period ended September 30, 2023:

Sr. No.	Name of the Director	Designation	Sitting fees and commission for Fiscal 2021	Sitting fees and commission for Fiscal 2022	Sitting fees and commission for Fiscal 2023	Sitting fees and commission from April 1, 2023, to September 30, 2023
1.	D. R. Kaarthikeyan	Independent Director	5,85,000	7,15,000	7,15,000	3,30,000
2.	Utsav Parekh	Independent Director	4,00,000	7,00,000	8,15,000	3,55,000
3.	Virendra Sinha	Independent Director	88,562	4,65,000	4,90,000	2,00,000
4.	Partha Sarathi Bhattacharyya	Independent Director	NA	1,14,315	5,25,000	2,35,000
5.	Rusha Mitra	Independent Director	88,562	4,65,000	5,15,000	2,00,000
6.	Amitabha Guha	Independent Director	NA	NA	5,25,822	2,40,000

Sr. No.	Name of the Director	Designation	Sitting fees and commission for Fiscal 2021	Sitting fees and commission for Fiscal 2022	Sitting fees and commission for Fiscal 2023	Sitting fees and commission from April 1, 2023, to September 30, 2023
7.	Akshay Poddar	Non-Executive Director	5,00,000	4,50,000	5,40,000	2,75,000

Shareholding of Directors

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document:

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Saroj Kumar Poddar	Executive Director and Chairman	2,45,73,475	7.55
2.	Akshay Poddar	Non-Executive Director	2,64,820	0.08
3.	Ashok Kumar Vijay	Executive Director	52,530	0.02

Relationship with other Directors

Except for Saroj Kumar Poddar and Akshay Poddar who are father and son, none of our other Directors are related to each other.

Borrowing powers of our Board

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated September 9, 2019, passed by our Shareholders, our Board is authorized to borrow from time to time any sum or sums of monies from any one or more persons, firms, bodies corporate, banks, financial institutions or from any others by way of advances, deposits, loans, debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of our Company's assets and properties, whether movable or immovable including stock-in-trade and debts and advances notwithstanding that the sum or sums of monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital of our Company and its free reserves provided further that total amount up to which monies may be borrowed shall not at any one time exceed ₹ 2,00,000 lakhs. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

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 Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Except for Saroj Kumar Poddar who is the Executive Director and Chairman of our Company and Akshay Poddar who is a Non-Executive of Director of our Company, none of our other Directors have any interest in the promotion of our Company.

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.

Except as provided in "*Related Party Transactions*" on page 95, 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 95.

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.

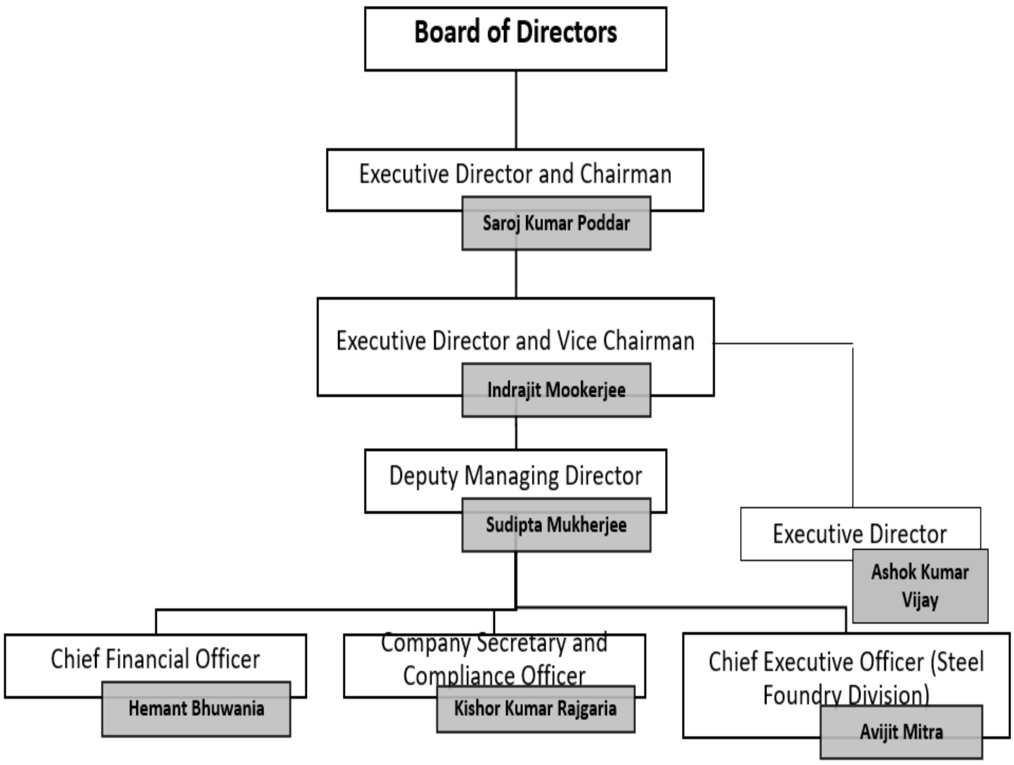
Bonus or profit-sharing plan of the Directors

Except as disclosed in "*– Terms of Appointment of Executive Directors*" on page 196, none of our Directors are party to any bonus or profit-sharing plan.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Organisation Chart



Corporate Governance

Our Board presently consists of 12 Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has six Independent Directors (including one woman Independent Director).

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board with detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	Utsav Parekh (Chairman), Indrajit Mookerjee, Amitabha Guha and D. R. Kaarthikeyan
2.	Nomination and Remuneration Committee	Utsav Parekh (Chairman), Partha Sarathi Bhattacharyya and Akshay Poddar
3.	Stakeholders Relationship Committee	Akshay Poddar (Chairman), Damodar Hazarimal Kela, Ashok Kumar Vijay and Rusha Mitra
4.	Risk Management Committee	D. R. Kaarthikeyan (Chairman), Indrajit Mookerjee and Ashok Kumar Vijay
5.	Corporate Social Responsibility Committee	Damodar Hazarimal Kela (Chairman), Ashok Kumar Vijay and Utsav Parekh

Key Managerial Personnel and Senior Management

In addition to the Deputy Managing Director, and Executive Directors, the details of our Key Managerial Personnel and the members of our Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
Key Managerial Personnel		
1.	Hemant Bhuwania	Chief Financial Officer
2.	Kishor Kumar Rajgaria	Company Secretary and Compliance Officer
Senior Management		
3.	Avijit Mitra	CEO (Steel Foundry)

Other than our Directors, none of our Key Managerial Personnel or members of Senior Management are related to each other or to the Directors of our Company.

All our Key Managerial Personnel and members of 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 of Appointment of our Executive Directors*" on page 196, our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or Senior Management.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management have not entered into any service contracts with our Company providing any termination or retirement benefits.

Interest of our Key Managerial Personnel and Senior Management

Other than as disclosed in the "– *Interest of our Directors*" on page 200, 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.

Shareholding of our Key Managerial Personnel and Senior Management

Other than our Directors, none of the Key Managerial Personnel or Senior Management hold any Equity Shares in our Company as on the date of this Preliminary Placement Document.

Other Confirmations

1. Other than disclosed in this Preliminary Placement Document, none of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company have any financial or other material interest in the Issue.
2. Our Promoters, Directors and Key Managerial Personnel or Senior Management will not participate in the Issue.
3. Neither our Company, nor any of our Directors or Promoters have been identified as a Wilful Defaulter or as a Fraudulent Borrower by any lending banks or financial institutions or consortiums.
4. 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. Further, none of our Directors or Promoters have been declared as a Fugitive Economic Offender.
5. No change in control in our Company will occur consequent to the Issue.
6. No loans have been availed or extended by our Directors, Key Managerial Personnel or Senior Management from, or to, our Company or the Subsidiaries

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three fiscals immediately preceding the date of this Preliminary Placement Document, see "*Related Party Transactions*" on page 95.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Texmaco Rail & Engineering Limited was originally incorporated on June 25, 1998, under the Companies Act, 1956 as '*Texmaco Machines Private Limited*'. The name of our Company was changed to '*Texmaco Machines Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to '*Texmaco Rail & Engineering Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, West Bengal on April 23, 2010. For further details regarding changes in the name and registered office of our Company, see "*General Information*" on page 415.

Our Company's CIN is L29261WB1998PLC087404. The Registered and Corporate Office of our Company is located at Belgharia, Kolkata – 700 056, West Bengal, India.

Subsidiaries

As on date of this Preliminary Placement Document, our Company has six Subsidiaries namely Belur Engineering Private Limited, Panihati Engineering Udyog Private Limited, Texmaco Rail Electrification Limited, Belgharia Engineering Udyog Private Limited, Texmaco Rail Systems Private Limited and Texmaco Transtrak Private Limited.

Holding company

As on date of this Preliminary Placement Document, our Company does not have any holding company.

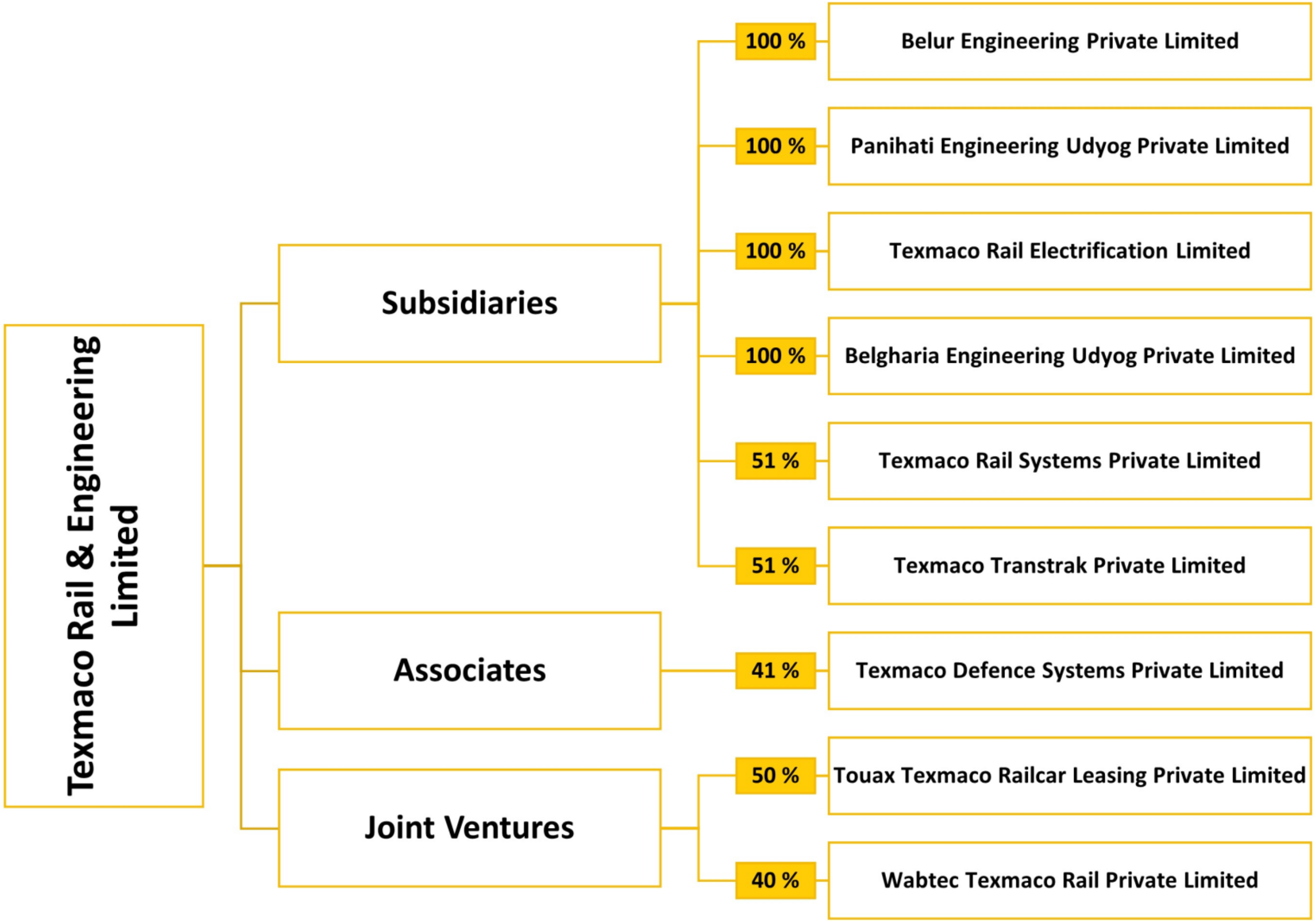
Associate company

As on the date of this Preliminary Placement Document, our Company has one associate company namely, Texmaco Defence Systems Private Limited.

Joint Ventures

As on the date of this Preliminary Placement Document, our Company has two joint ventures namely, Touax Texmaco Railcar Leasing Private Limited and Wabtec Texmaco Rail Private Limited.

The organisational structure of our Company as on date of this Preliminary Placement Document is as follows:



SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on November 17, 2023 is set forth below:

Table I – Summary Statement holding of Specified securities:

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid- up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		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	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(A)	Promoter & Promoter Group	23	19,23,00,517	-	-	19,23,00,517	59.12	19,23,00,517	-	19,23,00,517	59.12	-	59.12	5,23,53,124	27.22	-	-	19,23,00,517
(B)	Public	1,61,192	13,29,47,753	-	-	13,29,47,753	40.88	13,29,47,753	-	13,29,47,753	40.88	-	40.88	-	-	NA	NA	13,22,23,068
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	NA	NA	-
(C2)	Shares held by Employes Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
	Total	**1,61,215**	**32,52,48,270**	**-**	**-**	**32,52,48,270**	**100.00**	**32,52,48,270**	**-**	**32,52,48,270**	**100.00**	**-**	**100.00**	**5,23,53,124**	**16.10**	**-**	**-**	**32,45,23,585**

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities – No of Voting Rights – Class X	Number of Voting Rights held in each class of securities – No of Voting Rights – Class Y	Number of Voting Rights held in each class of securities – No of Voting Rights – Total	Number of Voting Rights held in each class of securities – Total as a % of (A+B+C)	No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares – No.	Number of Locked in Shares – As a % of total Shares held	Number of Shares pledged or otherwise encumbered – No.	Number of Shares pledged or otherwise encumbered – As a % of total Shares held	Number of equity shares held in dematerialized form
(1)	Indian																	
(a)	Individuals/Hindu undivided Family	7	2,85,69,034	0	0	2,85,69,034	8.78	2,85,69,034	0	2,85,69,034	8.78	0	8.88	2,45,73,475	86.01	0	0.00	2,85,69,034
	SAROJ KUMAR PODDAR (as a Karta)	1	10,710	0	0	10,710	0.00	10,710	0	10,710	0.00	0	0.00	0	0.00	0	0.00	10,710
	SAROJ KUMAR PODDAR (as a Trustee - SAROJ AND JYOTI PODDAR HOLDINGS PRIVATE TRUST)	1	37,92,857	0	0	37,92,857	1.17	37,92,857	0	37,92,857	1.17	0	1.18	0	0.00	0	0.00	37,92,857
	SHRADHA AGARWALA	1	20,693	0	0	20,693	0.01	20,693	0	20,693	0.01	0	0.01	0	0.00	0	0.00	20,693
	JYOTSNA PODDAR (as an Individual)	1	1,04,032	0	0	1,04,032	0.03	1,04,032	0	1,04,032	0.03	0	0.03	0	0.00	0	0.00	1,04,032
	SAROJ KUMAR PODDAR (as an Individual)	1	2,45,73,475	0	0	2,45,73,475	7.56	2,45,73,475	0	2,45,73,475	7.56	0	7.63	2,45,73,475	100.00	0	0.00	2,45,73,475
	ANISHA BERLIA	1	46,574	0	0	46,574	0.01	46,574	0	46,574	0.01	0	0.01	0	0.00	0	0.00	46,574
	AASHTI AGARWALA	1	20,693	0	0	20,693	0.01	20,693	0	20,693	0.01	0	0.01	0	0.00	0	0.00	20,693

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		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	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(b)	Central Government/State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other	14	163,306,663	0	0	163,306,663	50.21	163,306,663	0	163,306,663	50.21	0	50.74	2,77,79,649	17.01	0	0.00	16,33,06,663
	EUREKA TRADERS PRIVATE LIMITED	1	530	0	0	530	0.00	530	0	530	0.00	0	0.00	0	0.00	0	0.00	530
	INDRAKSHI TRADING COMPANY PRIVATE LIMITED	1	30,000	0	0	30,000	0.01	30,000	0	30,000	0.01	0	0.01	0	0.00	0	0.00	30,000
	MASTER EXCHANGE & FINANCE LIMITED	1	15,760	0	0	15,760	0.00	15,760	0	15,760	0.00	0	0.00	0	0.00	0	0.00	15,760
	PREMIUM EXCHANGE AND FINANCE LIMITED	1	1,88,090	0	0	1,88,090	0.06	1,88,090	0	1,88,090	0.06	0	0.06	0	0.00	0	0.00	1,88,090
	ZUARI INTERNATIONAL LIMITED	1	6,37,68,926	0	0	6,37,68,926	19.61	6,37,68,926	0	6,37,68,926	19.61	0	19.81	0	0.00	0	0.00	6,37,68,926

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)							
								Class X	Class Y	Total				No.	As a % of total Shares held	No.	As a % of total Shares held	
	ZUARI INDUSTRIES LIMITED	1	7,65,988	0	0	7,65,988	0.24	7,65,988	0	7,65,988	0.24	0	0.24	0	0.00	0	0.00	7,65,988
	JEEWAN JYOTI MEDICAL SOCIETY	1	1,60,500	0	0	1,60,500	0.05	1,60,500	0	1,60,500	0.05	0	0.05	0	0.00	0	0.00	1,60,500
	ADVENTZ FINANCE PRIVATE LIMITED	1	2,77,79,649	0	0	2,77,79,649	8.54	2,77,79,649	0	2,77,79,649	8.54	0	8.63	2,77,79,649	100.00	0	0.00	2,77,79,649
	DUKE COMMERCE LIMITED	1	75,14,000	0	0	75,14,000	2.31	75,14,000	0	75,14,000	2.31	0	2.33	0	0.00	0	0.00	75,14,000
	GREENLAND TRADING PRIVATE LIMITED	1	35,000	0	0	35,000	0.01	35,000	0	35,000	0.01	0	0.01	0	0.00	0	0.00	35,000
	TEXMACO INFRASTRUCTURE & HOLDINGS LIMITED	1	5,85,00,000	0	0	5,85,00,000	17.99	5,85,00,000	0	5,85,00,000	17.99	0	18.18	0	0.00	0	0.00	5,85,00,000
	ABHISHEK HOLDINGS PRIVATE LIMITED	1	280	0	0	280	0.00	280	0	280	0.00	0	0.00	0	0.00	0	0.00	280
	ADVENTZ SECURITIES	1	38,09,140	0	0	38,09,140	1.17	38,09,140	0	38,09,140	1.17	0	1.18	0	0.00	0	0.00	38,09,140

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		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	No.	As a % of total Shares held	
								Class X	Class Y	Total								
	ENTERPRISES LIMITED																	
	NEW EROS TRADECOM LIMITED	1	738,800	0	0	738,800	0.23	738,800	0	738,800	0.23	0	0.23	0	0.00	0	0.00	7,38,800
	Sub-Total (A)(1)	21	19,18,75,697	0	0	19,18,75,697	58.99	19,18,75,697	0	19,18,75,697	58.99	0	59.61	5,23,53,124	27.28	0	0.00	19,18,75,697
(2)	Foreign																	
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	2	424,820	0	0	424820	0.13	424820		424820	0.13	0	0.13	0	0.00	0	0.00	4,24,820
	AKSHAY PODDAR	1	264,820	0	0	264,820	0.08	264,820	0	264,820	0.08	0	0.08	0	0.00	0	0.00	2,64,820
	PUJA PODDAR	1	160,000	0	0	160,000	0.05	160,000	0	160,000	0.05	0	0.05	0	0.00	0	0.00	1,60,000
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)	2	424,820	0	0	424,820	0.13	424,820	0	424,820	0.13	0	0.13	0	0.00	0	0.00	4,24,820
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1) +(A)(2)	**23**	**1,92,30,0517**	**0**	**0**	**1,92,30,0517**	**59.12**	**1,92,30,0517**	**0**	**1,92,30,0517**	**59.12**	**0**	**59.74**	**5,23,53,124**	**27.22**	**0**	**0.00**	**19,23,00,517**

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. 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. Prospective 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, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 228 and 237, respectively.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, 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 Sections 42 and 62 and other applicable provisions of the Companies Act, 2013 and rules issued thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, 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 Issue. Such special resolution must *inter alia* specify that, (a) the allotment of the 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 offer, the contribution made by the Promoters or directors either as part of the offer 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 such issuer, which are proposed to be allotted through the Issue, are listed on the Stock Exchange, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;

- 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 the Application Form), our Company must 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, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- the Promoters and Directors of our Company are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued pursuant to this Issue 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 September 15, 2023, and a special resolution passed by our Shareholders by way of postal ballot on October 23, 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 of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and “stock exchange” means any of the recognised stock exchanges in India on which the Equity Shares 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 the shareholders’ resolution approving the Issue 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 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 each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 250 crore; and

- five, where the issue size is greater than ₹ 250 crore.

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 218.

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.

Our Company has filed a draft of this Preliminary Placement Document with each of the Stock Exchanges 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 this Issue. 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 September 15, 2023 and a special resolution passed by our Shareholders by way of postal ballot on October 23, 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, listed or otherwise qualified in any jurisdiction except 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. In particular, the Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in 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. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" page 228. See "*Purchaser Representations and Transfer Restrictions*" on page 237 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

Issue Procedure

1. On the Issue Opening Date, our Company and 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 identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, 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 RoC within the stipulated time period as required under the Companies Act and 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 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 Bid/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 Bid/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 Bid/ Issue Period to the BRLMs.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Eligible QIB 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;

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document; and

   - 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. Eligible QIBs 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 "Texmaco Rail & Engineering Limited-QIP Escrow Account 2023" with the Escrow Bank, 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. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. 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 223.

6. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, 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 Bid/ 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. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/ 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. 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. 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 Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/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. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

8. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013, 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 consents to such disclosure, if any Equity Shares are allocated to it.

9. Upon determination of the Issue Price and the issuance of 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.

10. 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.

11. 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.

12. After passing the resolution passed by the Board or capital issue 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 trading and listing 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 Eligible 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 trading and listing 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;
    - pension funds with minimum corpus of ₹ 25 crore;
    - 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 IN THE ISSUE UNDER SCHEDULE II OF FEMA RULES. 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. 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.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

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 228 and 237, 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 Promoters. 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 in our Company 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, counsels, 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. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and 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, a Bidder will be deemed to have made all the representations, warranties, acknowledgements and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Purchaser Representations and Transfer Restrictions"* on pages 1, 3, 228 and 237, respectively, including as follows:

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 Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters 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 Promoters;

4. The Bidder 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 Eligible QIB 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 Eligible QIB 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(ies) 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 acknowledge that no Allocation shall be made to them if the price at which they have 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; and

16. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S 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 QIB 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 "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMs, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/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 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 the following address:

Name of BRLMs	Address	Contact person	E-mail	Contact number
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	Texmaco@nuvama.com	+91 22 4009 4400
ICICI Securities Limited	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Namrata Ravasia/ Gaurav Mittal	texmaco.qip2023@icicisecurities.com	+91 22 6807 7646
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025 Maharashtra, India	Ritu Sharma / Sankita Ajinkya	texmaco.qip@motilaloswal.com	+91 22 7193 4380

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 "Texmaco Rail & Engineering Limited-QIP Escrow Account 2023" with the Escrow Bank, 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 "Texmaco Rail & Engineering Limited-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.

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 October 23, 2023 through postal ballot in terms of Regulation 176(1) 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.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

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 Bid/ 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.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs 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 the 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 1 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, 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 Bid/ 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 that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled 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. from expiry of the sixtieth day. The Bid Amount to be refunded by us shall be refunded to the same bank account from which Bid Amount was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and 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 receipt of notice from the BRLMs the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

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 allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. 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 218 and 223, 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 AND LOCK-UP

Placement Agreement

The BRLMs has entered into the Placement Agreement dated November 21, 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 to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act 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, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue will be offered in India or overseas to the public or any members of the public or any other class of prospective 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 or the securities laws of any state of the United States and may not be offered or sold in 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 U.S. state securities laws. The Equity Shares offered in this Issue are being offered and sold only outside the United States 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. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" page 228. See "*Purchaser Representations and Transfer Restrictions*" on page 237 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

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.

Applications shall be made to list the Equity Shares issued pursuant to the 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 the 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.

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 offered 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. The Affiliates of the BRLMs may purchase Equity Shares and 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 "*Offshore Derivative Instruments*" on page 9.

From time to time, the BRLMs, its affiliates and its associates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, Group Companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and its respective affiliates and associates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the Placement Agents, directly or indirectly:

(a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any 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 which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; 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 associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise); or

(c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility;

(d) 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 Equity Shares in any depository receipt facility; or

(e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Provided that, the foregoing restriction shall not apply to (i) the issuance of Equity Shares pursuant to the Issue; (ii) issuance of non-convertible debentures; and (iii) any transaction required by law or an order of a court of law or a statutory authority. Further, our Company confirms that as on the date of the Placement Agreement, it has not entered into any employee stock option, agreements, schemes of mergers, demergers or amalgamations or any other similar arrangements.

Promoter's Lock-up

Under the Placement Agreement, to facilitate the Placement Agents to enter into the Agreement and continue its efforts in connection with the Issue and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees, severally and jointly, on behalf of themselves and the Promoter Group that we will not without the prior written consent of the Placement Agents, during the period commencing on the date hereof and ending 60 days after the date of allotment of the Equity Shares (the "**Lock-up Period**"), directly or indirectly:

(a) sell, lend, contract to sell, any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Lock-up Shares, or any securities convertible into or exercisable or exchangeable for Lock-up Shares or file any registration statement under the U.S. Securities Act of 1933, as amended, or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Lock-up Shares or any securities convertible into or exercisable or exchangeable for Lock-up Shares;

(c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Lock-up Shares; or

(d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Lock-up Shares, or such other securities, in cash or otherwise.

Further the provisions of this paragraph will not be applicable for (a) any 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 Company; or (b) any sale, transfer or disposition of any of the Lock-up Shares by the undersigned with prior written consent of all the Placement Agents to the extent such sale, transfer or disposition is required by Applicable law; the Promoters and member of the Promoter Group hereby agree that any Equity Shares acquired by any of the Promoters during the Lock-up Period, either from the open market or inter-se transfer, shall constitute Lock-up Shares, and shall be subject to the restrictions contained herein. The Promoters and member of the Promoter Group undertake that the restrictions in the lock-up letter (the "**Lock-Up Letter**") shall be applicable to all the Lock-up Shares.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Preliminary Placement Document 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 "*Notice to Investors*", "*Representations by Investors"* and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 3 and 237, 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 is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

None of the Book Running Lead Managers or any of their affiliates is the holder of an Australian Financial Services Licence.

Bahrain

This Preliminary Placement Document may only be distributed to Accredited Investors as defined by the Central Bank of Bahrain and the Equity Shares offered in the Issue may be offered and sold only to Accredited Investors as defined by the Central Bank of Bahrain by way of private placement in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to purchase the Equity Shares in the Issue may be to the public in the Kingdom of Bahrain and this Preliminary Placement Document may not be issued, passed to, or made available to the public generally.

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein.

British Virgin Islands

This Preliminary Placement Document is not an offer to sell, or a solicitation or invitation to make offers to purchase or subscribe for, the Equity Shares offered in the Issue in the British Virgin Islands (the "**BVI**"). This Preliminary Placement Document may not be sent or distributed to persons in the BVI and the Equity Shares are not available to, and no invitation or offer to subscribe, purchase or otherwise acquire the Equity Shares will be made to, persons in the BVI. However, the Equity Shares may be offered and sold to business companies incorporated in the BVI pursuant to the BVI Business Companies Act, international limited partnerships formed in the BVI pursuant to the Limited Partnership Act 1996 and limited partnerships formed in the BVI pursuant to the Limited Partnership Act, 2017 provided that any such offering and sale is made outside the BVI.

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.

People's Republic of China

This Preliminary Placement Document does not constitute an offer of the Equity Shares offered in the Issue, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC or for the benefit of legal or natural persons in the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Managers of such fact in writing and has received the consent of the Book Running Lead Managers in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

This Preliminary Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Preliminary Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Preliminary Placement Document, they should obtain independent professional advice.

This Preliminary Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. This Preliminary Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or

(b) in other circumstances which do not result in this Preliminary Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Preliminary Placement Document may issue, circulate or distribute this Preliminary Placement Document in Hong Kong or make or give a copy of this Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to

Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Kuwait

This Preliminary Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Preliminary Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Preliminary Placement Document does not constitute a public offering. This Preliminary Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Managers and is a private concern between the sender and the recipient.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Oman

This Preliminary Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Preliminary Placement Document is strictly private and confidential and 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 the Sultanate 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.

This Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Managers received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. None of the Book Running Lead Managers is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. None of the Book Running Lead Managers advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue 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 the Equity Shares in the State of Qatar.

By receiving this Preliminary Placement 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, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Managers are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets 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 Issue 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. Our Company and the Book Running Lead Managers are not, by distributing this Preliminary Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. 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

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Singapore

This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (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) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) 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 (b) 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, shares, debentures and units of shares and debentures 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 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

In South Africa, the offering of the Equity Shares in the Issue will only be made by way of private placement to:

(a) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act of 2008, as amended (the "**South African Companies Act**"); and

(b) selected persons, acting as principal, acquiring Equity Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act,

and in each case to whom the offer of the Equity Shares will specifically be addressed, and only by whom the offer will be capable of acceptance (the "**South African Qualifying Investors**"). This Preliminary Placement Document is being made available only to such South African Qualifying Investors. The information contained in this Preliminary Placement Document does not constitute, nor form part of, any offer or invitation to sell or issue, an advertisement or any solicitation of any offer or invitation to purchase or subscribe for any Equity Shares or any other securities and is not an "offer to the public" as contemplated in the South African Companies Act. This Preliminary Placement Document does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act and no prospectus has been filed with the Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Issue of the Equity Shares. As a result, this Preliminary Placement Document does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Preliminary Placement Document constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act of 2002, as amended (the "**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Equity Shares or in relation to the business or future investments of the Company is appropriate to the particular investment objectives, financial situation or needs of a prospective investor, and nothing in this Preliminary Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

South Korea (Republic of Korea)

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Company and the Book Running Lead Managers that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of this Preliminary Placement Document or the Equity Shares may be made 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 who are not 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.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document and nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. This Preliminary Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this Preliminary Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity 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 Equity 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 Equity Shares shall require our Company or the 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 Equity 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 Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity 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.

This Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Preliminary Placement Document is directed only at relevant persons. Other persons should not act on this Preliminary Placement Document or any of its contents. This Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in 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. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Purchaser Representations and*

Transfer Restrictions" on page 237. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*".

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares offered in the Issue within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel 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, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult legal counsel 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 228.

Purchaser Representations and Transfer Restrictions

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Managers as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or an available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the Book Running Lead Managers 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 these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

- It acknowledges that our Company, the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

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, or 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 the NSE 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 thereof 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 and was 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, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The 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. 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, SEBI Listing Regulations. The SCRA and the SCRR 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.

Further, the SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. 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. 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. 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 four stages of the index movement, at 5%, 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 S&P CNX NIFTY of the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached.

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. 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.

Trading Hours

Trading on both the NSE and the 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.). The BSE and the 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, the 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

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.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to inter alia 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 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 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.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' 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 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, 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 provide for disclosure obligations for promoters, employees, and directors, with respect to their shareholding in the company, and the changes therein.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

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 framed regulations 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 is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and 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 authorised share capital of our Company is ₹ 1,97,00,00,000 comprising of 1,97,00,00,000 Equity Shares (of face value of ₹ 1 each). As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Company is ₹ 32,52,48,270 comprising of 32,52,48,270 Equity Shares (of face value of ₹ 1 each). The Equity Shares are listed on BSE and NSE.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of 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 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 the company and free reserves of the company as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the 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 the company after such withdrawal shall not fall below 15.00% of the company's paid up share capital as per the most recent audited financial statement of the company.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of Section 123 of the Companies Act, 2013, the Board may from time to time pay to the members such interim dividend as appear to it to be justified by the profits of the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

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, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

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. 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.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution, undertake any of the following:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- sub-divide its shares, or any of them, into shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the Share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled. A cancellation of shares pursuant to the Article of Association shall not be deemed to be a reduction of the share capital within the meaning of the Companies Act, 2013.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period 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 the Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be a provided in the Companies Act. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once. 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.

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 regulations 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 transfer agent shall maintain a register 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 and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the Rules made thereunder, If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

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

To,

The Board of Directors
Texmaco Rail & Engineering Limited
Belgharia, Kolkata – 700056
West Bengal, India

(*Nuvama Wealth Management Limited, ICICI Securities Limited and Motilal Oswal Investment Advisors Limited are collectively referred to as the "**Placement Agents**"*)

Re: Qualified Institutions Placement of equity shares of face value ₹ 1 each ("Equity Shares") (such placement, the "Issue") by Texmaco Rail & Engineering Limited (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

Dear Sir(s)/Ma'am(s),

1. We, L.B. Jha & Co. , ("the Firm"), Chartered Accountants, the statutory auditors of the Company hereby confirm that the enclosed statement in the Annexure prepared and issued by the Company{the "**Statement**"), which provides the taxation aspects of eligible securities under the direct tax laws presently in force in India, including the Income- tax Act, 1961, the rules, regulations, circulars and notifications issued thereon (Collectively the " Indian Taxation Laws") as applicable to the assessment year 2024-25 relevant to the financial year 2023-24. Several of these taxation aspects are dependent on the Company, and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company and its shareholders to become eligible to be governed by such taxation aspects is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the company and its shareholders may or may not choose to fulfil.

2. The taxation aspects stated in the enclosed Statement are not exhaustive and it covers only taxation aspects relevant to the eligible securities applicable to the Company and its shareholders. The enclosed statement does not cover taxation aspects of the Company or its shareholders or its material subsidiaries. The preparation of the contents stated is the responsibility of the Company's management. We are 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 distinct nature of the tax consequences and the changing tax laws each investor is advised to consult their own tax consultant with respect to the tax consequences and the changing tax laws, each investor is advised to consult their own consultants with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

3. 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.

4. The taxation aspects stated in the enclosed statement 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.

5. We do not express any opinion or provide any assurance on whether:
   - The Company and its shareholders will continue to be governed by these taxation aspects in future;
   - The conditions prescribed in the taxation laws have been/would be met; and
   - The revenue authorities/courts will concur with the view expressed herein.

6. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or laws. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our firm or any or our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

7. This Statement is addressed to board of directors of the Company and the Placement Agents and has been issued at the Specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the preliminary placement document, placement document and any other material in connection with the proposed Issue of the Company and can be relied upon by the legal counsel appointed by the Company and the Placement Agents in relation to the Issue, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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, Any subsequent amendment/ modification to provision of the applicable laws may have an impact on the views contained in the Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

8. We hereby consent to this Statement being disclosed by the Placement Agents, 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. We hereby consent to the submission of this Statement as may be necessary, to any regulatory authority and/or for the records to be maintained by the Placement Agents in connection with the Issue and in accordance with applicable laws.

9. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the placement documents.

For LB JHA & Co Chartered Accountants
Firm Registration Number: 301088E

D.N. Roy
(Partner)
Membership Number: 300389

Date: November 21, 2023
UDIN: 23300389BGWCPP6899

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

There are no special tax benefits available to the Company and the shareholders of the Company under the current direct tax and indirect tax laws presently in force 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.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations, as approved by the Board in its meeting held on October 14, 2023.

*Additionally, 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 Subsidiaries, our Directors and our Promoters; (ii) all outstanding actions (including show-cause notices) by any statutory or regulatory authority against our Company, our Subsidiaries, our Directors and our Promoters; (iii) outstanding civil proceedings involving our Company and its Subsidiaries, where the amount involved in such proceeding exceeds ₹ 101.14 lakhs i.e., 5% of the average of the absolute value of profit after tax, as per our Audited Consolidated Financial Statements for the last three years ("**Materiality Threshold**"). The Materiality Threshold was approved by our Board pursuant to its resolution dated October 14, 2023; (iv) consolidated disclosure of the direct and indirect tax matters involving our Company and our Subsidiaries; (v) any other outstanding litigation involving our Company and our Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect business, prospects, reputation, operations or financial position of our Company or its Subsidiaries and (vi) any other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect business, prospects, reputation, operations or financial position of our Company and our Subsidiaries, 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 circulation of this Preliminary Placement Document and no directions have been issued by any ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action; (ii) there are no 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 Subsidiaries, 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 Subsidiaries; (iii) there are no defaults 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 by our Company, 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 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; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Preliminary Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Litigation involving our Company

Criminal proceedings involving our Company

By our Company

1. Our Company has filed a petition in the Court of Additional Chief Metropolitan Magistrate, South Saket, New Delhi against M/s. Arshiya Rail Infrastructure Limited for violation of Sections 138 and 142 of the Negotiable Instruments Act, 1881, for recovery of amounts for which a cheque of ₹ 330 lakhs, dated September 20, 2012, was issued in favour of our Company which was dishonoured. The Hon'ble Court passed an order for a non-bailable warrant to be issued against Mr. Ajay S. Mittal, the group chairman and managing director of M/s. Arshiya Rail Infrastructure Limited and fresh summons to be issued to remaining accused persons. The matter is currently pending, and the next hearing is scheduled for December 6, 2023.

<u>Against our Company</u>

Nil

Material civil litigation involving our Company

<u>By our Company</u>

1. Two contracts were entered into between National Hydro-electric Power Corporation Limited ("**NHPCL**") and our Company, each dated December 28, 2001 (the "**Agreements**"), for engaging our Company as a contractor of all off-shore and on-shore equipment and material and for providing all services including transportation, storage, handling at site, installation, testing and commissioning as well as performance testing for specific projects carried out by NHPCL. A dispute arose between NHPCL and our Company when a ceiling of 20% was imposed on price escalation by NHPCL. In order to resolve the dispute between our Company and NHPCL, an adjudicator was appointed as per the terms of the Agreements. The adjudicator *vide* its order dated July 29, 2016 ("**Arbitration Award**"), awarded an amount of ₹ 782.41 lakhs along with interest at 8% per annum to be paid by NHPCL to our Company.

   Aggrieved by the Arbitration Award, NHPCL *vide* its letter dated September 19, 2016, communicated its intention to initiate institutional arbitration on the matter. Our Company replied to the same *vide* our letter dated March 16, 2017 suggesting an amicable settlement with regards to the Arbitration Award, which was rejected by NHPCL *vide* its letter dated April 7, 2017. Subsequently, two supplementary agreements were entered into between NHPCL and our Company on February 8, 2018 ("**Supplementary Agreements**") for initiation of institutional arbitration through the Delhi International Arbitration Centre ("**DIAC**") and its rules and it was agreed that the arbitration would be conducted before a bench of three arbitrators. In terms of the Supplementary Agreements, NHPCL and our Company had nominated their respective arbitrators and a letter dated September 2, 2020 was sent to DIAC requesting appointment of the presiding arbitrator. The matter is currently pending.

<u>Against our Company</u>

1. Container Corporation of India ("**Concor**") floated a tender for manufacturing, supplying and commissioning of 20 rakes (900 nos.) of bogie container flat wagons ("**BLC Wagons**"), which was awarded to our Company and an agreement was entered into on December 11, 2006 (the "**Agreement**") for an order value amounting to ₹ 12,445.20 lakhs. Pursuant to completion of the obligations under the Agreement, Concor deducted an amount of ₹ 222.46 lakhs under liquidated damages alleging delay in supply of certain rakes on part of our Company. Further to this, our Company filed a statement of claim dated October 30, 2009 for recovery of the amount alleging that the amount was wrongfully deducted as the delay was caused due to failure of timely inspection by Concor. A counter claim was filed by Concor on December 1, 2009 for an amount of ₹ 945.99 lakhs for consequent losses caused by the alleged delay by our Company. Our Company and Concor resorted to arbitration to resolve the dispute and the Arbitral Tribunal *vide* award dated June 8, 2020 ("**Award**") rejected the counter claim filed by Concor and instructed Concor to pay ₹ 185.73 lakhs to our Company. Subsequently, Concor filed an application dated February 3, 2021 before the Delhi High Court seeking ad interim stay on the Award and the Delhi High Court in its order dated March 12, 2021 has granted a stay on the same. Additionally, the Delhi High Court *vide* its order dated August 23, 2021 has substituted the incorrect figure of ₹ 222.46 lakhs with the correct figure of ₹ 185.73 lakhs. The matter is currently pending.

2. A memorandum of understanding was entered into between Cimmco Birla Limited ("**CIMMCO**") and our Company dated October 5, 2001 ("**MoU**"), for sub-licence of design of main body work of a non-pressurised bulk powder cement wagon from Metalair Limited of UK by CIMMCO to our Company. CIMMCO filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 before the Calcutta High Court in

December 2009 and a written statement dated January 8, 2010 was filed by our Company. The dispute stood resolved by the settlement order dated February 4, 2010 ("**Settlement Order**") passed by the Calcutta High Court.

Subsequently, CIMMCO by a letter dated April 26, 2012 raised the same dispute claiming a further sum of ₹ 2,646.25 lakhs on account of loss of profit due to termination of the MoU. Our Company *vide* letter dated May 1, 2012 replied contending that no dispute survived after the Settlement Order. CIMMCO 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 our Company. 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, our Company 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. CIMMCO 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 our Company 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 arbitration award wherein we were liable to pay CIMMCO ₹ 1,021.75 lakhs earned for the alleged unauthorized manufacture of wagons after December 2013 along with ₹ 10 lakhs in lieu of additional costs. Subsequently, we have filed an appeal challenging the award and requested for setting aside the award. Simultaneously, CIMMCO has filed an execution petition for an amount of ₹ 1,877.30 lakhs for which we have deposited ₹ 1,500.00 lakhs and CIMMCO has withdrawn the same pursuant to an Order passed by the Calcutta High Court on March 2, 2023. A stay order was passed on the execution petition and CIMMCO has filed an appeal on account of miscalculation and requested for recalculation of the amount of the award. Both the appeals, and execution petition are currently pending.

3. Associate Engineering & Services has filed an application bearing no. UDYAM-WB-13-0014462/S/00001 on MSME SAMADHAAN Portal before Micro & Small Enterprises Facilitation Council (MSEFC), West Bengal on March 16, 2023, for recovery of money from our Company under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006. The application has been filed on grounds that we had not provided sufficient erection site in time due to which manpower and machineries continue to remain in an idle condition. The Complaint has been filed against our Company by M/s. Associate Engineering & Services for recovery of payment of ₹ 2,13,12,739. The matter is currently pending.

Actions taken by regulatory and statutory authorities involving our Company

1. Our Company received correspondences from BSE *vide* e-mail dated February 15, 2021 and NSE *vide* e-mails dated January 8, 2021 and March 5, 2021 (e-mails from the Stock Exchanges are together being referred to as "**Letter 1**"), seeking clarifications pertaining to the corporate governance report submitted by our Company for the quarter ended December 31, 2020 to the Stock Exchanges. The Stock Exchanges requested an explanation for non-compliance with provisions pertaining to the appointment of an Independent Director on the Board. Further, BSE and NSE, in the above-mentioned e-mails, levied a penalty of ₹ 2,65,500 each for the quarter ended December 31, 2020, for non-compliance of Regulation 17(1) of the SEBI Listing Regulations, in compliance with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Consequently, our Company paid a penalty of ₹ 2,48,125 each to BSE and NSE, both on March 15, 2021. Subsequently, our Company had filed an application dated March 10, 2021 for a waiver of the penalty for the quarter ended December 31, 2020 citing reasons for delay in appointment of an Independent Director.

   In this regard, our Company submitted replies dated February 25, 2021 to BSE and March 10, 2021 to NSE along with a clarification *vide* letter dated January 18, 2021 on the NEAPS portal, that the vacancy of an Independent Director was a result of appointment of Mr. Ashish Kumar Gupta as the Deputy Managing Director on November 17, 2020 and that our Company was in the process of identifying a suitable

Independent Director prior to the next board meeting or three months from the date of vacancy, whichever is later. Further, our Company had informed the Stock Exchanges, *vide* letter dated February 13, 2021, about the new Independent Directors, namely, Mr. Virendra Sinha and Ms. Rusha Mitra, appointed on February 17, 2021.

Subsequently, post the submission of the corporate governance report for the quarter ended March 31, 2021, to the Stock Exchanges, BSE and NSE *vide* their e-mails dated May 17, 2021 and May 5, 2021 (e-mails from the Stock Exchanges are together being referred to as "**Letter 2**"), yet again levied penalty of ₹ 2,77,300 for non-compliance of Regulation 17(1) of the SEBI Listing Regulations, for the quarter ended March 31, 2021, in compliance with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020. Our Company *vide* e-mail dated May 28, 2021 informed BSE that the Company was in compliance with the SEBI Listing Regulations post appointment of Independent Directors on February 17, 2021 and requested to waive off the penalty levied *vide* e-mail dated May 17, 2021. The waiver request was rejected by BSE *vide* e-mail dated August 3, 2021, on grounds that the reason does not fall under any of the carve-outs jointly formulated by the Stock Exchanges and noted by SEBI.

Upon receipt of e-mails concerning non-compliance from the Stock Exchanges, our Company submitted replies to BSE on February 25, 2021 and NSE on May 7, 2021, that the Stock Exchanges were duly informed upon appointment of the Independent Directors. During the personal hearing that had taken place before NSE on October 1, 2021, NSE had rejected our waiver application. Consequently, our Company paid a penalty of ₹ 2,53,800 each to BSE and NSE, on September 30, 2021 and October 2, 2021 for Letter 2, respectively.

Litigation involving our Subsidiaries

Criminal proceedings involving our Subsidiaries

Nil

Material civil litigation involving our Subsidiaries

Nil

Actions taken by regulatory and statutory authorities involving our Subsidiaries

Nil

Litigation involving our Directors

Criminal proceedings involving our Directors

Nil

Material civil litigation involving our Directors

Nil

Actions taken by regulatory and statutory authorities involving our Directors

Nil

Litigation involving our Promoters

Criminal proceedings involving our Promoters

Nil

Material civil litigation involving our Promoters

Nil

Actions taken by regulatory and statutory authorities involving our Promoters

1. One of our Promoter, Texmaco Infrastructure & Holdings Limited ("**TIHL**"), received correspondences from the Stock Exchanges levying a penalty due to delay in appointment of the company secretary. TIHL replied to the Stock Exchanges clarifying that the reason for such delay in appointment of the company secretary was due to unexpected lockdown imposed by the Government of India during the COVID-19 pandemic. TIHL paid a penalty of ₹1.77 lakhs to BSE on December 17, 2020, ₹ 0.48 lakhs to BSE on September 30, 2020 and ₹0.48 lakhs to NSE on September 30, 2020.

Other outstanding litigation involving our Directors and Promoters wherein an adverse outcome could materially and adversely affect the reputation, operations or financial condition of our Company, on a consolidated basis

Nil

Tax proceedings

We have set out below claims relating to direct and indirect taxes involving our Company and our Subsidiaries 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	15	2,083.30
Indirect Tax	62	19,518.65
Total	**77**	**21,601.95**
Subsidiaries		
Direct Tax	-	-
Indirect Tax	-	-
Total	-	-

* *To the extent quantifiable*

Defaults in repayment of statutory dues*

As on date of this Preliminary Placement Document, there are no defaults in repayment of statutory dues.

******Tax litigations of income tax, GST, sales tax, custom, etc. involving tax liabilities, if any and pending at various forums are sub judice and therefore not considered as defaults until the final order is received.*

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, M/s. L. B. Jha & Co., Chartered Accountants, were re-appointed as the Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on September 30, 2022 for a period of five years, commencing from the conclusion of 24th AGM till the conclusion of 29th AGM of the Company.

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors, M/s. L. B. Jha & Co., Chartered Accountants.

The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

FINANCIAL INFORMATION

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Fiscal 2021 Audited Consolidated Financial Statements	369 to 414

L B Jha & Co
CHARTERED ACCOUNTANTS

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Ref : SA/T/14R

Limited Review Report

To
The Board of Directors
Texmaco Rail & Engineering Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of **TEXMACO RAIL & ENGINEERING LIMITED** ("the Company"), for the quarter and half year ended September 30, 2023.

2. This Statement, which is the responsibility of the Company's Management and approved by the 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 issue a report 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

L. B. JHA & CO. ★ Chartered Accountants ★

Ranjan Singh
(Ranjan Singh)
Partner
(Membership No: 305423)
UDIN: 23305423BHAHGT5322

Place: Kolkata
Date: 14-10-2023

L B Jha & Co
CHARTERED ACCOUNTANTS

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Ref : SA/T/14R

Limited Review Report

To
The Board of Directors
Texmaco Rail & Engineering Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results ("the Statement") of **TEXMACO RAIL & ENGINEERING LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the profit after tax and total comprehensive income of its associate and joint ventures for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023 being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and 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. 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.

4. The Statement includes the results of the following entities

(i)	Belur Engineering Private Limited	Wholly Owned Subsidiary
(ii)	Panihati Engineering Udyog Private Limited	Wholly Owned Subsidiary
(iii)	Texmaco Rail Electrification Limited	Wholly Owned Subsidiary
(iv)	Belgharia Engineering Udyog Private Limited	Wholly Owned Subsidiary
(v)	Texmaco Rail System Private Limited	Subsidiary
(vi)	Texmaco Transtrak Private Limited	Subsidiary
(vii)	Texmaco Defence Systems Private Limited	Associate
(viii)	Touax Texmaco Railcar Leasing Pvt. Ltd.	Joint Venture
(ix)	Wabtec Texmaco Rail Pvt. Ltd.	Joint Venture

L. B. JHA & CO. Chartered Accountants

ALSO AT : FLAT NO. 23, 1ST FLOOR, BLOCK NO. 4, SHANKAR MARKET, CONNAUGHT PLACE, NEW DELHI-110 001 • Tel : +91-011-2140 0396 • E-mail : lbjhadel@lbjha.com
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5 Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid accounting standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated unaudited financial results include the interim financial results of Six subsidiaries which have not been reviewed by their respective auditors, whose interim financial results reflect total assets of Rs. 6197.07 lakhs as at September 30, 2023 and total revenue of Rs. 82.64 lakhs and Rs. 165.28 lakhs, total net Profit /(loss) after tax of Rs. 71.60 and Rs. (310.76) lakhs and total comprehensive income / (loss) of Rs. 71.60 and Rs. (310.76) lakhs 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. (18.80) lakhs 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 include the Group's share of net profit after tax of Rs. 439.49 lakhs and Rs. 854.92 lakhs and total comprehensive income of Rs. 439.49 lakhs and Rs. 854.92 lakhs for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023 as considered in the consolidated unaudited financial results, in respect of one associate and two joint ventures based on their interim financial results which have not been reviewed by their respective auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

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

L. B. JHA & CO. ★ Chartered Accountants ★

Ranjan Singh

(Ranjan Singh)
Partner
(Membership No : 305423)
UDIN: 23305423BHAHGU6566

Place: Kolkata
Date: 14.10.2023

2

Texmaco Rail & Engineering Ltd. adventz

CIN : L29261WB1998PLC087404

TEXMACO RAIL & ENGINEERING LIMITED

Statement of Un-audited Financial Results

For the quarter and half year ended 30th, September, 2023

Rs. in Lakh

Sr. No.	Particulars	STANDALONE						CONSOLIDATED					
		Quarter ended			Half Year ended		Year ended	Quarter ended			Half Year ended		Year ended
		30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023	30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**												
	(a) Revenue from Operations	80,504.64	65,682.20	48,441.52	1,46,186.84	78,311.67	2,24,327.74	80,504.64	65,682.20	48,441.53	1,46,186.84	78,311.68	2,24,327.74
	(b) Other Income	847.11	3,876.36	1,272.56	4,723.47	1,911.91	3,777.19	535.95	3,573.44	1,024.36	4,109.39	1,405.54	2,637.42
	Total Income	**81,351.75**	**69,558.56**	**49,714.08**	**1,50,910.31**	**80,223.58**	**2,28,104.93**	**81,040.59**	**69,255.64**	**49,465.89**	**1,50,296.23**	**79,717.22**	**2,26,965.16**
2	**Expenses**												
	(a) Cost of Materials Consumed	60,737.25	56,279.31	41,260.45	1,17,016.56	68,619.99	1,92,206.73	60,737.24	56,279.31	41,260.45	1,17,016.55	68,619.99	1,92,206.73
	(b) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	4,717.88	(3,833.51)	(4,536.12)	884.37	(7,977.31)	(12,324.51)	4,717.88	(3,833.51)	(4,536.12)	884.37	(7,977.31)	(12,323.16)
	(c) Power and Fuel	2,131.88	2,054.66	1,876.92	4,186.54	3,428.96	7,037.07	2,131.88	2,054.66	1,876.92	4,186.54	3,428.96	7,037.07
	(d) Employee Benefits Expenses	3,397.59	3,272.20	3,450.08	6,669.79	6,573.04	13,005.71	3,397.59	3,272.20	3,450.08	6,669.79	6,573.04	13,005.71
	(e) Finance Costs	3,661.80	3,453.13	3,042.89	7,114.93	5,287.24	11,617.40	3,661.81	3,453.13	3,042.88	7,114.94	5,287.24	11,617.49
	(f) Depreciation and Amortisation Expenses	878.41	872.80	868.87	1,751.21	1,735.33	3,502.91	879.25	1,172.11	873.14	2,051.36	1,744.08	3,519.61
	(g) Other Expenses	2,051.20	5,793.34	2,141.82	7,844.54	4,419.55	10,187.96	1,895.55	5,794.20	2,056.23	7,689.75	4,252.73	9,860.63
3	**Total Expenses**	**77,576.01**	**67,891.93**	**48,104.91**	**1,45,467.94**	**82,086.80**	**2,25,233.27**	**77,421.20**	**68,192.10**	**48,023.58**	**1,45,613.30**	**81,928.73**	**2,24,924.08**
4	**Profit/(Loss) before Exceptional Items & Tax (1-3)**	**3,775.74**	**1,666.63**	**1,609.17**	**5,442.37**	**(1,863.22)**	**2,871.66**	**3,619.39**	**1,063.54**	**1,442.31**	**4,682.93**	**(2,211.51)**	**2,041.08**
5	Exceptional item	--	--	--	--	--	--	--	--	--	--	--	--
6	**Profit/(Loss) before Tax (4-5)**	**3,775.74**	**1,666.63**	**1,609.17**	**5,442.37**	**(1,863.22)**	**2,871.66**	**3,619.39**	**1,063.54**	**1,442.31**	**4,682.93**	**(2,211.51)**	**2,041.08**
	Tax Expense / benefit												
	(a) Current Tax including Tax related to earlier years	734.00	216.00	--	950.00		--	734.00	216.00	--	950.00	--	0.10
	(b) Deferred Tax charge / (credit)	1,599.44	210.00	254.75	1,809.44	(964.34)	934.08	1,599.39	210.00	254.02	1,809.39	(964.56)	933.84
	(c) MAT Entittlement	(734.00)	(216.00)	--	(950.00)		(46.08)	(734.00)	(216.00)	--	(950.00)	--	(46.08)
7	**Net Tax Expense / benefit**	**1,599.44**	**210.00**	**254.75**	**1,809.44**	**(964.34)**	**888.00**	**1,599.39**	**210.00**	**254.02**	**1,809.39**	**(964.56)**	**887.86**
8	**Net Profit/(Loss) after tax (6-7)**	**2,176.30**	**1,456.63**	**1,354.42**	**3,632.93**	**(898.88)**	**1,983.66**	**2,020.00**	**853.54**	**1,188.29**	**2,873.54**	**(1,246.95)**	**1,153.22**
9	**Profit (Loss) for the period from JV/Associates**	--	--	--	--	--	--	439.49	415.43	350.01	854.92	724.75	1,427.25
10	**Profit/(loss) for the period Attributable to:**	--	--	--	--	--	--	**2,459.49**	**1,268.97**	**1,538.30**	**3,728.46**	**(522.20)**	**2,580.47**
	Owners of the Parent	--	--	--	--	--	--	2,464.94	1,275.20	1,543.61	3,740.14	(510.76)	2,602.63
	Non-Controlling Interest	--	--	--	--	--	--	(5.45)	(6.23)	(5.31)	(11.68)	(11.44)	(22.16)
11	**Other comprehensive income**	14.88	74.65	254.70	89.53	435.76	211.39	14.88	74.65	254.70	89.53	435.76	212.67
12	**Total Comprehensive Income:**	**2,191.18**	**1,531.28**	**1,609.12**	**3,722.46**	**(463.12)**	**2,195.05**	**2,474.37**	**1,343.62**	**1,793.00**	**3,817.99**	**(86.44)**	**2,793.14**
	Owners of the Parent	--	--	--	--	--	--	**2,479.82**	**1,349.85**	**1,798.31**	**3,829.67**	**(75.00)**	**2,815.30**
	Non-Controlling Interest	--	--	--	--	--	--	**(5.45)**	**(6.23)**	**(5.31)**	**(11.68)**	**(11.44)**	**(22.16)**
13	Paid up Equity Share Capital (Face Value Rs.1/- Per Share)	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70	3,218.70
14	Other Equity						1,31,314.52						1,35,999.81
15	**Earnings per Share (of Re.1/- each) (Not Annualised):**												
	(a) Basic	0.68	0.45	0.42	1.13	(0.28)	0.62	0.76	0.40	0.48	1.16	(0.16)	0.81
	(b) Diluted	0.68	0.45	0.42	1.13	(0.28)	0.62	0.76	0.40	0.48	1.16	(0.16)	0.81

Texmaco Rail & Engineering Limited
Belgharia
Kolkata

TEXMACO RAIL & ENGINEERING LIMITED

Statement of Un-audited Financial Results

For the quarter and half year ended 30th, September, 2023

Texmaco Rail & Engineering Ltd. adventz

CIN : L29261WB1998PLC087404

Segment Revenue, Results, Assets and Liabilities

in Lakhs

Sr. No.	Particulars	STANDALONE						CONSOLIDATED					
		Quarter ended			Half Year ended		Year ended	Quarter ended			Half Year ended		Year ended
		30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023	30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	**SEGMENT REVENUE (Gross)**												
	a) Heavy Engg. Division	61,680.91	50,095.40	19,251.84	1,11,776.31	26,283.86	1,19,108.79	61,680.91	50,095.40	19,251.85	1,11,776.31	26,283.87	1,19,108.79
	b) Steel Foundry	20,269.05	17,126.41	12,371.98	37,395.46	19,189.06	54,562.15	20,269.05	17,126.41	12,371.98	37,395.46	19,189.06	54,562.15
	c) Infra – Rail & Green Energy	12,375.87	9,618.76	16,860.16	21,994.63	31,591.88	66,198.92	12,375.87	9,618.76	16,860.16	21,994.63	31,591.88	66,198.92
	d) Infra – Electrical	3,222.53	2,970.77	5,292.56	6,193.30	9,044.16	20,154.59	3,222.53	2,970.77	5,292.56	6,193.30	9,044.16	20,154.59
	Total	97,548.36	79,811.34	53,776.54	1,77,359.70	86,108.96	2,60,024.45	97,548.36	79,811.34	53,776.55	1,77,359.70	86,108.97	2,60,024.45
	Less : Inter Unit / Segment Revenue	(17,043.72)	(14,129.14)	(5,335.02)	(31,172.86)	(7,797.29)	(35,696.71)	(17,043.72)	(14,129.14)	(5,335.02)	(31,172.86)	(7,797.29)	(35,696.71)
	Net Sales/Income from operation	80,504.64	65,682.20	48,441.52	1,46,186.84	78,311.67	2,24,327.74	80,504.64	65,682.20	48,441.53	1,46,186.84	78,311.68	2,24,327.74
2.	**SEGMENT RESULTS**	-	-	-	-	-	-	-	-	-	-	-	-
	Profit before Interest & Tax												
	a) Heavy Engg. Division	3,570.86	2,037.01	288.11	5,607.87	(1,933.49)	1,694.44	3,725.68	1,736.84	369.44	5,462.52	(1,775.41)	2,006.43
	b) Steel Foundry	1,650.80	1,367.97	697.28	3,018.77	881.76	3,110.61	1,650.80	1,367.97	697.28	3,018.77	881.76	3,110.61
	c) Infra – Rail & Green Energy	485.08	46.45	1,636.61	531.53	914.65	2,329.44	485.08	46.45	1,636.61	531.53	914.65	2,329.44
	d) Infra – Electrical	418.31	272.17	444.05	690.48	817.86	1,731.62	418.31	272.17	444.05	690.48	817.86	1,731.62
	e) Others (Net of Un-allocated expenses)	241.79	240.02	243.63	481.81	464.07	1,112.84	241.72	240.02	243.62	481.74	464.02	1,014.23
	Total	6,366.84	3,963.62	3,309.68	10,330.46	1,144.85	9,978.95	6,521.59	3,663.45	3,391.00	10,185.04	1,302.88	10,192.33
	Add/ (Less) : Interest (Net)	(2,591.10)	(2,296.99)	(1,700.51)	(4,888.09)	(3,008.07)	(7,107.29)	(2,902.20)	(2,599.91)	(1,948.69)	(5,502.11)	(3,514.39)	(8,151.25)
	Profit before Exceptional Items & Tax	3,775.74	1,666.63	1,609.17	5,442.37	(1,863.22)	2,871.66	3,619.39	1,063.54	1,442.31	4,682.93	(2,211.51)	2,041.08
	Exceptional Items	--	--	--	--	--	--	--	--	--	--	--	--
	Profit before Tax	3,775.74	1,666.63	1,609.17	5,442.37	(1,863.22)	2,871.66	3,619.39	1,063.54	1,442.31	4,682.93	(2,211.51)	2,041.08
3	**SEGMENT ASSETS**												
	a) Heavy Engg. Division	1,26,321.95	1,22,613.37	95,941.34	1,26,321.95	95,941.34	1,19,834.34	1,29,278.40	1,25,583.54	95,564.20	1,29,278.40	95,564.20	1,23,118.51
	b) Steel Foundry	61,334.66	57,168.93	50,700.45	61,334.66	50,700.45	54,461.66	61,334.66	57,168.93	50,700.45	61,334.66	50,700.45	54,461.66
	c) Infra – Rail & Green Energy	1,18,961.50	1,19,087.55	1,20,343.79	1,18,961.50	1,20,343.79	1,23,403.78	1,18,961.50	1,19,087.55	1,20,343.79	1,18,961.50	1,20,343.79	1,23,403.78
	d) Infra – Electrical	27,663.84	24,945.00	27,503.05	27,663.84	27,503.05	27,100.12	27,663.84	24,945.00	27,503.05	27,663.84	27,503.05	27,100.12
	e) Others (Un-allocated)	10,992.42	9,268.02	9,278.85	10,992.42	9,278.85	9,249.42	12,589.85	10,653.88	10,239.51	12,589.85	10,239.51	10,441.53
	Total	3,45,274.37	3,33,082.87	3,03,767.48	3,45,274.37	3,03,767.48	3,34,049.32	3,49,828.25	3,37,438.90	3,04,351.00	3,49,828.25	3,04,351.00	3,38,525.60
4	**SEGMENT LIABILITIES**												
	a) Heavy Engg. Division	1,23,585.68	1,20,300.07	77,452.75	1,23,585.68	77,452.75	1,12,599.57	1,23,347.01	1,20,152.19	77,254.15	1,23,347.01	77,254.15	1,12,390.76
	b) Steel Foundry	16,181.45	9,044.53	8,914.98	16,181.45	8,914.98	7,588.64	16,181.45	9,044.53	8,914.98	16,181.45	8,914.98	7,588.64
	c) Infra – Rail & Green Energy	53,249.31	56,107.80	71,161.55	53,249.31	71,161.55	64,822.30	53,249.31	56,107.80	71,161.55	53,249.31	71,161.55	64,822.30
	d) Infra – Electrical	14,485.05	11,565.98	14,363.17	14,485.05	14,363.17	14,505.59	14,485.05	11,565.98	14,363.17	14,485.05	14,363.17	14,505.59
	e) Others (Un-allocated)	--	--	--	--	--	--	--	--	--	--	--	
	Total	2,07,501.49	1,97,018.38	1,71,892.45	2,07,501.49	1,71,892.45	1,99,516.10	2,07,262.82	1,96,870.50	1,71,693.85	2,07,262.82	1,71,693.85	1,99,307.29

Texmaco Rail & Engineering Limited
Belgharia
Kolkata

Texmaco Rail & Engineering Ltd. adventz

TEXMACO RAIL & ENGINEERING LIMITED

Statement of Un-audited Financial Results

For the quarter and half year ended 30th, September, 2023

CIN : L29261WB1998PLC087404

Notes:

1. (i) The above results have been reviewed by the Audit Committee at its Meeting held on 13th October, 2023 and approved by the Board of Directors at their Meeting held on 14th October, 2023.

   (ii) The above results for the quarter and half year ended 30th September, 2023 have been reviewed by the Statutory Auditors as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

   (iii) The above results have been prepared in accordance with the Ind-AS.

2. The Company has reclassified its Segment Report during the current quarter to appropriately represent the strategic realignment of its business operations. These changes involve reclassification and reorganization of reportable segments by aligning Segment Reporting with the current business activities and strategic focus. Accordingly, the comparative figures for the previous quarters have been regrouped/rearranged wherever necessary to conform to the disclosures of the current quarter.

3. The Board has considered and approved demerger of its "Infra – Rail & Green Energy" division into "M/s. Belgharia Engineering Udyog Private Limited" and approved a Scheme of Arrangement in this regard to ensure a focused business approach subject to necessary approvals including that from the Securities and Exchange Board of India (SEBI), the shareholders and creditors of the Company and the Hon'ble Company Law Tribunal, Kolkata Bench ("NCLT").

4. Previous period's figures have been re-grouped/ re-arranged wherever necessary.

Registered Office :
Belgharia, Kolkata -700 056
Phone No. +91-33-25691500
Fax No. +91-33-25412448
Website : www.texmaco.in

Place : Kolkata
Dated : 14th October, 2023

Texmaco Rail & Engineering Limited
Belgharia
Kolkata

INDRAJIT MOOKERJEE
DIN: 01419627
Executive Director & Vice Chairman

CIN : L29261WB1998PLC087404

STATEMENT OF ASSETS AND LIABILITIES

Rs. In Lakh

Sr. No.	Particulars	STANDALONE		CONSOLIDATED	
		As at 30-9-2023	As at 31-3-2023	As at 30-9-2023	As at 31-3-2023
I	**ASSETS :**				
1	**Non-current Assets**				
	(a) Property, Plant & Equipment	34,052.45	33,669.59	40,174.69	40,091.99
	(b) Right-of -Use Assets	466.15	194.85	466.15	194.85
	(c) Capital work-in-progress	1,578.28	928.45	1,578.28	928.45
	(d) Investment Property	2,759.21	2,804.11	2,759.21	2,804.11
	(e) Other Intangible Assets	39.87	46.20	39.87	46.20
		38,895.96	**37,643.20**	**45,018.20**	**44,065.60**
2	**Financial Assets**				
	(a) Investments	10,974.17	9,231.82	12,571.60	10,423.93
	(b) Loans	-	-		-
	(c) Bank Balances	4,366.01	3,379.14	4,366.01	3,379.14
	(d) Others	739.36	740.29	739.36	740.29
	(e) Deferred Tax Assets (Net)	5,133.35	5,992.80	5,134.20	5,993.56
	(f) Other Non current Assets	2,323.34	1,221.72	2,323.34	1,221.72
		23,536.23	**20,565.77**	**25,134.51**	**21,758.64**
3	**Current Assets**				
	(a) Inventories	70,979.52	67,627.21	70,979.52	67,627.21
	(b) Financial Assets				
	(i) Investments	18.25	17.60	18.25	17.60
	(ii) Trade receivables	80,323.70	78,489.32	80,324.28	78,489.32
	(iii) Cash & cash equivalents	2,599.63	3,043.28	2,614.32	3,076.76
	(iv) Bank balances other than (iii) above	11,232.72	12,224.81	11,232.72	12,224.81
	(v) Loans	4,626.96	4,724.40	1,399.04	1,518.24
	(c) Current Tax Assets (Net)	5,008.74	5,745.02	5,058.37	5,778.12
	(d) Other Current Assets	1,08,052.66	1,03,968.71	1,08,049.04	1,03,969.30
		2,82,842.18	**2,75,840.35**	**2,79,675.54**	**2,72,701.36**
	TOTAL ASSETS	**3,45,274.37**	**3,34,049.32**	**3,49,828.25**	**3,38,525.60**
II	**EQUITY AND LIABILITIES:**				
1	**Equity**				
	(a) Equity Share Capital	3,218.70	3,218.70	3,218.70	3,218.70
	(b) Other Equity	1,34,554.18	1,31,314.52	1,39,346.73	1,35,999.81
		1,37,772.88	**1,34,533.22**	**1,42,565.43**	**1,39,218.51**
2	Non-Controlling Interest		-	(252.98)	(241.30)
3	**Non-current Liabilities :**				
	(a) Financial Liabilities				
	(i) Borrowings	21,341.73	16,359.44	21,341.73	16,359.44
	(ii) Lease Liabilities	119.62	119.66	119.62	119.66
	(b) Provisions	961.10	878.57	961.09	878.57
	(c) Other Non Current Liabilities	8,489.17	9,023.59	8,489.16	9,023.59
		30,911.62	**26,381.26**	**30,911.60**	**26,381.26**
4	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	87,431.61	81,890.23	87,431.62	81,890.23
	(ii) Lease Liabilities	36.93	30.70	36.93	30.70
	(ii) Trade Payables				
	(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	50,823.42	56,828.93	50,848.58	56,854.51
	(iii) Other financial liabilities	4,210.57	3,585.65	4,190.97	3,579.58
	(b) Other current liabilities	32,720.67	28,933.34	32,729.43	28,946.12
	(c) Provisions	1,366.67	1,865.99	1,366.67	1,865.99
		1,76,589.87	**1,73,134.84**	**1,76,604.20**	**1,73,167.13**
	TOTAL EQUITY AND LIABILITIES	**3,45,274.37**	**3,34,049.32**	**3,49,828.25**	**3,38,525.60**
		-	-	-	-

Texmaco Rail & Engineering Limited Belgharia Kolkata

STATEMENT OF CASH FLOW

Rs. in Lakh

Sr. No.	Particulars	STANDALONE As at 30-09-2023	STANDALONE As at 30-09-2022	CONSOLIDATED As at 30-09-2023	CONSOLIDATED As at 30-09-2022
A)	**Cash Flows From Operating Activities:**				
	Net Profit before Taxation & Exceptional Items	**5,442.37**	**(1863.22)**	**4,682.93**	**(2,211.51)**
	Adjustments for:				
	Depreciation	1,751.21	1,735.33	2,051.36	1,744.08
	Interest Paid	7,114.93	5,287.24	7,114.94	5,287.24
	Bad Debt Written off	25.84	22.21	25.84	22.21
	Interest Received	(1,025.96)	(834.00)	(411.95)	(327.68)
	Income From Investments	(0.57)	(0.42)	(0.57)	(0.42)
	Profit on Sale Of Investments-Current (Net)	-	-	-	-
	Gain on Fair Value of Bonds/Mutual Funds	(0.65)	(0.32)	(0.65)	(0.32)
	Loss/(Profit) on Sale of Property, Plant and Equipment (Net)	(13.33)	(16.37)	(13.33)	(16.37)
		7,851.47	**6,193.67**	**8,765.64**	**6,708.74**
		13,293.84	4,330.45	13,448.57	4,497.23
	Operating Profit before Working Capital Changes & Exceptional Items				
	(Increase)/Decrease in Trade & Other Receivables	(6,058.25)	(18,012.71)	(6,067.33)	(18,011.57)
	(Increase)/Decrease in Inventories	(3,352.31)	(19,591.10)	(3,352.31)	(19,591.10)
	Increase/(Decrease) in Trade Payables & Other Liabilities	(2,683.18)	20,641.71	(2,688.45)	20,630.99
		(12,093.74)	**(16,962.10)**	**(12,108.09)**	**(16,971.68)**
	Cash Generated from Operations	1,200.10	(12,631.65)	1,340.48	(12,474.45)
	Direct Taxes Paid	(213.72)	281.61	(230.25)	265.49
	Cash Flow before Exceptional Items	**986.38**	**(12,350.04)**	**1,110.23**	**(12,208.96)**
	Exceptional Items	-	-	-	-
	Net Cash from Operating Activities	**986.38**	**(12,350.04)**	**1,110.23**	**(12,208.96)**
B)	**Cash Flows From Investing Activities**				
	Sale/(Purchase) of Property,Plant & Equipments	(3,811.27)	(1,607.81)	(3,811.27)	(1,607.81)
	(Purchase)/Sale of Investments (Net)	(1,701.01)	(2,145.11)	(1,700.00)	(1,807.80)
	Bank Deposits (Includes having original maturity more than three months)	5.22	282.02	5.22	282.02
	Interest Received	1,224.99	1,822.91	1,224.99	1,316.59
	Dividend Received	0.57	0.42	0.57	0.42
	Cash from Investing Activities	**(4,281.50)**	**(1,647.57)**	**(4,280.49)**	**(1,816.58)**
C)	**Cash Flows From Financing Activities**				
	Receipt/(Payment) of Long Term Borrowings	4,982.29	17,091.01	5,004.05	17,091.01
	Receipt/(Payment) of Short Term Borrowings	5,541.38	641.08	5,541.38	641.08
	Repayment of Lease Liability	(265.11)	-	(265.12)	-
	Interest Paid	(7,163.55)	(5,413.48)	(7,328.95)	(5,393.60)
	Dividend Paid	(291.73)	(194.19)	(291.73)	(194.19)
	Cash from Financing Activities	**2,803.28**	**12,124.42**	**2,659.63**	**12,144.30**
D	**Changes in Foreign Currency Translation arising from Foreign Operations**	48.19	437.43	48.19	437.43
	Net Decrease in Cash and Cash Equivalents	(443.65)	(1,435.76)	(462.44)	(1,443.81)
	Cash And Cash Equivalents at the beginning of the period	3,043.28	5,561.71	3,076.76	5,606.76
	Cash and Cash Equivalents at the end of the period	2,599.63	4,125.95	2,614.32	4,162.95
	Note:				
	(1) Details of Cash and Equivalents				
	Balances with banks-				
	Current Accounts	2,563.28	4,091.96	2,577.45	4,128.44
	Cash in hand	36.35	33.99	36.87	34.51
		2,599.63	**4,125.95**	**2,614.32**	**4,162.95**

Texmaco Rail & Engineering Limited
Belgharia
Kolkata

Independent Auditor's Report

To

The Members of

TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of TEXMACO RAIL & ENGINEERING LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and jointly controlled entities , which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity 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 "Consolidated Financial Statements").

   In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entities referred to in the Other Matters paragraph, 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 their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Procedures Performed
Revenue Recognition for long term projects The Company's significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues and onerous obligations, profits may deviate significantly on account of change in judgements and estimates.	Our audit procedures included the following: ● We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 -Revenue from Contracts with Customers. ● We identified and tested controls related to revenue recognition and our audit procedure focused on determination of progress of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations through inspection of evidence of performance of these controls. ● We tested on a sample basis, and inspected the underlying customer contracts, performed retrospective review of costs incurred with estimated costs to identify significant variations and assessed whether those variations were considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management's evaluation process to recognize revenue over a period of time, the status of completion for projects and total cost estimates. We analysed the forecast of sample contracts arising from contract modifications and current ongoing negotiations and settlements that may impair the profitability of such contracts as well as the collectability of such contracts by reference to the recent credit review assessment of the customer prepared by management. ● We inspected contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates, probable penalties due to delay in contract execution and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required. We assessed that the contractual positions and revenue for the year were presented and disclosed in the financial statements.
Contingent Liabilities The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states. The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2023 the Company	**Principal Audit Procedures** In assessing the exposure of the Company for the tax litigations, we have performed the following procedures: ● Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable); ● Assessed the processes and entity level controls established by the Company to ensure completeness of

Key Audit Matter	Procedures Performed
has an amount of Rs. 18,618.86 Lakhs involved in various pending tax litigations. Ind AS 37 requires the Company to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.	information with respect to tax litigations; ● Along with our tax experts, we undertook the following procedures: ● Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management; ● Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; ● Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; ● Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. ● Read the disclosures included in the financial statements in accordance with Ind AS 37.

Other Information

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.

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

6. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

7. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities 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 and jointly controlled entities and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 including its associate and jointly controlled entities are responsible for assessing the ability of the Group and its associate and jointly controlled entities 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 its associate and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entities.

Auditor's Responsibility 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 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.

- Obtained 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group, its associate and its jointly controlled entities which are companies incorporated in India have adequate internal financial controls system 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, its associate and its jointly controlled entities 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, its associate and its jointly controlled entities 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 jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our

independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when 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.

16. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Other Matters

17 (a) In one of the subsidiaries audited by us, there exists a material uncertainty relating to the going concern the subsidiary has a negative net worth as a result of accumulated losses. Further, the subsidiary is yet to commence commercial operations and did not have any operational revenue during the year. These conditions may cast significant doubt about the subsidiary's ability to continue as a going concern. As stated in the note 1.42 of the consolidated financial statements, the Management intends to continue the operations of the Company and is in discussion with couple of technology provider to explore its sustainability in Indian Market. Accordingly, the financial statements of the subsidiary have been prepared on a going concern basis.

(b) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of 6455.50 lakhs as at March 31, 2023, total revenues of 331.88 lakhs, total net profit after tax of 23.46 lakhs and total comprehensive income of 23.46 lakhs and cash flows (net) of (2.46) lakhs for the year ended on that date as considered in the financial statements. The consolidated financial statements also include the Group's share of net profit of 1427.25 lakhs and total comprehensive income of 1428.53 lakhs for the year ended March 31, 2023 as considered in the consolidated financial statements in respect of two jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of the subsidiary and these jointly controlled entities are based solely on the reports of such other auditors.

Our opinion on the consolidated Financial Statements 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.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion proper books of accounts 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 Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, its associate and jointly controlled entities, none of the directors of the Group's companies and its associate and jointly controlled entities incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “Annexure A”, which is based on the auditor's report of the parent, subsidiary companies and jointly controlled entities, which are companies incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and the records of the Group examined by us, the total managerial remuneration paid as reflected in the financial statements for the year ended 31st March 2023 is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, as applicable.

(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 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 of pending litigations on the consolidated financial position of the Group and its associate and jointly controlled entities – Refer Note 1.45 to the consolidated financial statements.

ii. The Group and its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate and jointly controlled entities companies incorporated in India.

iv (a) The Management has represented that, to the best of its 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 Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Company has neither declared nor paid any interim dividend during the year.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

(Ranjan Singh)
Partner
Membership No. 305423
UDIN: 23305423BHAHBV9843

Place: Kolkata
Date: 12.05.2023

ANNEXURE –A TO THE INDEPENDENT AUDITOR'S REPORT To the members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 18(f) of the Auditors' Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub –section 3 of Section 143 of the Companies Act, 2013("the Act")

1. We have audited the internal financial controls over financial reporting of TEXMACO RAIL & ENGINEERING LIMITED. (Hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which are companies incorporated in India as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the of the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the respective companies 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries and jointly controlled entities which are companies incorporated in India based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its jointly controlled entities, which are companies incorporated in India, 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 internal financial controls system over financial reporting the Company, its subsidiary companies and its jointly controlled entities which are companies incorporated in India

Meaning of Internal Financial Control over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally

accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and one jointly controlled entity, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

(Ranjan Singh)
Partner
Membership No. 305423
UDIN: 23305423BHAHBV9843

Place: Kolkata
Date: 12.05.2023

Consolidated Balance Sheet as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I ASSETS :			
(1) Non-current Assets			
(a) Property, Plant & Equipment	1.01	40,091.99	35,916.13
(b) Right-of-Use Assets	1.02a	194.85	43.34
(c) Capital work-in-progress	1.02b	928.45	245.92
(d) Investment Property	1.02c	2,804.11	2,893.93
(e) Other Intangible Assets	1.03	46.20	49.68
(f) Financial Assets			
(i) Investments	1.04	10,423.93	7,694.15
(ii) Bank Balance	1.05	3,379.14	1,411.07
(iii) Others	1.06	740.29	902.83
(g) Deferred Tax Assets (Net)	1.07	5,993.56	6,881.32
(h) Other Non current Assets	1.08	1,221.72	424.23
		65,824.24	**56,462.60**
(2) Current Assets			
(a) Inventories	1.09	67,627.21	36,105.25
(b) Financial Assets			
(i) Investments	1.10	17.60	16.70
(ii) Trade Receivables	1.11	78,489.32	56,994.22
(iii) Cash & cash equivalents	1.12	3,076.76	5,606.76
(iv) Bank balances other than (iii) above	1.13	12,224.81	11,659.04
(v) Loans	1.14	1,518.24	2,277.47
(c) Current Tax Assets (Net)	1.15	5,778.12	5,250.96
(d) Other Current Assets	1.16	1,03,969.30	92,032.64
		2,72,701.36	**2,09,943.04**
TOTAL ASSETS		**3,38,525.60**	**2,66,405.64**
II EQUITY AND LIABILITIES:			
(1) Equity			
(a) Equity Share capital	1.17	3,218.70	3,218.70
(b) Other Equity	1.18	1,35,999.81	1,29,835.31
Non-Controlling Interest		(241.30)	(220.14)
(2) Non-current Liabilities :			
(a) Financial Liabilities			
(i) Borrowings	1.19	16,359.44	4,765.81
(ii) Lease liabilities	1.19a	119.66	-
(b) Provisions	1.20	878.57	855.42
(c) Other non current liabilities	1.21	9,023.59	11,524.08
		26,381.26	**17,145.31**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1.22	81,890.23	66,214.04
(ii) Lease liabilities	1.22a	30.70	-
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1.23	56,854.51	31,164.39
(iv) Other financial liabilities	1.24	3,579.58	3,332.31
(b) Other current liabilities	1.25	28,946.12	13,159.03
(c) Provisions	1.26	1,865.99	2,556.69
		1,73,167.13	**1,16,426.46**
TOTAL EQUITY AND LIABILITIES		**3,38,525.60**	**2,66,405.64**
Significant accounting Policies & Notes	B		

Notes referred to above form an integral part of the Financial Statements
In terms of our Report of even date attached herewith.

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

Ranjan Singh
Partner
Membership No.305423
F2/2, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 12th May, 2023

K. K. Rajgaria
Company Secretary

Hemant Bhuwania
C.F.O

Directors
S. K. Poddar
Utsav Parekh
Indrajit Mookerjee
D. H. Kela
A.K. Vijay

Consolidated of Profit and Loss for the year ended 31st March, 2023

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
I	Revenue From operations	1.27	2,24,327.74	1,62,173.59
II	Other Income	1.28	2,637.42	2,243.13
III	**Total Income (I +II)**		**2,26,965.16**	**1,64,416.72**
IV	**EXPENSES**			
	Cost of materials consumed	1.29	1,73,909.24	1,11,724.71
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.30	(12,323.16)	(2,301.91)
	Employee benefit expense	1.31	13,005.71	12,603.35
	Finance costs	1.32	11,617.49	10,024.14
	Depreciation and amortization expense	1.33	3,519.61	3,600.20
	Other expenses	1.34	35,195.19	26,125.98
	Total expenses (IV)		**2,24,924.08**	**1,61,776.47**
V	Profit(loss) before tax (III-IV)		2,041.08	2,640.25
VI	Exceptional items		-	-
VII	**Profit(loss) before tax**		**2,041.08**	**2,640.25**
VIII	**Tax Expenses**			
	a) Current Tax		0.10	32.98
	b) MAT Credit Entitlement		(46.08)	(32.98)
	c) Deferred Tax		933.84	1,368.26
	d) Income Tax Paid Related to Earlier Years		-	49.99
			887.86	1,418.25
IX	**Profit (Loss) for the period (V-VI)**		**1,153.22**	**1,222.00**
X	**Profit/(loss) for the period from JV/Associates**		1,427.25	**830.79**
XI	**Profit/(loss) for the period**		**2,580.47**	2,052.79
XII	**Other comprehensive income**	1.35		
	A (i) Items that will not be reclassified to profit or loss		(46.71)	1,211.98
	B (i) Items that will be reclassified to profit or loss		259.38	(210.65)
			212.67	**1,001.33**
XIII	**Total Comprehensive Income for the period**		**2,793.14**	**3,054.12**
XIV	**Profit/(loss) for the period Attributable to:**		**2,580.47**	**2,052.79**
	Owners of the Parent		2,602.63	2,050.01
	Non-Controlling Interest		(22.16)	2.78
XV	**Other Comprehensive Income Attributable to:**		**212.67**	**1,001.33**
	Owners of the Parent		212.67	1,001.33
	Non-Controlling Interest		-	-
XVI	**Total Comprehensive Income Attributable to:**		**2,793.14**	**3,054.12**
	Owners of the Parent		2,815.30	3,051.34
	Non-Controlling Interest		(22.16)	2.78
XVII	**Earnings per equity share (face value ₹1 each)**	1.37		
	a) Basic		0.81	0.75
	b) Diluted		0.81	0.75
	Significant accounting Policies & Notes	B		

Notes referred to above form an integral part of the Financial Statements

In terms of our Report of even date attached herewith.

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

Ranjan Singh
Partner
Membership No.305423
F2/2, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 12th May, 2023

K. K. Rajgaria
Company Secretary

Hemant Bhuwania
C.F.O

Directors
S. K. Poddar
Utsav Parekh
Indrajit Mookerjee
D. H. Kela
A.K. Vijay

Statement of Consolidated Cash Flow for the year ended 31st March, 2023

(₹ in Lakhs)

	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
A)	**Cash Flows from Operating Activities:**		
	Net Profit before Taxation & Exceptional Items	**2,041.08**	**2,640.25**
	Adjustments for:		
	Depreciation	3,519.61	3,600.20
	Interest Paid	11,617.49	10,024.14
	Bad Debt Written off	497.77	231.45
	Provision and Excess Liabilities Written Back / Off (Net)	(1.94)	(1.46)
	Interest Received	(628.47)	(374.96)
	Income From Investments	(0.83)	(60.05)
	Profit on Sale Of Investments-Current (Net)	-	(22.30)
	Gain on Fair Value of bonds / Mutual	(0.90)	(0.69)
	Loss / (Profit) on Sale Of Property, Plant and Equipment (Net)	(22.08)	(10.30)
		14,980.65	**13,386.03**
		17,021.73	**16,026.28**
	Operating Profit before Working Capital Changes & Exceptional Items	-	-
	(Increase) / Decrease in Trade & Other Receivables	(33,703.44)	3,719.50
	(Increase) / Decrease in Inventories	(31,521.96)	(5,175.60)
	Increase / (Decrease) in Trade Payables & Other Liabilities	38,449.13	(9,663.91)
		(26,776.27)	(11,120.01)
	Cash Generated from Operations	(9,754.54)	4,906.27
	Direct Taxes Paid	(529.35)	(2,189.27)
	Cash Flow before Exceptional Items	**(10,283.89)**	2,717.00
	Exceptional Items	-	-
	Net Cash (used)/ generated from Operating Activities	**(10,283.89)**	**2,717.00**
B)	**Cash Flows From Investing Activities**		
	Sale / (Purchase) of Property, Plant & Equipments	(5,274.37)	(1,575.93)
	(Purchase) / Sale of Investments (Net)	(2,143.11)	7,415.71
	Bank Deposits (Includes having original maturity more than three months)	(2,533.84)	(3,774.93)
	Interest Received	2,247.34	(187.84)
	Dividend Received	99.28	158.50
	Net Cash (used) / generated from Investing Activities	**(7,604.70)**	**2,035.51**
C)	**Cash Flows from Financing Activities**		
	Receipt / (Payment) of Long Term Borrowings	11,591.55	1,186.72
	Receipt / (Payment) of Short Term Borrowings	15,676.19	(8,096.63)
	Increase in Share Capital	-	715.27
	Increase in Securities Premium	-	15,397.74
	Repayment of Lease Liability	(1.14)	-
	Interest Paid	(11,843.84)	(10,147.81)
	Dividend Paid	(323.55)	(250.53)
	Net Cash generated/ (used) in Financing Activities	**15,099.21**	**(1,195.24)**
D)	**Changes in Foreign Currency Translation arising from Foreign Operations**	259.38	(210.65)
	Net Decrease in Cash and Cash Equivalents	(2,530.00)	3,346.62
	Cash and Cash Equivalents at the beginning of the period	5,606.76	2,260.14
	Cash and Cash Equivalents at the end of the period	3,076.76	5,606.76
	Note:		
	(1) Details of Cash and Equivalents as on		
	Balances with banks		
	Current Accounts	3,022.86	5,565.09
	Cheques on hand	0.06	-
	Cash in hand	53.84	41.67
		3,076.76	**5,606.76**

Notes above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS-7 (Statement of Cash Flow)

In Terms of our Report of even date attached herewith.
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

Ranjan Singh
Partner
Membership No.305423
F2/2, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 12th May, 2023

K. K. Rajgaria
Company Secretary

Hemant Bhuwania
C.F.O

Directors
S. K. Poddar
Utsav Parekh
Indrajit Mookerjee
D. H. Kela
A.K. Vijay

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

a. Equity Share Capital

(₹ in lakhs)

Particulars	Issued, Subscribed Paid up Capital
Balance as at 01.04.2021	**2,503.43**
Add: Change in Equity Share Capital during the year	715.27
Balance as at 31.03.2022	**3,218.70**
Add: Change in Equity Share Capital during the year	-
Balance as at 31.03.2023	**3,218.70**

b. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital reserve	Revaluation Surplus	Securities premium account	General Reserve	Share Option Outstanding Account	Retained earnings	Equity instruments/ retained benefits/income in Associates and Joint Ventures through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1st April, 2021	**1,626.60**	**-**	**47,579.85**	**47,420.92**	**1,184.36**	**11,076.03**	**2,638.83**	**109.94**	**1,11,636.53**
Income for the year	-	-	-	-	-	2,050.01	-	-	2,050.01
Other Comprehensive Income for the year	-	-	-	-	-	-	1,237.93	(210.65)	1,027.28
Issue of Equity Shares under Rights Issue	-	-	15,735.86	-	-	-	-	-	15,735.86
Adjusments for Rights Issue expenses		-	(338.12)						(338.12)
Dividend on Equity Shares	-	-	-	-	-	(250.34)	-	-	(250.34)
Remeasurement of the net defined benefit plan		-					(25.68)		(25.68)
Realised Profit on sale of equity shares transferred from equity instrument through other comprehensive income						3,787.78	(3,787.78)		-
Transfer to/from retained earnings	-	-	-	-	-	(25.68)	25.68	-	-
Transfer to / from General Reserve	-	-	-	200.00	-	(200.00)	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Asssociates & Joint Ventures	-	-	-	-	-	(0.23)	-	-	(0.23)
Balance as at 31st March, 2022	**1,626.60**	**-**	**62,977.59**	**47,620.92**	**1,184.36**	**16,437.57**	**88.98**	**(100.71)**	**1,29,835.31**
Income for the year	-	-	-	-	-	2,602.63	-	-	2,602.63
Other Comprehensive Income for the year	-	-	-	-	-	-	(31.68)	259.38	227.70
Revaluation of Assets		3,671.07							3,671.07
Issue of Equity Shares under Rights Issue	-	-	-	-	-	-	-	-	-
Adjusments for Rights Issue expenses	-	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	(321.87)	-	-	(321.87)
Remeasurement of the net defined benefit plan	-	-	-	-	-	-	(16.31)	-	(16.31)
Realised Profit on sale of equity shares transferred from equity instrument through other comprehensive income	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	-	-	-	-	-	(16.31)	16.31	-	-
Transfer to / from General Reserve	-	-	-	200.00	-	(200.00)	-	-	-
Transfer to/from Share Option Outstanding Account	-	-	-	1,184.36	(1,184.36)	-	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Associates & Joint Ventures	-		-	-	-	1.28	-	-	1.28
Balance as at 31st March, 2023	**1,626.60**	**3,671.07**	**62,977.59**	**49,005.28**	**-**	**18,503.30**	**57.30**	**158.67**	**1,35,999.81**

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E
Ranjan Singh
Partner
Membership No.305423
F2/2, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 12th May, 2023

K. K. Rajgaria
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Directors
S. K. Poddar
Utsav Parekh
Indrajit Mookerjee
D. H. Kela
A.K. Vijay

Notes on Consolidated Financial Statement

A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Holding Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

The Holding Company and its subsidiaries are engaged in the manufacturing, selling and providing service for Rail and Rail related products. The Company manufactures a diverse range of products.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

These financial statements have been prepared in accordance with IndAS prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of Accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefits plans which are measured at fair values at the end of each reporting period. Historical cost is generally based on the value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Functional currency of the Company is in Indian Rupees. These Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained it's operating cycle as 12 months for the purpose of current and non- current classification of assets and liabilities.

(iii) Use of Estimates

The preparation of the Financial Statements in conformity with INDAS requires the management to make estimates, judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each year. The policy has been explained under note B (xxi).

(iv) Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition/revalued amount or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation has been provided on straight line method in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act, 2013 except certain assets for which useful life of assets has been ascertained based on report of technical experts. All assets costing 5,000 or below are fully depreciated in the year of addition.

The Company, based on technical assessment made by technical expert and management estimate, depreciates Building and Plant & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

• Buildings (Site Office)	3 years
• Buildings/Investment Property	30 to 60 years
• Roads	5 to 10 years
• Railway Sidings	15 to 30 years
• Electrical Machinery	10 to 20 years
• Plant & Equipment	5to 17 years
• Furniture	10 years
• Office Equipment	5 years
• Computers	3 years
• Motor Vehicles	8 years
• Intangible Assets (Software)	6 years

Capital work-in-progress

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as Capital Advances.

Investment Properties

Properties that are held for - long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any, Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets are amortized on Straight Line Basis over a period of 6 years.

(vi) 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(vii) Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to statement profit or loss immediately.

(viii) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(a) Financial assets carried at amortized cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Investment in Equity Instruments at fair value through other comprehensive income

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e) Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at cost in the Financial Statements.

f) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

g) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(ix) Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(x) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of GST, trade discounts, rebates but includes excise duty. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Export incentives, certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

a. Revenue from Operations

Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

b. Revenue from construction contracts

Revenue from contract with customers is recognised when a performance obligation is satisfied by transferred of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

The company transfers controls of a goods or service over time and therefore satisfies a performance obligation and recognise revenue over a period of time if one of following criteria is met:

(i) The customer simultaneously consumes the benefits of Company's performance or

(ii) The customer controls the assets as it is being created/enhanced by the company's performance or

(iii) There is no alternative use of assets and the company has either explicit or implicit rights of payment considering legal precedents.

Transaction price is the amount of consideration to which company expects to be entitled in exchange for transferring goods or services to a customer. The company includes Variable consideration as part of transaction price when there is basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price.

Significant judgements are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time, revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
3. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the price.

For contracts where the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract assets and termed as “unbilled revenue”. For contracts where the progress billing exceeds the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be), the surplus is shown as contract liability and termed as “Advances from customer”. The amounts billed on the customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by customers pending completion of performance milestone is disclosed as part of contract asset and is classified as trade receivables when it became due for payment.

Impairment loss (termed as provision for impairment loss in financial statement) is recognised in the statement of Profit & Loss to the extent the carrying amount of the contract assets exceeds the remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations).

c. **Other Income**

Other income comprises of primarily of Interest Income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental Income and Claims (if any).

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Dividend Income is recognized as and when right to receive payment is established provided, which is generally after the shareholders approves it in the Annual General Meeting.

Gain/ (Loss) on sale of Current/ Non-Current Investments are recognized at the time of redemption/ Sale and at Fair value at each reporting period.

Rent Income/Lease rentals are recognized on accrual basis in accordance with the terms of agreements.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(xi) Employee Benefits

The Company's contribution to provident fund, pension fund, employees' state insurance scheme and super-annuation fund are charged on accrual basis to Statement of Profit & Loss.

a. **Short term benefits:**

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. **Defined contribution retirement benefits:**

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis s-vis interest rate declared by the Employees' Provident Fund Organisation.

c. **Defined benefit retirement benefits:**

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees.

Remeasurement, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognized in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in the comprehensive income are not reclassified to the statement of profit and loss but recognized directly in the retained earnings. Past service costs are recognized in the statement of profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

d. Voluntary Retirement Scheme Benefits

Voluntary retirement scheme benefits are recognized as an expense in the year they are incurred.

(xii) Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

(xiii) Custom Duty& Goods & Service Tax (GST)

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods.

(xiv) Research and Development

Research and Development expenditures of revenue nature are charged to Profit & Loss Account, while capital expenditure is added to the cost of fixed assets in the year in which these are incurred.

(xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on weighted average basis.

Stores and Spares are valued on the "weighted average" basis.

(xvi) Lease

a. Where the Company is the lessee

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the present value of lease payments to be made over the lease term, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease agreement period of underlying assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit &Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of Profit & Loss.

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

(xvii) Foreign Currency Transactions and Exchange Differences

Transactions in currencies other than entity's functional currency (spot rates) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are premeasured at the rates of exchange prevailing at that date. Exchange difference on monetary items are recognized in the statement of Profit & Loss in the period in which they arise. Non-monetary items carried at historical cost are translated using exchange rates at the dates of the initial transaction.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions &

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognise at the date of sale of the relevant products, at the management's best estimate of the expenditure -required to settlethe Company's warranty obligation.

b. Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognized and measured as provisions.

c. Contingent liabilities

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

d. Contingent Assets

Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain.

(xix) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xx) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(xxi) Segment Reporting

a) Based on the organizational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Heavy Engineering Division and Steel Foundry Division and Rail EPC.

b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.

c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a. Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

b. Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognized as they become receivable. In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss.

(xxiv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xxv) Cash Flow Statement

Cash Flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Companya re segregated.

(xxvi) Exceptional Item

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.

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
Jointly controlled assets	Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	**(a) Integrated joint ventures:** (i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures. (ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses. **(b) Incorporated jointly controlled entities:** (i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established. (ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature.

(xxviii) Standards notified but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as follows:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Notes on Consolidated Financial Statement

Note1.01 Property, Plant and Equipment

(₹ in lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2022	Additions during the year	Sales / Adjustments	As at 31.03.2023	As at 01.04.2022	During the year	Sales / Adjustments	As at 31.03.2023	As at 31.03.2023
Property, Plant & Equipment:									
Land	3,880.75	3,671.07	107.45	7,444.37	111.07	-	101.12	9.95	7,434.42
Buildings	11,273.87	1,680.64	0.02	12,954.49	2,178.21	348.25	-	2,526.46	10,428.03
Roads	196.49	-	-	196.49	130.46	13.10	-	143.56	52.93
Railway Sidings	304.98	24.42	-	329.40	69.13	15.98	-	85.11	244.29
Plant & Machinery	34,058.22	2,001.34	98.41	35,961.15	12,797.28	2,668.73	49.86	15,416.15	20,545.00
Electrical Machinery	716.50	70.68	-	787.18	367.05	52.73	-	419.78	367.40
Office Equipments	1,071.74	42.74	121.34	993.14	835.24	103.50	120.27	818.47	174.67
Furniture & Fittings	676.90	21.99	17.69	681.20	383.68	53.04	6.25	430.47	250.73
Vehicles	988.59	141.28	165.08	964.79	379.79	126.46	135.98	370.27	594.52
Total	**53,168.04**	**7,654.16**	**509.99**	**60,312.21**	**17,251.91**	**3,381.79**	**413.48**	**20,220.22**	**40,091.99**
Note: 1.02									
a) Right to Use	45.37	178.14	(1.13)	224.64	2.03	27.64	(0.12)	29.79	194.85
b) Capital Work in Progress (CWIP)	245.92	1,229.01	546.48	928.45	-	-	-	-	928.45
c) Investment Property	3,638.16	-	-	3,638.16	744.23	89.82	-	834.05	2,804.11
Total	**3,929.45**	**1,407.15**	**545.35**	**4,791.25**	**746.26**	**117.46**	**(0.12)**	**863.84**	**3,927.41**
Note: 1.03									
Intangible Assets:				-					
Software	544.65	16.89	-	561.54	494.97	20.36	(0.01)	515.34	46.20
Total	**544.65**	**16.89**	**-**	**561.54**	**494.97**	**20.36**	**(0.01)**	**515.34**	**46.20**
Grand Total	**57,642.14**	**9,078.20**	**1,055.34**	**65,665.00**	**18,493.14**	**3,519.61**	**413.35**	**21,599.40**	**44,065.60**

During the year, the addition to Land represents an increase of Rs. 3671.07 lakhs due to revaluation done by one of the wholly owned subsidiary viz Belur Engineering Pvt. Ltd. of its 4.73 Acres land based, on the report submitted by a registered valuer.

Previous Year

(₹ in lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2021	Additions during the year	Sales / Adjustments	As at 31.03.2022	As at 01.04.2021	During the year	Sales / Adjustments	As at 31.03.2022	As at 31.03.2022
Property, Plant & Equipment:									
Land	3,923.14	-	42.39	3,880.75	150.82	0.02	39.77	111.07	3,769.68
Buildings	11,230.76	43.11	-	11,273.87	1,802.70	375.51	-	2,178.21	9,095.66
Roads	196.49	-	-	196.49	113.61	16.85	-	130.46	66.03
Railway Sidings	219.12	85.86	-	304.98	58.01	11.12	-	69.13	235.85
Plant & Machinery	32,795.27	1,704.12	441.17	34,058.22	10,375.91	2,694.53	273.16	12,797.28	21,260.94
Electrical Machinery	716.05	0.45	-	716.50	314.16	52.89	-	367.05	349.45
Office Equipments	1,043.54	60.71	32.51	1,071.74	719.87	143.37	28.00	835.24	236.50
Furniture & Fittings	752.82	10.67	86.59	676.90	403.59	55.98	75.89	383.68	293.22
Vehicles	918.84	174.43	104.68	988.59	326.88	126.81	73.90	379.79	608.80
Total	**51,796.03**	**2,079.35**	**707.34**	**53168.04**	**14,265.55**	**3,477.08**	**490.72**	**17,251.91**	**35,916.13**
Note: 1.02									
a) Right to Use	45.37	-	-	45.37	1.36	0.67	-	2.03	43.34
b) Capital Work in Progress (CWIP)	392.92	1,446.35	1,593.35	245.92	-	-	-	-	245.92
c) Investment Property	3,638.16	-	-	3,638.16	654.42	89.81	-	744.23	2,893.93
Total	**4,076.45**	**1,446.35**	**1,593.35**	**3,929.45**	**655.78**	**90.48**	**-**	**746.26**	**3,183.19**
Note: 1.03									
Intangible Assets:				-					
Software	519.89	24.76	-	544.65	462.33	32.64	-	494.97	49.68
Total	**519.89**	**24.76**	**-**	**544.65**	**462.33**	**32.64**	**-**	**494.97**	**49.68**
Grand Total	**56,392.38**	**3,550.46**	**2,300.69**	**57,642.14**	**15,383.66**	**3,600.20**	**490.72**	**18,493.14**	**39,149.00**

Notes on Consolidated Financial Statement

Ageing of Capital-Work-in Progress (CWIP)

(₹ in lakhs)

Particulars	As on 31st March 2023					As on 31st March 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	773.06	11.57	25.83	117.99	928.45	11.66	31.04	136.01	67.21	245.92
Project temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**773.06**	**11.57**	**25.83**	**117.99**	**928.45**	**11.66**	**31.04**	**136.01**	**67.21**	**245.92**

Title deeds of Immovable Property not held in name of the Company

Particulars	Description of item of property	Gross carrying value (Rs.)	Year in Service	Title deeds held in the name of	Title Deed Holder	Year since Property held	Reason for not being held in the name of the company
Property, Plant & Equipment	**Land**						
	Belgharia & Agarpara	456.92	Since 1944	Textile Machinery Corporation Limited, Texmaco Limted, now known as Texmaco Infrastructure & Holdings Limited	Promoter	1944	Held in the name of Pre-demerged entity.
	Sodepur	56.16	1999	Texmaco Limted, now known as Texmaco Infrastructure & Holdings Limited	Promoter	1999 & 2000	Held in the name of Pre-demerged entity.
	Panihati	835.13	2006	Texmaco Limted, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2006	Held in the name of Pre-demerged entity.
	Building Flat no. 6A,Mandeville court, 1-D, Mandeville Garden, Kolkata-700019. Area - 1333 Sq. Ft.	14.86	2000	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2000	Held in the name of Pre-demerged entity
	Flat no.4H,6,Hastings Park Road, Kolkata-700027. Area -1237 Sq.Ft.	2.10	2001	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2001	Held in the name of Pre-demerged entity
	Flat at 1st Floor,1/115, Gariahat Road, Kolkata-700068 Area -1318 Sq Ft	14.59	2007	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2007	Held in the name of Pre-demerged entity
Investment Property	**Land** Sodepur	35.32	2020	Texmaco Limted, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2020	Held in the name of Pre-demerged entity.

Notes on Consolidated Financial Statement

Note 1.04 Non-Current Investments

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
OTHER THAN TRADE INVESTMENTS		
Fully paid-up		
Investments in Equity Instruments (Quoted)		
Texmaco Infrastructure & Holdings Ltd.	98.50	114.39
1,99,809 (2022: 1,99,809) Shares of ₹1 each		
Chambal Fertilisers & Chemicals Ltd.	26.41	42.21
10000 (2022: 10,000) Shares of ₹10 each		
Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt. Ltd.	1,815.19	1,545.27
1,26,49,999 (2022: 1,26,49,999) Shares of ₹10 each		
Wabtec Texmaco Rail Pvt. Ltd.	989.73	642.28
32,81,700 (2022:32,81,700) Shares of ₹10 each		
Investments in CCD of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt. Ltd.	7,494.10	5,350.00
74,94,100 (2022: 53,50,000) CCD of ₹100 each		
TOTAL NON CURRENT INVESTMENTS	**10,423.93**	**7,694.15**
i) Aggregate amount of quoted investments	124.91	156.60
ii) Market Value of quoted investments	124.91	156.60
iii) Aggregate amount of unquoted investments	10,299.02	7,537.55

Note 1.05 Bank Balance (Non-Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Margin Money	3,379.14	1,411.07

Note 1.06 Other Non-Current Financial Assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Security Deposits	401.24	631.97
(b) Term Deposit of more Than Twelve Months Maturity	220.01	217.81
(c) Interest Accured on Deposits & Others	119.04	53.05
Total	**740.29**	**902.83**

Notes on Consolidated Financial Statement

Note 1.07 Deferred Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred Tax Assets		
(a) Carried Forward Losses	3,373.28	3,693.47
(b) Provisions & others	1,817.70	2,718.63
(c) MAT Credit	4,985.98	4,939.90
(d) Compensated absences	193.94	169.43
(e) Gratuity	114.38	133.60
Total Deferred Tax Assets	**10,485.28**	**11,655.03**
Deferred Tax Liabilities		
(a) Property, Plant and equipment	(4,491.72)	(4,773.71)
Total Deferred Tax Liabilities	**(4,491.72)**	**(4,773.71)**
Net deferred tax assets	**5,993.56**	**6,881.32**

Note 1.08 Other Non-Current Asset

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
((a) Capital Advances	826.93	155.76
(b) Prepaid Expenses	394.79	268.47
Total	**1,221.72**	**424.23**

Note 1.09 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Raw Material	30,365.75	13,234.19
(b) Work in Progress	24,203.83	16,845.09
(c) Finished Goods	6,466.11	1,501.69
(d) Stores and Spares	4,133.95	2,304.43
(e) Goods in transit(Purchase)	2,457.57	2,219.85
Total	**67,627.21**	**36,105.25**

Inventories are secured against first charge on working capital facility.

Note 1.10 Current Investments

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Investments in Mutual Funds (Unquoted) at Fair Value		
Axis Treasury Advantage Fund Growth	17.60	16.70
645 (2022: 645) Units of 1000 each		
TOTAL CURRENT INVESTMENTS	**17.60**	**16.70**
i) Aggregate amount of quoted investments	-	-
ii) Market Value of quoted investments	-	-
iii) Aggregate amount of unquoted investments	**17.60**	**16.70**

Notes on Consolidated Financial Statement

Note 1.11 Trade Receivables

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Secured, considered good	-	-
(b) Unsecured, considered good	78,489.32	56,994.22
(c) Unsecured, Credit Impaired	2,520.74	4,875.35
	81,010.06	**61,869.57**
Allowance for bad and doubtful debts	(2,520.74)	(4,875.35)
Total	**78,489.32**	**56,994.22**

(i) The above includes ₹16,228.18 Lakhs as retention money (2022: ₹15,862.45 Lakhs) which are recoverable on completion of the project as per the relevant contract.

(ii) Trade Receivable are secured against first charge on working capital facility

(iii) The Company provide allowance in trade recivables based on historic credit loss expreince, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the recievables.

Ageing of Trade Receivable	31st March,2023 Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable							
(i) Undisputed Trade Receivables – considered good	10885.34	48009.45	3261.14	5254.23	813.27	10265.89	78489.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	2,520.74	2,520.74
Disputed Trade Receivable	-	-	-	-	-	-	-
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Debtors	**10,885.34**	**48,009.45**	**3,261.14**	**5,254.23**	**813.27**	**12,786.63**	**81,010.06**
Less: Allowance for bad and doubtful debts	-	-	-	-	-	(2,520.74)	(2,520.74)
Net Debtors	**10,885.34**	**48,009.45**	**3,261.14**	**5,254.23**	**813.27**	**10,265.89**	**78,489.32**

Ageing of Trade Receivable	31st March,2022 Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivable							
(i) Undisputed Trade Receivables – considered good	14,062.43	21,876.43	4,488.22	3,466.56	3,079.15	10,021.43	56,994.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	21.69	21.34	4,832.32	4,875.35
Disputed Trade Receivable	-	-	-	-	-	-	
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Debtors	**14,062.43**	**21,876.43**	**4,488.22**	**3,488.25**	**3,100.49**	**14,853.75**	**61,869.57**
Less: Allowance for bad and doubtful debts	-	-	-	(21.69)	(21.34)	(4,832.32)	(4,875.35)
Net Debtors	**14,062.43**	**21,876.43**	**4,488.22**	**3,466.56**	**3,079.15**	**10,021.43**	**56,994.22**

Notes on Consolidated Financial Statement

Note 1.12 Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Balances with banks		
- In current accounts	3,022.86	5,565.09
(b) Cheques/ Pay order in hand	0.06	-
(c) Cash in hand	53.84	41.67
Total	**3,076.76**	**5,606.76**

Cash and cash equivalents include Cash in Hand, Cheques/Draft in Hand & Cash at Bank

Note 1.13 Bank Balances other than above

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Unpaid Dividend Account	14.64	16.32
(b) Term Deposit of upto Twelve Months Maturity	1.40	12.71
(c) Margin Money	12,208.77	11630.01
Total	**12,224.81**	**11,659.04**

Represents deposit with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet Date.

Note 1.14 Loans (Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Loan to Associates	298.65	290.69
(b) Other loans		
Interest accrued on Loans	1,124.49	1,801.95
Advance to Employee	95.10	184.83
Total	**1,518.24**	**2,277.47**
(c) Unsecured,Credit Impaired		
Loan to Body Corporates	275.00	275.00
Less :Allowance for Loan to Body Corporate	(275.00)	(275.00)
Total	**1,518.24**	**2,277.47**

Note 1.15 Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Payment of Income Tax (net of provision)	5,778.12	5,250.96
Total	**5,778.12**	**5,250.96**

Notes on Consolidated Financial Statement

Note 1.16 Other Current Assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Security Deposits	2,616.90	1,082.35
(b) Advance to Parties	9,313.86	6,270.66
(c) Other Advances	1,506.60	1,855.77
(d) Prepaid Expenses	1,094.32	1,024.48
(e) Balances with Government Dept	17,839.05	18,316.48
(f) Contractually reimbursable expenses	1,908.83	1,908.83
(g) Unbilled Debtors	69,689.74	61,574.07
Total	**1,03,969.30**	**92,032.64**

Note 1.17 Equity Share Capital

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Authorised Share Capital	19,700.00	19,700.00
(As at 31st March 2022: 197,00,00,000 equity share of ₹1/- each)		
Total	**19,700.00**	**19,700.00**
Issued, Subscribed and paid up capital		
32,18,69,895 Equity Share of ₹1/- each		
(As at 31st March 2022: 32,18,69,895 equity share of ₹1/- each)	3,218.70	3,218.70
Total	**3,218.70**	**3,218.70**

(i) The Company has only one class of shares referred to as equity shares having a par value of ₹1 each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

(iii) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

Notes on Consolidated Financial Statement

Note 1.17 Equity Share capital (Contd.)

(₹ in lakhs)

Particulars	As at 31.03.2023 No . of Shares	As at 31.03.2022 No . of Shares
Number of Shares at the beginning of the year	32,18,69,895	25,03,43,252
Add: Allotment under Right Issue	-	7,15,26,643
Number of Shares at the end of the year	32,18,69,895	32,18,69,895

(iv) After the reporting date, dividend of 15 paisa (2022: 10 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the share holders at the Annual General Meeting, the dividend has not been recognised as Liabilities.

(v) The name of Shareholders holding more than 5% Equity shares

(₹ in lakhs)

Name of Shareholders	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	18.17	5,85,00,000	18.17
Zuari International Ltd.	6,37,68,926	19.81	6,37,68,926	19.81
Saroj Kumar Poddar*	2,77,01,367	8.61	2,75,51,367	8.56
Adventz Finance Private Limited	2,50,76,949	7.79	2,43,76,949	7.57
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	-	-	1,74,67,565	5.43

*The shares held by Shri Saroj Kumar Poddar includes his holding as Karta of HUF and trustee of Saroj and Jyoti Poddar Holdings Pvt. Ltd.

Notes on Consolidated Financial Statement

(vi Details of shareholdings by Promoter / Promoter Group

(₹ in lakhs)

	Promoter / Promoter Group Name	As At 31.03.2023		As At 31.03.2022		% Change During The Year*
		No. of Shares	% Holding	No. of Shares	% Holding	
1	SAROJ KUMAR PODDAR (as a Karta)	10,710	0.00	10,710	0.00	-
2	SAROJ KUMAR PODDAR (as a Trustee - SAROJ AND JYOTI PODDAR HOLDINGS PRIVATE TRUST)	37,92,857	1.18	37,92,857	1.18	-
3	SHRADHA AGARWALA	20,693	0.01	20,693	0.01	-
4	JYOTSNA PODDAR (as an Individual)	1,04,032	0.03	1,04,032	0.03	-
5	SAROJ KUMAR PODDAR (as an Individual)	2,38,97,800	7.42	2,37,47,800	7.38	0.63%
6	ANISHA BERLIA	46,574	0.01	46,574	0.01	-
7	AASHTI AGARWALA	20,693	0.01	20,693	0.01	-
8	EUREKA TRADERS PRIVATE LIMITED	530	0.00	530	0.00	-
9	INDRAKSHI TRADING COMPANY PRIVATE LIMITED	30,000	0.01	30,000	0.01	-
10	MASTER EXCHANGE & FINANCE LIMITED	15,760	0.00	15,760	0.00	-
11	PREMIUM EXCHANGE AND FINANCE LIMITED	1,88,090	0.06	1,88,090	0.06	-
12	ZUARI INTERNATIONAL LIMITED	6,37,68,926	19.81	6,37,68,926	19.81	-
13	ZUARI INDUSTRIES LIMITED	7,65,988	0.24	7,65,988	0.24	-
14	JEEWAN JYOTI MEDICAL SOCIETY	1,60,500	0.05	1,60,500	0.05	-
15	ADVENTZ FINANCE PRIVATE LIMITED	2,50,76,949	7.79	2,43,76,949	7.57	2.87%
16	DUKE COMMERCE LIMITED	75,14,000	2.33	75,14,000	2.33	-
17	GREENLAND TRADING PRIVATE LIMITED	35,000	0.01	35,000	0.01	-
18	TEXMACO INFRASTRUCTURE & HOLDINGS LIMITED	5,85,00,000	18.18	5,85,00,000	18.18	-
19	ABHISHEK HOLDINGS PRIVATE LIMITED	280	0.00	280	0.00	-
20	ADVENTZ SECURITIES ENTERPRISES LIMITED	38,09,140	1.18	38,09,140	1.18	-
21	NEW EROS TRADECOM LIMITED	7,38,800	0.23	7,38,800	0.23	-
22	AKSHAY PODDAR	2,64,820	0.08	14,820	0.00	1686.91%
23	PUJA PODDAR	1,60,000	0.05	1,60,000	0.05	-
Total		**18,89,22,142**	**58.70**	**18,78,22,142**	**58.34**	**0.59%**

* % change during the year has been computed on the basis of the number of shares at the beginning of the year

Notes on Consolidated Financial Statement

Note 1.18 Other Equity

(₹ in lakhs)

	Particulars	As at 31.03.2023 No . Of Shares	As at 31.03.2022 No . Of Shares
(i)	**Other Reserves**		
	Share Options Outstanding Account		
	Balance as per last Account	1,184.36	1,184.36
	Less: Transferred to General Reserve	(1,184.36)	-
		-	**1,184.36**
(ii)	**Capital Reserve**		
	Balance as per last Account	1,626.60	1,626.60
		1,626.60	**1,626.60**
(iii)	**Securities Premium**		
	Balance as per last Account	62,977.59	47,579.85
	Add: Rights Issue of Equity Shares (including conversion of Loan(Promoters Contribution)	-	15,735.86
	Less: Adjustment for Rights Issue Expenses	-	(338.12)
		62,977.59	**62,977.59**
(iv)	**General Reserve**		
	Balance as at the beginning of the year	47,620.92	47,420.92
	Add: Transfer from Share Options Outstanding Account	1,184.36	-
	Add: Transferred from Statement of Profit and Loss	200.00	200.00
		49,005.28	**47,620.92**
(v)	**Reserves Representing Unrealised Gains/Losses**		
	(a) Equity Instruments through Other Comprehensive Income		
	Balance as at the beginning of the year	88.98	2,638.83
	Addition during the year	(31.68)	1,237.93
	Less: Realised Profit on Sale of Equity Shares Transferred to Retained Earnings	-	(3,787.78)
		57.30	**88.98**
	(b) Remeasurements of the net defined benefit Plans		
	Balance as at the beginning of the year	-	-
	Addition during the year	(16.31)	(25.68)
	Less : Transferred to Retained Earning	16.31	25.68
		-	**-**
(vi)	**Exchange differences on translating the Financial Statements of a Foreign Operation**		
	Balance as at the beginning of the year	(100.71)	109.94
	Addition during the year	259.38	(210.65)
		158.67	**(100.71)**
(Vii)	**Revaluation Surplus**		
	Addition during the year	3,671.07	-
		3,671.07	**-**
(viii)	**Retained Earnings**		
	Surplus at the beginning of the year	16,437.57	11,076.03
	Add : Profit for the year	2,602.63	2,050.01
	Add : Transferred from Remeasurements of the net defined benefit Plans	(16.31)	(25.68)
	Add: Realised Profit on Sale of Equity Shares Transferred from Equity Instrument Through Other Comprehensive Income	-	3,787.78
	Add : Transferred from Share of other Comprehensive Income in Associates & Joint Ventures, to the extent not to be classified into profit or loss	1.28	(0.23)
	Less : Transferred to General Reserve	(200.00)	(200.00)
	Less: Dividend on Equity Shares	(321.87)	(250.34)
		18,503.30	**16,437.57**
	Total	**1,35,999.81**	**1,29,835.31**

Notes on Consolidated Financial Statement

Note 1.18 Other Equity (Contd.)

(i) **General Reserve:** The General Reserve is used from time to time to transfer profit Retained Earnings for appropriation pupose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items includes in the General Reserve will not be reclassifies subsequently to profit & loss

(ii) **Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumlative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.

(iii) **Capital Reserves:** The Company recoginses profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.

(iv) **Security Premium:** Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013

(v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.

(vi) **Retained Earnings:** Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses off setting earnings.

Note 1.19 Borrowings (Non Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Secured		
From banks		
(a) Term Loan	16,301.23	4,730.76
(b) Car Loan	58.21	35.05
Total	**16,359.44**	**4,765.81**

i) Term Loan from Banks are secure against the Property, Plant and Equipments created from such Loan, remaining Term Loan from Banks are repayable as per the time line mentioned in sanction letter.

ii) Term Loans includes loan of ₹3,672 lakhs secured primarily by an exclusive charge over rent receivable for the Lessee and has collateral security by way of an exclusive charge over immovable property against which the rent is receivable.

iii) Corporate Loan from Bank is secured by the way of first pari-passu on stock, book debts, other current assets (both present and future) and land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of that particular division.

iv) Certain vehicles are acquired through Auto Loan facility and such vehicles are exclusively hypothecated in favour of respective lenders, repayable in monthly equated instalments till Jan 2025.

Note 1.19a Lease Liabilities (Non Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Lease liabilities	**119.66**	**-**

Refer to Note No. 1.44 of Financial Statements

Note 1.20 Provisions (Non Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Provision for Leave	393.31	365.96
(b) Provision for Gratuity	301.27	305.47
(c) For Warranty and others	183.99	183.99
Total	**878.57**	**855.42**

The Company accounts for leave and gratuity based on Actuary Valuation

Notes on Consolidated Financial Statement

Note 1.21 Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Advances from Customers	8,785.03	11,249.61
(b) Prepaid - Rent Liability	238.56	274.47
Total	**9,023.59**	**11,524.08**

Note 1.22 Borrowings (Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Secured		
(a) From Banks		
Cash Credit	57,198.85	49,976.38
Short Term Loan	4,000.00	4,000.00
(b) Current maturities of long-term debt		
Term Loan	5,505.31	1,647.65
Car Loan	14.91	11.09
Un-Secured		
(a) From Other Parties		
(i) Loans from related parties	7,271.16	4,878.92
(ii) Inter-Corporate Deposits	7,900.00	5,700.00
Total	**81,890.23**	**66,214.04**

(i) Cash Credit facilities of respective divisions are secured by hypothecation of pari- passu first charge on stock, book debts and other current assets of that particular division (both present and future).

(ii) Cash Credit facility for Steel Foundry Division (Raipur) are further secured by first charge on the fixed assets of their respective divisions (both present and future).

(iii) Cash Credit facility Rail EPC Divisions is further secured by first Pari-Passu charge on the movable fixed assets of their respective division (both present and future).

(iv) Cash Credit facility for Rail EPC- Kalindee Division are further secured by way of first Pari-Passu charge on fixed deposit of ₹14.49 Crores along with flats at Jaipur & Gurgaon to the working capital consortium lenders.

(v) Cash Credit Facility of HED/SF (Kolkata) Division are secured by Pari-Passu on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.

Note 1.22a Lease Liabilities (Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Lease liabilities	**30.70**	-

Refer to Note No. 1.44 of Financial Statements

Notes on Consolidated Financial Statement

1.23 Trade Payables

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Dues to Micro Enterprise and Small Enterprises	**-**	-
Dues of Creditors other than Micro Enterprise and Small Enterprises	**56,854.51**	31,164.39
	56,854.51	31,164.39
Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows		
Disclosure required under the Micro, Small and Medium Enterprises		
Development Act, 2006 (the Act) are give as follows:		
(a) Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-

There are no dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days as at 31st March, 2023 and 31st March, 2022. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors

(₹ in lakhs)

Ageing of Trade Payable	As on 31st March, 2023				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Other Creditors	51,370.16	1,502.82	1,471.65	2509.88	56,854.51
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-

(₹ in lakhs)

Ageing of Trade Payable	As on 31st March, 2022				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	
(ii) Other Creditors	24,068.95	3,470.55	1,242.52	2,382.37	31,164.39
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-

Notes on Consolidated Financial Statement

Note 1.24 Other Financial Liabilities

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
(a)	**Interest Accrued**		
	Interest accrued but not due on borrowings	518.13	411.88
	Unclaimed/Unpaid dividends	14.64	16.32
(b)	**Others**		
	Liabilities for Expenses	1,288.57	1,192.10
	Amount Due to Employee	674.24	1,464.81
	Others Misc. Payable	1,074.12	222.13
	Creditors for Capital Advance	9.88	25.07
Total		**3,579.58**	**3,332.31**

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against upaid dividend as at 31st March,2023

Note 1.25 Other Current Liabilities

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
(a)	Advances from Customers	23,957.45	7,803.26
(b)	TDS and other taxes payable	522.66	659.64
(c)	PF, ESI amount Payble	153.47	124.60
(d)	Security Deposits	2,922.45	2,454.68
(e)	Other Liabilities	1,390.09	2,116.85
Total		**28,946.12**	**13,159.03**

Note 1.26 Provisions(Current)

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
(a)	Provision for Gratuity	26.06	76.86
(b)	Provision for leave	161.69	118.89
(c)	Provision for Contract Loss Provision	36.57	35.63
(d)	Provision for Expenses	1,641.67	2,325.31
Total		**1,865.99**	**2,556.69**

The Company accounts for leave and gratuity based on Actuary Valuation

Note 1.27 Revenue From Operations

(₹ in lakhs)

Particulars		Year Ended 31.03.2023	Year Ended 31.03.2022
(a)	Sale of products	1,85,275.64	1,04,508.34
(b)	Sale of services	72,917.45	74,913.37
(c)	Other operating revenues	1,831.36	2,019.87
	Gross Revenue from Operations	**2,60,024.45**	**1,81,441.58**
	Less: Inter Segment Revenue	(35,696.71)	(19267.99)
	Net Revenue from Operation	**2,24,327.74**	**1,62,173.59**

Notes on Consolidated Financial Statement

Note 1.28 Other Income

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) Interest Income		
From Bank	583.56	335.33
From Others	44.91	39.63
(b) Dividend Income		
Income from Non-Current Investments	0.83	60.05
(c) Other Non-Operating Income		
Net gain on Sale of Current Investments	-	22.30
Compensation Against Old Refugee Settlement Area	487.37	-
Miscellaneous Receipts and Income	444.60	631.34
Sundry Credit Balance Adjusted	16.91	29.82
Profit on sale of Fixed Assets (Net)	22.08	10.30
Rent Received	1,013.40	927.24
Provision & Excess Liabilities Written Back	1.94	1.46
Insurance Claim Received	20.92	184.97
Gain on fair valuation of Bonds/Mutual	0.90	0.69
Total	**2,637.42**	**2,243.13**

Note 1.29 Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening Stock of Raw Materials	5,380.71	3,764.71
Add: Raw materials Purchased and Departmental Transfers etc.	1,30,327.71	82,470.78
	1,35,708.42	**86,235.49**
Less: Closing Stock of Raw Materials	12,738.50	5,380.71
	1,22,969.92	**80,854.78**
Consumption of Components (Including Job Processing and Contract Labour Charges 6,504.28 lakhs, Previous Year 4,938.27 lakhs)	86,636.03	50,137.92
Less Inter Segment Revenue	(35,696.71)	(19,267.99)
Total	**1,73,909.24**	**1,11,724.71**

Notes on Consolidated Financial Statement

Note 1.30 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening Stock		
Finished Goods	1,501.69	1,463.64
Work-in-Progress	16,845.09	14,581.23
	18,346.78	**16,044.87**
Less : Closing Stock		
Finished Goods	6,466.11	1,501.69
Work-in-Progress	24,203.83	16,845.09
	30,669.94	**18,346.78**
Increase / (Decrease) in Stock	**(12,323.16)**	**(2,301.91)**

Note 1.31 Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
a) Salaries ,Wages and Bonus	11,584.14	11,220.19
b) Contribution to provident and other funds	-	-
i) Provident Fund and Pension Fund	785.61	735.33
ii) Superannuation Fund	30.82	28.90
iii) Gratuity	20.76	61.62
c) Staff Welfare Expenses	545.23	490.76
d) VRS Expenses	39.15	66.55
Total	**13,005.71**	**12,603.35**

Note 1.32 Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) interest		
i) Banks	8,024.22	4,994.86
ii) Others	755.50	2,946.44
(d) other borrowing costs	2,837.77	2,082.84
Total	**11,617.49**	**10,024.14**

Note 1.33 Depreciation and Amortization Expense

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Depreciation on Tangible Assets	3,499.25	3,567.56
Depreciation on Intangible Assets	20.36	32.64
Total	**3,519.61**	**3,600.20**

Notes on Consolidated Financial Statement

Note 1.34 Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31.03.2023		Year Ended 31.03.2022	
Consumption of stores and spares part		13,797.48		7,999.95
Power and Fuel		7,037.07		5,544.74
Rent		418.20		432.69
Repairs to buildings		502.61		574.95
Repairs to machinery		486.69		485.55
Repairs to others		173.22		110.43
Insurance		702.48		371.85
Rates and Taxes excluding taxes on Income		496.87		388.38
Freight, Packing and Transport (Net)		1,355.39		859.38
Erection Expenses		4,500.01		4,815.19
Drawings and Designs		1.92		4.40
Royalty & Knowhow		0.41		0.68
Research & Development		-		71.62
Selling Agents Commission		2.84		24.08
Selling Expenses		318.27		284.04
Director's Sitting Fees		28.10		28.20
Director's Commission		13.81		13.59
Payments to the Auditor		52.54		44.20
As Auditor	24.40		20.20	
For Tax Audit	6.95		4.75	
For Quarterly Review	13.50		5.70	
For Fees for Other Services (incl for issuing various certificates)	4.70		11.17	
As Cost Auditor	1.95		1.95	
For Reimbursement of out of pocket expenses	1.04		0.43	
Donation		500.00		2.07
CSR Expenses		21.39		7.68
Miscellaneous Expenses		4,434.59		3,315.48
Sundry Debit Balance Adjusted		-		4.50
Allowance for bad & doubtful debts/Advances		226.52		597.34
Bad Debt/Impairment /Loss of unbilled Revenue	3026.19	-	5,561.37	-
Less: Allowance for bad & doubtful debts	(2528.42)	497.77	(5,329.92)	231.45
Capital Advance Written Off		-		42.48
Net (gain)/loss on foreign currency transaction		(372.99)		(128.94)
Unbilled revenue/ Contractually reimbursable expenses written off		-	1281.42	
Less: credit impaired		-	(1,281.42)	-
Total		**35,195.19**		**26,125.98**

Note on CSR Expense:

(₹ in lakhs)

	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(i)	Amount required to be spent by the Company during the year	-	6.55
(ii)	Amount of expenditure incurred	21.39	7.68
(iii)	Shortfall at the end of year	NA	NA
(iv)	Total of previous year shortfall	NA	NA
(v)	Reason of shortfall	NA	NA
(vi)	Nature of CSR activities	Health & Education	Health & Education
(vii)	Detail of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR	Nil	Nil
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Nil	Nil

Note 1.35 Other Comprehensive Income

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defrned benefit plans	(16.31)	(25.68)
(ii) Equity Instruments through Other Comprehensive Income;	(31.68)	1,237.93
(iii) Share of Other Comprehensive Income in Associates and joint Ventures, to the extent not to be classified into profit or loss	1.28	(0.27)
Total	**(46.71)**	**1,211.98**
(B) Items that will be reclassified to profit or loss		
(i) Exchange differences in translating the financial statements of a foreign operation	259.38	(210.65)
	259.38	**(210.65)**

Note No. 1.36 RELATED PARTY DISCLOSURE

(a) Name of the related parties and relationship as per Ind AS 24, where transaction exists.

	Relationship	Parties where control Exist 2022-23	Parties where control Exist 2021-22
A	Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman	Mr. Saroj Kumar Poddar Executive Chairman
		Mr. Indrajit Mookerjee, Executive Director & Vice Chairman	Mr. Indrajit Mookerjee, Managing Director (Redesignated w.e.f: 02ndApril, 2020)
		Mr. Ashish Kumar Gupta, Managing Director (Resigned w.e.f. 31st August'2022)	Mr. Ashish Kr. Gupta, Deputy Managing Director (Appointed w.e.f: 17th November,2020)
		–	Mr. A. C. Chakrabortti, Independent Director (Resigned w.e.f 07th February 2022)
		Mr. D. R. Kaarthikeyan, Independent Director	Mr. D. R. Kaarthikeyan, Independent Director
		Mr. Amitabha Guha, Independent Director (Appointed w.e.f: 06thMay'2022)	-----------
		–	Mr. Sunil Mitra, Independent Director (Resigned w.e.f 09th December 2021)
		Mr. Utsav Parekh, Independent Director	Mr. Utsav Parekh, Independent Director
		Mr. Virendra Sinha, Independent Director	Mr. Virendra Sinha, Independent Director
		Ms. Rusha Mitra, Independent Director	Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021)
		Mr. Partha Sarathi Bhattacharyya, Independent Director	Mr. Partha Sarathi Bhattacharyya, Independent Director (Appointed w.e.f: 01st Jan,2022)

Notes on Consolidated Financial Statement

	Relationship	Parties where control Exist 2022-23	Parties where control Exist 2021-22
A	Key Management Personnel	Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO (Redesignated as Executive Director w.e.f 01st April'2023	Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO
		Mr. Damodar Hazarimal Kela Executive Director & CEO (SF) (Redesignated as Executive Director w.e.f. 01st April'2023)	Mr. Damodar Hazarimal Kela Executive Director & CEO (SF)
		Mr. Akshay Poddar, Non – Executive Director	Mr. Akshay Poddar, Non – Executive Director
		Mr. Hemant Bhuwania (Appointed as CFO w.e.f 01st April'2023)	–
		Mr. Kishor Kumar Rajgaria (Appointed as Company Secretary w.e.f.01st May'2023)	–
		Mr. Ravi Varma Company Secretary (resigned w.e.f. 30th April'2023)	Mr. Ravi Varma Company Secretary
B	Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)
		Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)	Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)
		Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)	Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)
		Ms. Anisha Kumari Agarwal (Grand Daughter of Mr. S.K.Poddar)	Ms. Anisha Kumari Agarwal (GrandDaughter of Mr. S.K.Poddar)
		Ms. Aashti Agarwal (Grand Daughter of Mr. S.K.Poddar)	Ms. Aashti Agarwal (GrandDaughter of Mr. S.K.Poddar)
C	Associate	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)
D	Joint Ventures	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)
		Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)	Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)
		Kalindee Cobra JV	Kalindee Cobra JV
		Kalindee Kapoor Railcon JV	Kalindee Kapoor Railcon JV
		Kalindee Karthik JV	Kalindee Karthik JV
		Kalindee VNC JV	Kalindee VNC JV
		Kalindee IF&LS JV	Kalindee IF&LS JV
		GMR TPL KRNL JV	GMR TPL KRNL JV
		Kalindee Rahee JV	Kalindee Rahee JV
		Kalindee URC JV	Kalindee URC JV
		JMC – GPT – Vijaywargi – Bright Power JV	JMC – GPT – Vijaywargi – Bright Power JV
		JMC – Vijaywargi – Bright Power JV	JMC – Vijaywargi – Bright Power JV
		Bright – Vijaywargi JV	Bright – Vijaywargi JV
		Bright – Kalindee JV	Bright – Kalindee JV
		Bright – Texmaco JV	Bright – Texmaco JV

Notes on Consolidated Financial Statement

	Relationship	Parties where control Exist 2022-23	Parties where control Exist 2021-22
		ISC Projects- Texmaco JV	ISC Projects- Texmaco JV
		Kalindee ASIS JV	Kalindee ASIS JV
		Tata Projects – Kalindee JV	Tata Projects – Kalindee JV
		Texmaco Rahee JV	Texmaco Rahee JV
E	Group Company where Transaction Exists.	Duke Commerce Ltd.	Duke Commerce Ltd.
		Adventz Securities Enterprises Ltd.	Adventz Securities Enterprises Ltd.
		Zuari Global Ltd.	Zuari Global Ltd.
		New Eros Tradecom Ltd.	New Eros Tradecom Ltd.
		Master Exchange & Finance Ltd.	Master Exchange & Finance Ltd.
		Adventz Investments Co. Pvt. Ltd.	Adventz Investments Co. Pvt. Ltd.
		Adventz Finance Pvt. Ltd.	Adventz Finance Pvt. Ltd.
		Eureka Traders Pvt. Ltd.	Eureka Traders Pvt. Ltd.
		Abhishek Holdings Pvt. Ltd.	Abhishek Holdings Pvt. Ltd.
		Greenland Trading Pvt. Ltd.	Greenland Trading Pvt. Ltd.
		Indrakshi Trading Company Pvt. Ltd.	Indrakshi Trading Company Pvt. Ltd.
		Zuari Management Services Ltd.	Zuari Management Services Ltd.
		High Quality Steels Ltd.	High Quality Steels Ltd.
		Lionel India Ltd.	Lionel India Ltd.
		Lionel Edwards Ltd.	Lionel Edwards Ltd.
		Texmaco Infrastructure & Holdings Ltd.	Texmaco Infrastructure & Holdings Ltd.
		Zuari International Ltd. (Formerly known as Zuari Investment Ltd.)	Zuari Investments Ltd.
		Zuari Industries Ltd.	-
		Zuari Sugar and Power Ltd.	Zuari Sugar and Power Ltd.
		Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.
		Magnacon Electricals India Ltd.	Magnacon Electricals India Ltd.
		The Pench Valley Coal Company Ltd.	The Pench Valley Coal Company Ltd.
		Premium Exchange And Finance Ltd.	Premium Exchange & Finance Ltd.
		Jeewan Jyoti Medical Society	Jeewan Jyoti Medical Society

Notes on Consolidated Financial Statement

(b) Related Party Transactions

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
Remuneration Paid						
- Mr. Saroj Kumar Poddar	- (-)	- (-)	- (-)	384.88 (423.83)	384.88 (423.83)	- (-)
- Mr. Indrajit Mookerjee	- (-)	- (-)	- (-)	104.69 (80.24)	104.69 (80.24)	- (-)
- Mr. A.K. Vijay	- (-)	- (-)	- (-)	91.78 (89.67)	91.78 (89.67)	- (-)
- Mr. D. H. Kela	- (-)	- (-)	- (-)	152.51 (168.51)	152.51 (168.51)	- (-)
- Mr. Ashish Kr. Gupta	- (-)	- (-)	- (-)	86.74 (170.26)	86.74 (170.26)	- (-)
- Mr. Ravi Varma	- (-)	- (-)	- (-)	44.18 (29.40)	44.18 (29.40)	- (-)
- Mr. D.R. Kaarthikeyan (Sitting Fees & Commission)	- (-)	- (-)	- (-)	7.15 (7.15)	7.15 (7.15)	- (-)
- Mr. Sunil Mitra (Sitting Fees & Commission)	- (-)	- (-)	- (-)	- (4.34)	- (4.34)	- (-)
- Mr. Utsav Parekh (Sitting Fees & Commission)	- (-)	- (-)	- (-)	8.15 (7.00)	8.15 (7.00)	- (-)
- Mr. Akshay Poddar (Sitting Fees & Commission)	- (-)	- (-)	- (-)	5.40 (4.50)	5.40 (4.50)	- (-)
- Mr. A. C. Chakrabortti (Sitting Fees & Commission)	- (-)	- (-)	- (-)	- (8.37)	- (8.37)	- (-)
- Ms. Rusha Mitra (Sitting Fees & Commission)	- (-)	- (-)	- (-)	5.15 (4.65)	5.15 (4.65)	- (-)
- Mr. Partha Sarathi Bhattacharyya (Sitting Fees & Commission)	- (-)	- (-)	- (-)	5.25 (1.14)	5.25 (1.14)	- (-)
- Mr. Virendra Sinha (Sitting Fees & Commission)	- (-)	- (-)	- (-)	4.90 (4.65)	4.90 (4.65)	- (-)
- Mr. Amitabha Guha (Sitting Fees & Commission)	- (--)	- (-)	- (-)	5.26 (-)	5.26 (-)	- (-)
Investment						
- Touax Texmaco Railcar Leasing Pvt. Ltd.	- (-)	- (-)	2,144.10 (1,683.17)	- (-)	2,144.10 (1,683.17)	8,759.09 (6,614.99)
- Texmaco Infrastructure & Holdings Ltd.	-15.88 (-)	- (-)	- (-)	- (-)	-15.88 (-)	98.51 (114.39)
- Wabtec Texmaco Rail Pvt. Ltd	- (-)	- (-)	- (-)	- (-)	- (-)	328.17 (328.17)
- Texmaco Defence Systems Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	4.10 (4.10)
Loans & Advances Given						
- Texmaco Defence Systems Pvt. Ltd.	- (-)	7.96 (30.95)	- (-)	- (-)	7.96 (30.95)	298.66 (290.70)
- Bright-Vijaywargi-JV	- (-)	- (-)	-24.57 (-39.71)	- (-)	-24.57 (-39.71)	41.82 (66.39)
- Bright- Kalindee-JV	- (-)	- (-)	-35.18 (-23.67)	- (-)	-35.18 (-23.67)	-12.14 (-47.32)
- Bright- Texmaco-JV	- (-)	- (-)	-116.34 (-52.90)	- (-)	-116.34 (-52.90)	-77.16 (-193.50)

Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
Loans & Advances Received / Repaid						
- Adventz Finance Pvt. Ltd.	2,052.00 (-2,802.00)	- (-)	- (-)	- (-)	2,052.00 (-2,802.00)	2,370.00 (318.00)
- Adventz Securities Enterprises Ltd.	-31.00 (-1,044.00)	- (-)	- (-)	- (-)	-31.00 (-1,044.00)	- (31.00)
- Zuari Management Services Ltd.	371.49 (-)	- (-)	- (-)	- (-)	371.49 (-)	3,971.49 (3,600.00)
- Zuari International Limited	- (-8,070.00)	- (-)	- (-)	- (-)	- (-8,070.00)	930.00 (930.00)
- Zuari Sugar and Power Ltd.	- (-1,150.00)	- (-)	- (-)	- (-)	- (-1,150.00)	- (-)
- Mr. Saroj Kumar Poddar	- (-)	- (-)	- (-)	- (-1,500.00)	- (-1,500.00)	- (-)
- Pench Valley Coal Company Ltd.	- (-20.00)	- (-)	- (-)	- (-)	- (-20.00)	- (-)
Dividend Paid						
- Mr.Saroj Kumar Poddar	- (-)	- (-)	- (-)	27.55 (20.19)	27.55 (20.19)	- (-)
- Ms Jyotsna Poddar	0.10 (0.07)	- (-)	- (-)	- (-)	0.10 (0.07)	- (-)
- Ms. Puja Poddar	0.16 (0.12)	- (-)	- (-)	- (-)	0.16 (0.12)	- (-)
- Mr. Akshay Poddar	- (-)	- (-)	- (-)	0.01 (0.01)	0.01 (0.01)	- (-)
- Ms. Shradha Agarwal	0.02 (0.01)	- (-)	- (-)	- (-)	0.02 (0.01)	- (-)
- Ms. Aashti Agarwal	0.02 (0.01)	- (-)	- (-)	- (-)	0.02 (0.01)	- (-)
- Ms. Anisha Kumari Agarwal	0.05 (0.03)	- (-)	- (-)	- (-)	0.05 (0.03)	- (-)
- Premium Exchange and Finance Ltd.	0.19 (0.19)	- (-)	- (-)	- (-)	0.19 (0.19)	- (-)
- Jeewan Jyoti Medical Society	0.16 (0.16)	- (-)	- (-)	- (-)	0.16 (0.16)	- (-)
- Abhishek Holdings Pvt. Ltd.	0.00 (0.00)	- (-)	- (-)	- (-)	0.00 (0.00)	- (-)
- Adventz Securities Enterprises Ltd.	3.81 (3.81)	- (-)	- (-)	- (-)	3.81 (3.81)	- (-)
- Adventz Finance Pvt. Ltd.	24.38 (17.98)	- (-)	- (-)	- (-)	24.38 (17.98)	- (-)
- Adventz Investments Co. Pvt. Ltd.	- (3.04)	- (-)	- (-)	- (-)	- (3.04)	- (-)
- Duke Commerce Ltd.	7.51 (7.51)	- (-)	- (-)	- (-)	7.51 (7.51)	- (-)
- Eureka Traders Pvt. Ltd.	0.00 (0.00)	- (-)	- (-)	- (-)	0.00 (0.00)	- (-)
- Greenland Trading Pvt. Ltd.	0.04 (0.04)	- (-)	- (-)	- (-)	0.04 (0.04)	- (-)
- Master Exchange & Finance Ltd.	0.02 (0.02)	- (-)	- (-)	- (-)	0.02 (0.02)	- (-)

Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- New Eros Tradecom Ltd.	0.74 (0.74)	- (-)	- (-)	- (-)	0.74 (0.74)	- (-)
- Indrakshi Trading Company Pvt. Ltd.	0.03 (0.03)	- (-)	- (-)	- (-)	0.03 (0.03)	- (-)
- Texmaco Infrastructure & Holdings Ltd.	58.50 (58.50)	- (-)	- (-)	- (-)	58.50 (58.50)	- (-)
- Zuari Industries Ltd.	0.77 (-)	- (-)	- (-)	- (-)	0.77 (-)	- (-)
- Zuari International Ltd.	63.77 (25.06)	- (-)	- (-)	- (-)	63.77 (25.06)	- (-)
- Zuari Global Ltd.	- (4.04)	- (-)	- (-)	- (-)	- (4.04)	- (-)
- Mr. A.K. Vijay	- (-)	- (-)	- (-)	0.05 (0.05)	0.05 (0.05)	- (-)
- Mr. Ravi Varma	- (-)	- (-)	- (-)	0.01 (0.01)	0.01 (0.01)	- (-)
Dividend Received						
- Texmaco Infrastructure & Holdings Ltd.	0.15 (4.70)	- (-)	- (-)	- (-)	0.15 (4.70)	- (-)
- Wabtec Texmaco Rail Pvt. Ltd.	- (-)	- (-)	98.45 (98.45)	- (-)	98.45 (98.45)	- (-)
Others						
- Adventz Finance Pvt. Ltd. (Rent Paid)	16.52 (15.73)	- (-)	- (-)	- (-)	16.52 (15.73)	- (-)
- Adventz Finance Pvt. Ltd. (Interest Paid)	216.05 (491.14)	- (-)	- (-)	- (-)	216.05 (491.14)	140.59 (4.07)
- Adventz Securities Enterprises Ltd. (Interest Paid)	0.86 (117.70)	- (-)	- (-)	- (-)	0.86 (117.70)	- (40.37)
- Zuari Management Services Ltd. (Interest Paid)	531.19 (486.00)	- (-)	- (-)	- (-)	531.19 (486.00)	- (328.35)
- Zuari Sugar and Power Limited (Interest Paid)	- (87.77)	- (-)	- (-)	- (-)	- (87.77)	- (0.82)
- Zuari International Ltd. (Interest Paid)	148.75 (1,080.09)	- (-)	- (-)	- (-)	148.75 (1,080.09)	122.87 (57.74)
- Pench Valley Coal Company Ltd (Interest Paid)	- (1.98)	- (-)	- (-)	- (-)	- (1.98)	- (-)
- Mr. Saroj Kumar Poddar (Interest Paid)	- (-)	- (-)	- (-)	432.31 (120.82)	432.31 (120.82)	432.31 (-)
- High Quality Steels Ltd. (Services Received)	436.44 (563.48)	- (-)	- (-)	- (-)	436.44 (563.48)	48.74 (51.01)
- Lionel India Ltd. (Services Received)	190.39 (131.42)	- (-)	- (-)	- (-)	190.39 (131.42)	19.67 (25.25)
- Lionel India Ltd. (Rent Received)	7.37 (7.37)	- (-)	- (-)	- (-)	7.37 (7.37)	- (4.68)
- Lionel Edwards Ltd. (Services Received)	24.65 (17.58)	- (-)	- (-)	- (-)	24.65 (17.58)	- (-)
- Zuari Management Services Ltd. (Services Received)	275.29 (164.49)	- (-)	- (-)	- (-)	275.29 (164.49)	17.53 (16.29)

Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	- (-)	- (-)	- (-)	0.72 (0.72)	- (-)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	27.84 (45.83)	– (-)	– (-)	– (-)	27.84 (45.83)	8.27 (36.40)
- Wabtec Texmaco Rail Pvt. Ltd. Sale of Goods)	– (-)	– (-)	1,299.85 (466.64)	– (-)	1,299.85 (466.64)	351.83 (-)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	– (-)	– (-)	36.35 (1,095.31)	– (-)	36.35 (1,095.31)	- (73.91)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services/Rent)	– (-)	– (-)	137.44 (146.16)	– (-)	137.44 (146.16)	- (0.23)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	– (-)	– (-)	39.43 (119.61)	– (-)	39.43 (119.61)	0.07 (69.43)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	– (-)	– (-)	5.05 (4.84)	– (-)	5.05 (4.84)	- (0.44)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	– (-)	– (-)	2,508.93 (-24.56)	– (-)	2,508.93 (-24.56)	2,508.93 (-)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	– (-)	- (-)	712.71 (528.54)	– (-)	712.71 (528.54)	641.44 (1,337.94)
- Texmaco Defence Systems Pvt. Ltd. (Rent Received)	– (-)	0.05 (0.05)	– (-)	– (-)	0.05 (0.05)	- (-)
- Texmaco Defence Systems Pvt. Ltd. (Interest Received)	– (-)	35.86 (33.92)	– (-)	– (-)	35.86 (33.92)	119.19 (86.92)
- Bright-Vijaywargi JV (Sale of Goods & Services)	– (-)	– (-)	492.32 (2,369.11)	– (-)	492.32 (2,369.11)	409.78 (459.91)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	– (-)	– (-)	– (-28.39)	– (-)	– (-28.39)	93.82 (93.82)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	– (-)	– (-)	– (-46.16)	– (-)	– (-46.16)	262.24 (262.24)
- Bright-Kalindee JV (Sale of Goods & Services)	– (-)	– (-)	545.00 (320.79)	– (-)	545.00 (320.79)	826.94 (385.31)
- Bright-Texmaco JV (Sale of Goods & Services)	– (-)	– (-)	3,814.87 (6,012.02)	– (-)	3,814.87 (6,012.02)	638.73 (532.75)
- ISC Projects -Texmaco JV (Sale of Goods & Services)	– (-)	– (-)	781.77 (1,396.93)	– (-)	781.77 (1,396.93)	39.53 (441.79)
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	– (-)	– (-)	– (-)	– (-)	– (--)	1.15 (1.15)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	– (-)	– (-)	– (-)	- (-)	– (-)	2.45 (2.45)
- Kalindee Cobra JV (Sale of Goods)	– (-)	– (-)	166.67 (899.04)	– (-)	166.67 (899.04)	345.18 (569.35)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	– (-)	– (-)	- (15.77)	– (-)	– (15.77)	- (-)
- Kalindee IL & FS JV (Sale of Goods)	– (-)	– (-)	– (-)	– (-)	– (-)	1,346.48 (1,346.48)
- Kalindee IL & FS JV (Amount paid on behalf of the company)	– (-)	– (-)	– (1.17)	– (-)	– (1.17)	1.17 (1.17)
- Kalindee Kapoor Railcon JV (Sale of Goods)	– (-)	– (-)	279.19 (804.19)	– (-)	279.19 (804.19)	1,026.09 (773.05)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	– (-)	– (-)	12.54 (2.32)	– (-)	12.54 (2.32)	- (-)

Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Kalindee Karthik JV (Sale of Goods)	- (-)	- (-)	57.55 (10.48)	- (-)	57.55 (10.48)	433.45 (363.91)
- Kalindee Karthik JV (Amount paid on behalf of the company)	- (-)	- (-)	1.21 (0.23)	- (-)	1.21 (0.23)	- (-)
- KalindeeRahee JV (Amount paid by the company on behalf of others)	- (-)	- (-)	4.91 (12.29)	- (-)	4.91 (12.29)	420.70 (677.29)
- Kalindee URC JV (Sale of Goods)	- (-)	- (-)	8.68 (49.11)	- (-)	8.68 (49.11)	167.10 (167.91)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	- (-)	- (-)	77.34 (14.24)	- (-)	77.34 (14.24)	1,697.64 (1,638.78)
- GMR TPL KRNL JV (Sale of Goods)	- (-)	- (-)	570.10 (325.12)	- (-)	570.10 (325.12)	1026.09 (777.00)
- Tata Projects- Kalindee JV (Sale of Goods)	- (-)	- (-)	173.53 (521.21)	- (-)	173.53 (521.21)	32.91 (49.10)
- Texmaco-Rahee JV (Sale of Goods)	- (-)	- (-)	157.60 (1,475.92)	- (-)	157.60 (1,475.92)	- (-)
- Texmaco-Asis JV (Sale of Goods)	- (-)	- (-)	890.22 (153.88)	- (-)	890.22 (153.88)	46.91 (986.93)
Corporate Guarantee Given						
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	- (-)	- (-)	1,331.19 (-1,144.21)	- (-)	1,331.19 (-1,144.21)	2,851.85 (1,520.66)

Notes on Consolidated Financial Statement

Note 1.37 Earning Per Share – The Numerator and Denominator used to Calculate Basic/ Diluted Earning Per Share

(₹ in lakhs)

Particulars		2022-23	2021-22
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	2,602.63	2,050.01
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	32,18,69,895	27,38,58,861
Weighted Average Number of Equity share used on denominator for Diluted earning per Share	Number	32,18,69,895	27,38,58,861
(A) Basic earning per share (face value of ₹1/- each)	₹	0.81	0.75
(B) Diluted earning per share (face value of ₹1/- each)	₹	0.81	0.75

Note No. 1.38 Principles of Consolidation

a) The consolidated financial statements include results of the subsidiaries of Texmaco Rail & Engineering Limited., consolidated in accordance with Ind AS 110' Consolidated Financial Statements'.

Name of the Company	Country of Incorporation	% Shareholding
Belur Engineering Pvt. Ltd.	India	100%
Texmaco Transtrak Pvt. Ltd.	India	51%
Texmaco Rail Systems Pvt. Ltd.	India	51%
Texmaco Rail Electrification Ltd.	India	100%
Panihati Engineering Udyog Pvt Ltd (Formerly Known as Texmaco Engineering Udyog Pvt Ltd)	India	100%

b) These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non – current as per the Company's normal operating cycle and other criteria set out in Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) **Accounting policies applicable in consolidated financial statements**

i) The Company combines the financial statements of the parent and its subsidiaries line adding together like items of assets, liabilities, equity, income, and expenses. Inter-company transactions, balance and unrealised gains on transactions between group companies are eliminated.

ii) 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.

iii) Investments in Associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognized the Company's share of the post – acquisition profit or losses of the investee in profit and loss, and the company's share of other comprehensive income of the investee in other comprehensive income.

iv) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes on Consolidated Financial Statement

Note 1.39 Financial Instruments

A. Accounting classification and Fair Value

(₹ in lakhs)

31st March 2023	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	
Financial Assets (Long Term)								
- Investments		124.91	10,299.02	10,423.93	124.91	10,299.02	-	10,423.93
- Bank Balances			3,379.14	3,379.14	-	-	3,379.14	3,379.14
- Others			740.29	740.29	-	-	740.29	740.29
Financial Assets (Short Term)								
- Investments	17.60			17.60	17.60	-	-	17.60
- Trade Receivable			78,489.32	78,489.32	-	-	78,489.32	78,489.32
- Cash and cash equivalents			3,076.76	3,076.76	-	-	3,076.76	3,076.76
- Bank Balances & Others			12,224.81	12,224.81	-	-	12,224.81	12,224.81
- Loans & Advances			1,518.24	1,518.24	-	-	1,518.24	1,518.24
Total	**17.60**	**124.91**	**1,09,727.58**	**1,09,870.09**	**142.51**	**10,299.02**	**99,428.56**	**1,09,870.09**
Financial liabilities (Long Term)								
- Borrowings			16,359.44	16,359.44			16,359.44	16,359.44
- Lease Liabilities			119.66	119.66			119.66	119.66
Financial liabilities (Short Term)								
- Borrowings			81,890.23	81,890.23			81,890.23	81,890.23
- Lease Liabilities			30.70	30.70			30.70	30.70
- Trade Payable			56,854.51	56,854.51			56,854.51	56,854.51
- Other Financial Liabilities			3,579.58	3,579.58			3,579.58	3,579.58
				-				-
Total	-	-	**1,58,834.12**	**1,58,834.12**	-	-	**1,58,834.12**	**1,58,834.12**

(₹ in lakhs)

31st March 2022	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	
Financial Assets (Long Term)								
- Investments		156.60	7,537.55	7,694.15	156.60	7,537.55	-	7,694.15
- Loans & Advances			-		-	-	-	-
- Bank Balances			1,411.07	1,411.07	-	-	1,411.07	1,411.07
- Others			902.83	902.83	-	-	902.83	902.83
Financial Assets (Short Term)								
- Investments	16.70			16.70	16.70	-	-	16.70
- Trade Receivable			56,994.22	56,994.22	-	-	56,994.22	56,994.22
- Cash and cash equivalents			5,606.76	5,606.76	-	-	5,606.76	5,606.76
- Bank Balances & Others			11,659.04	11,659.04	-	-	11,659.04	11,659.04
- Loans & Advances			2,277.47	2,277.47	-	-	2,277.47	2,277.47
Total	**16.70**	**156.60**	**86,388.94**	**86,562.24**	**173.30**	**7,537.55**	**78,851.39**	**86,562.24**
Financial liabilities (Long Term)								
- Borrowings			4,765.81	4,765.81			4,765.81	4,765.81
Financial liabilities (Short Term)								
- Borrowings			66,214.04	66,214.04			66,214.04	66,214.04
- Trade Payable			31,164.39	31,164.39			31,164.39	31,164.39
- Other Financial Liabilities			3,332.31	3,332.31			3,332.31	3,332.31
				-				-
Total	-	-	**1,05,476.55**	**1,05,476.55**	-	-	**1,05,476.55**	**1,05,476.55**

* The carrying value and the fair value approximates.

Notes on Consolidated Financial Statement

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

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

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

Note 1.40 Tax Expense

(₹ in lakhs)

Particulars	For the Year ended	
	31 March, 2023	**31 March, 2022**
a) Tax Expense		
Current Tax		
- Current tax on profits for the year	0.10	32.98
- Adjustments for current tax of prior periods	-	49.99
- Total current tax expense	**0.10**	**82.97**
Deferred Tax		
- Decrease/(increase) in deferred tax assets	1,169.75	1,404.98
- (Decrease)/increase in deferred tax liabilities	(281.99)	(69.70)
- Total deferred tax expenses/(benefit)	887.76	1,335.28
Tax Expense	**887.86**	**1,418.25**
b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	2,041.08	2,640.25
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	713.23	922.61
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	7.47	2.68
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Income from Investment	(34.69)	(20.97)
- Income from rented property	(106.23)	(97.14)
- MAT Credit/carry forward losses adjustment & Others	-	(106.18)
Tax effect of other adjustment		
- Income from Investment	-	667.26
- Income tax for earlier years	-	49.99
- Others	308.08	-
Tax Expense	**887.86**	**1,418.25**

Notes on Consolidated Financial Statement

Note 1.41 Information about Segment Working is given below:

(₹ in lakhs)

Particulars	2022-23				2021-22			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Total
	1	2	3	4 (1+2+3)	1	2	3	4 (1+2+3)
Revenue (Net of Excise Duty and Cess)								
Gross Sales	1,31,494.81	53,954.69	72,743.59	2,58,193.09	71,487.33	33,065.76	74,868.62	1,79,421.71
Internal-Segment Sales	(3,594.77)	32,101.94)	-	(35,696.71)	(3,183.16)	(16,084.83)	-	(19,267.99)
Other Operating Revenue	444.83	607.46	779.07	1,831.36	531.68	537.80	950.39	2,019.87
Total	**1,28,344.87**	**22,460.21**	**73,522.66**	**2,24,327.74**	**68,835.85**	**17,518.73**	**75,819.01**	**1,62,173.59**
Result								
Segment Result	1,812.43	3,110.61	4,255.06	9,178.10	3,749.54	895.65	4,574.11	9,219.30
Others (Net of Unallocated Expenses)				1014.23				987.29
Operating Profit/(Loss)				**10,192.33**				**10,206.59**
Interest Expense				(8,779.72)				(7,941.30)
Interest Income				628.47				374.96
Total Profit/(Loss) before Tax				**2,041.08**				**2,640.25**
Provision for Current Tax				-				-
Provision for Deferred Tax/MAT Credit				(887.86)				(1,368.26)
Income Tax for Earliear Year				-				(49.99)
Profit/(Loss) from ordinary activities				1,153.22				1,222.00
Extra ordinary items				-				-
Net Profit/(Loss)				**1,153.22**				**1,222.00**
Other Information								
Segment Assets	1,42,041.86	54,461.66	1,31,580.55	3,28,084.07	91,448.14	44,427.10	1,22,819.55	2,58,694.79
Unallocated Corporate assets				10,441.53				7,710.85
Total Assets				**3,38,525.60**				**2,66,405.64**
Segment liabilities	1,21,506.85	7,588.64	70,211.60	1,99,307.09	51,066.84	2,524.34	79,760.45	1,33,351.63
Unallocated corporate liabilities				-				-
Total Liabilities				**1,99,307.09**				**1,33,351.63**
Capital expenditure				4,860.65				1,957.11
Depreciation				3,519.61				3,600.20
Non-cash expenses other than depreciation				724.29				875.77

Note : The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

Note 1.42 Notes on Going Concern

Although there are no operations at present, the Management, however, intends to revive the subsidiary company "Texmaco Transtrack Pvt Ltd" by exploring new areas for business. Therefore, the Management holds the view that the Companies will be able to realise its assets and discharge liabilities in the normal course of business. Accordingly, the financial statements of this subsidiary have been prepared on a Going Concern basis and no adjustments are required to the carrying value of assets and liabilities.

Notes on Consolidated Financial Statement

Note 1.43 Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

Name of the entity	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 lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in lakhs)	As % of total comprehensive income	Amount (Rs. in lakhs)
Parent								
Texmaco Rail & Engineering Ltd.	96.63%	1,34,533.22	76.87%	1,983.66	99.40%	211.39	78.59%	2,195.05
Indian Subsidiaries								
Belur Engineering Pvt. Ltd.	2.69%	3,743.56	0.91%	23.46	0.00%	-	0.84%	23.46
Texmaco Transtrack Pvt. Ltd.	-0.35%	(492.61)	-1.69%	(43.66)	0.00%	-	-1.56%	(43.66)
Texmaco Rail Systems Pvt. Ltd.	0.00%	0.16	-0.06%	(1.53)	0.00%	-	-0.05%	(1.53)
Texmaco Rail Electrification Ltd.	0.00%	0.77	-0.02%	(0.57)	0.00%	-	-0.02%	(0.57)
Panihati Engineering Udyog Pvt. Ltd.	0.00%	(0.03)	-0.02%	(0.56)	0.00%	-	-0.02%	(0.56)
Non Controlling Interest in all subsidiaries	-0.17%	(241.30)	-0.86%	(22.16)	0.00%	-	-0.79%	(22.16)
Joint Ventures								
Touax Texmaco Railcar Leasing Pvt. Ltd.	0.00%	-	38.08%	982.64	0.00%	-	35.18%	982.64
Wabtech Texmaco Rail Pvt. Ltd.	0.00%	-	17.23%	444.62	0.00%	-	15.92%	444.62
Associate Companies								
Texmaco Defence Systems Pvt. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustment and Elimination	1.20%	1,674.74	-30.44%	(785.43)	0.60%	1.28	-28.07%	(784.15)
Total	**100.00%**	**1,39,218.51**	**100.00%**	**2,580.47**	**100.00%**	**212.67**	**100.00%**	**2,793.14**

Notes 1.44 Ratios.

Particulars	Numerator	Denominator	31st Mar, 2023	31st Mar, 2022	% Variance	Reason for Variance (For changes more than 25%)
(a) Current Ratio	Current Assets	Current Liability	1.57	1.80	-12.78%	
(b) Debt-Equity Ratio	Total Debt (Non-Current borrowing+Current Borrowing)	Shareholder's Equity	0.71	0.53	33.96%	Due to increase in Borrowings from previous financial year
(c) Debt Service Coverage Ratio	Net Profit after taxes+ Non-cash operating expenses (depreciation and other amortizations) + Finance Cost + other adjustments (loss on sale of PPE)	Debt service = Interest & Lease Payments + Long Term Loan Repayments	1.25	1.20	4.17%	
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	1.90%	1.66%	14.46%	
(e) Inventory turnover Ratio	Sale of products (Revenue from operation)	Average Inventory	4.33	4.84	-10.54%	
(f) Trade Receivables turnover Ratio	Sale of products (Revenue from operation)	Average Trade Receivable	3.31	2.75	20.36%	
(g) Trade payables turnover Ratio	Cost of Goods sold (Material consumed+Changes in Inventory+Erection Expenses+ Power & Fuel Expenses)	Average Trade Payable	4.25	3.45	23.19%	
(h) Net capital turnover Ratio	Sale of products (Revenue from operation)	Working Capital	2.25	1.73	30.06%	The Net Capital Turnover ratio increased primarily due to increase in Revenue from operation

Notes on Consolidated Financial Statement

Particulars	Numerator	Denominator	31st Mar, 2023	31st Mar, 2022	% Variance	Reason for Variance (For changes more than 25%)
(i) Net profit Ratio	Net Profit after taxes (Revenue from operation)	Sale of products	1.15%	1.27%	-9.45%	
(j) Return on Capital employed	Earning before interest & tax (Profit before tax-interest income+ interest expenses)	Capital Employed (Share Capital+Other Equity- Capital Reseve+ Total Debt+Deffered Tax Liability)	4.41%	5.16%	-14.53%	
(k) Return on investment.	Income generated from Investment	Time Weighted Average Investment	-0.32%	12.67%	-102.53%	The Return on Investment ratio decreased primarily due to decrease in income from Investment

1.45 Other Disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Texmaco Rail & Engineering Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Commitments & Contingent Liabilities	Note 1.36
Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.	Note 1.37
Employee Benefits Obligation	Note 1.43
Leases	Note 1.44
Amount Remitted During the Year on Account of Dividend (As Certified by the Management)	Note 1.45
Value of Raw Materials and Stores Consumed (Including Components and Spare Parts)	Note 1.46
Value of Imports on C.I.F. Basis	Note 1.47
Analysis of Raw Material Consumed	Note 1.48
Expenditure in Foreign Currency	Note 1.51
Income in Foreign Exchange	Note1.52
Details of Inventory of Work in Progress	Note 1.53
As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.	Note 1.54
Details of Income / Expenses disclosed on net basis	Note 1.55
Financial Risk Management Objectives and policies	Note 1.57

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

Notes on Consolidated Financial Statement

Note 1.46 Additional Regulatory Information

1) Company has used the borrowings from banks and financial institutions for the specific purpose for which it has taken at the balance sheet date.

2) No proceedings have been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder, and company has not been declared as willful defaulter by any bank or institution or other lender.

3) To the best of the information available, the company has not entered any transactions with companies struck off under section 248 of the Companies Act,2013 or section 560 of Companies Act,1956

4) Company is filling monthly statement of current assets in respect of its borrowings from banks and status of agreement of quarter end statements with books are as under:

31st March 2023	Quarter-1	Quarter-2	Quarter-3	Quarter-4
Status	**In Agreement**	**In Agreement**	**In Agreement**	**In Agreement**
Reason of Material difference	NA	NA	NA	NA

5) There is no income surrendered or disclosed as income during the year in tax assessment under the Income Tax Act,1961 (such as search or survey), that has not been recorded in the books of account.

6) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the ultimate beneficiaries.

7) 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 to or in any other person(s) or entity(ies), including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.

8) The Company has not traded or invested in crypto currency or virtual currency during the year.

Note 1.47 Previous year's figures have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year's classification.

Note 1.48 Figures below ₹500/- have been omitted for rounding off, ₹500/- and above have been rounded off to the next ₹1000/-.

In terms of our Report of even date attached herewith
For For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

Ranjan Singh
Partner
Membership No. 305423

F2/2, Gillander House,
Kolkata – 700 001
Dated: 12th May, 2023

K.K.Rajgaria
Company Secretary

Hemant Bhuwania
CFO

Directors
S.K.Poddar
Utsav Parekh
Indrajit Mookerjee
D.H.Kela
A.K.Vijay

Independent Auditor's Report

To

The Members of

TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of TEXMACO RAIL & ENGINEERING LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and jointly controlled entities , which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity 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 "Consolidated Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entities referred to in the Other Matters paragraph, 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 their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Procedures Performed
Contingent Liabilities The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states. The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2022 the Company has an amount of ₹12,412.75 Lakhs involved in various pending tax litigations.	**Principal Audit Procedures** In assessing the exposure of the Company for the tax litigations, we have performed the following procedures: • Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable); • Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures:

Key Audit Matter	Procedures Performed
Ind AS 37 requires the Company to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.	• Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. • Read the disclosures included in the Standalone Ind AS Financial Statements in accordance with Ind AS 37.
Revenue Recognition for long term projects The Company's significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues and onerous obligations, profits may deviate significantly on account of change in judgements and estimates.	Our audit procedures included the following: • We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 -Revenue from Contracts with Customers. • We identified and tested controls related to revenue recognition and our audit procedure focused on determination of progress of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations through inspection of evidence of performance of these controls. • We tested on a sample basis, and inspected the underlying customer contracts, performed retrospective review of costs incurred with estimated costs to identify significant variations and assessed whether those variations were considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management's evaluation process to recognize revenue over a period of time, the status of completion for projects and total cost estimates. We analysed the forecast of sample contracts arising from contract modifications and current ongoing negotiations and settlements that may impair the profitability of such contracts as well as the collectability of such contracts by reference to the recent credit review assessment of the customer prepared by management. • We inspected contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates, probable penalties due to delay in contract execution and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required. We assessed that the contractual positions and revenue for the year were presented and disclosed in the financial statements.

Our reporting on KAM in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.

Other Information

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.

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

6. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

7. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities 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 and jointly controlled entities and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 including its associate and jointly controlled entities are responsible for assessing the ability of the Group and its associate and jointly controlled entities 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 its associate and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entities.

Auditor's Responsibility 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 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.

- Obtained 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group, its associate and its jointly controlled entities which are companies incorporated in India have adequate internal financial controls system 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, its associate and its jointly controlled entities 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, its associate and its jointly controlled entities 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 jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when 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.

16. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Other Matters

17 (a) We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 96,529.77 lakhs as at 31st March, 2022 and total revenues of ₹ 57,418.71 lakhs, total loss of ₹ 1790.20 lakhs, total comprehensive loss of ₹ 2034.02 lakhs and cash flows (net) of ₹ 2414.24 lakhs for the year ended on that date. The financial statements of this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

(b) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 2,799.72 lakhs as at March 31, 2022, total revenues of ₹ 330.58 lakhs, total net profit after tax of ₹ 14.05 lakhs and total comprehensive income of ₹ 14.05 lakhs and cash flows (net) of ₹ 4.05 lakhs for the year ended on that date as considered in the financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 830.84 lakhs and total comprehensive income of ₹ 830.58 lakhs for the year ended March 31, 2022 as considered in the consolidated financial statements in respect of two jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of the subsidiary and these jointly controlled entities are based solely on the reports of such other auditors.

(c) The consolidated financial Statements include the unaudited financial statements of one subsidiary whose Financial Statements reflect Group's share of total assets of ₹ 49.45 lakhs as at March 31, 2022, Group's share of total revenue of ₹ 60.35 lakhs Group's share of total net profit after tax of ₹6.90 lakhs, total comprehensive income of ₹ 6.90 lakhs for the year ended March 31, 2022 respectively, and Cash flows (net) of ₹ 20.82 lakhs for the year ended March 31, 2022. These financial statements are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on such unaudited Financial Statement certified by the Management as stated above. Any adjustment upon audit by the respective auditors to the unaudited Financial statement could have consequential effects on the Consolidated Financial statement. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these Financial statements are not material to the Group.

Our opinion on the consolidated Financial Statements 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/ information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion proper books of accounts 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 Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, its associate and jointly controlled entities, none of the directors of the Group's companies and its associate and jointly controlled entities incorporated in India is disqualified as on 31st March, 2022 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 over financial reporting and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**, which is based on the auditor's report of the parent, subsidiary companies and jointly controlled entities, which are companies incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and the records of the Group examined by us, the total managerial remuneration paid as reflected in the financial statements for the year ended 31st March 2022 is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, as applicable.

(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 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 of pending litigations on the consolidated financial position of the Group and its associate and jointly controlled entities – Refer Note 1.44 to the consolidated financial statements.

ii. The Group and its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate and jointly controlled entities companies incorporated in India.

iv (a) The Management has represented that, to the best of its 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 Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Company has neither declared nor paid any interim dividend during the year.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

(D.N. Roy)
Partner
Membership No. 300389
UDIN: 22300389AJHFXF7073

Place: Kolkata
Date: 20.05.2022

ANNEXURE –A TO THE INDEPENDENT AUDITOR'S REPORT To the members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 18(f) of the Auditors' Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub –section 3 of Section 143 of the Companies Act, 2013("the Act")

1. We have audited the internal financial controls over financial reporting of TEXMACO RAIL & ENGINEERING LIMITED. (Hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which are companies incorporated in India as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the of the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the respective companies 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries and jointly controlled entities which are companies incorporated in India based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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 over financial reporting were 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its jointly controlled entities, which are companies incorporated in India, 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 internal financial controls system over financial reporting the Company, its subsidiary companies and its jointly controlled entities which are companies incorporated in India

Meaning of Internal Financial Control over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

    1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

    2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of company; and

    3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

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 over financial reporting in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and one jointly controlled entity, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

(D.N. Roy)
Partner
Membership No. 300389
UDIN: 22300389AJHFXF7073

Place: Kolkata
Date: 20.05.2022

Consolidated Balance Sheet as at 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
I ASSETS :			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	1.01	35,916.13	37,530.48
(b) Right-of-Use Assets	1.02a	43.34	44.01
(c) Capital work-in-progress	1.02b	245.92	392.92
(d) Investment Property	1.02c	2,893.93	2,983.74
(e) Other Intangible Assets	1.03	49.68	57.57
(f) Financial Assets			
(i) Investments	1.04	7,694.15	9,586.22
(ii) Bank Balance	1.05	1,411.07	1,025.16
(iii) Others	1.06	902.83	746.89
(g) Deferred Tax Assets (Net)	1.07	6,881.32	8,216.59
(h) Other Non current Assets	1.08	424.23	503.26
		56,462.60	**61,086.84**
(2) Current Assets			
(a) Inventories	1.09	36,105.25	30,929.65
(b) Financial Assets			
(i) Investments	1.10	16.70	3,546.91
(ii) Trade Receivables	1.11	56,994.22	61,148.82
(iii) Cash & cash equivalents	1.12	5,606.76	2,260.14
(iv) Bank balances other than (iii) above	1.13	11,659.04	8,270.02
(v) Loans	1.14	2,277.47	1,791.55
(c) Current Tax Assets (Net)	1.15	5,250.96	3,144.66
(d) Other Current Assets	1.16	92,032.64	92,009.20
		209,943.04	**203,100.95**
TOTAL ASSETS		**266,405.64**	**264,187.79**
II EQUITY AND LIABILITIES:			
1 Equity			
(a) Equity Share capital	1.17	3,218.70	2,503.43
(b) Other Equity	1.18	129,835.31	111,636.53
Non-Controlling Interest		(220.14)	(223.41)
2 Non-current Liabilities :			
(a) Financial Liabilities			
(i) Borrowings	1.19	6,424.55	5,273.50
(b) Provisions	1.20	855.42	936.66
(c) Other non current liabilities	1.21	11,524.08	11,946.21
		18,804.05	**18,156.37**
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1.22	64,555.30	72,651.93
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprise	1.23	31,164.39	43,016.86
(iii) Other financial liabilities	1.24	3,332.31	4,414.38
(b) Other current liabilities	1.25	13,159.03	8,858.13
(c) Provisions	1.26	2,556.69	3,173.57
		114,767.72	**132,114.87**
TOTAL EQUITY AND LIABILITIES		**266,405.64**	**264,187.79**
Summary of Significant Accounting Policies & Notes	B		

Notes referred to above form an integral part of the Financial Statements

In terms of our Report of even date attached herewith.

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

D.N. Roy
Partner
Membership No.300389
B2/1, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 20th May, 2022

Ravi Varma
Company Secretary

Directors
S. K. Poddar
Utsav Parekh
A. K. Gupta
Indrajit Mookerjee
D. H. Kela
A. K. Vijay

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
I	Revenue From operations	1.27	162,173.59	168,884.79
II	Other Income	1.28	2,243.13	2,503.16
III	**Total Income (I +II)**		**164,416.72**	**171,387.95**
IV	**EXPENSES**			
	Cost of materials consumed	1.29	111,724.71	101,319.68
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.30	(2,301.91)	16,844.80
	Employee benefits expense	1.31	12,603.35	11,688.10
	Finance costs	1.32	10,024.14	10,296.95
	Depreciation and amortization expenses	1.33	3,600.20	3,745.35
	Other expenses	1.34	26,125.98	27,159.40
	Total expenses (IV)		**161,776.47**	**171,054.28**
V	Profit/(loss) before tax (III-IV)		2,640.25	333.67
VI	Exceptional items		-	-
VII	**Profit/(loss) before tax**		**2,640.25**	**333.67**
VIII	**Tax Expenses**			
	1) Current Tax		32.98	-
	2) MAT Credit Entitlement		(32.98)	-
	3) Deferred Tax		1,368.26	(5.47)
	4) Income Tax Paid Related to Earlier Years		49.99	(21.80)
			1,418.25	**(27.27)**
IX	**Profit (Loss) for the period from continuing operations (VII-VIII)**		**1,222.00**	**360.94**
X	**Profit/(loss) for the period from JV/Associates**		830.79	841.32
XI	**Profit/(loss) for the period**		**2,052.79**	**1,202.26**
XII	**Other comprehensive income**	1.35		
	A (i) Items that will not be reclassified to profit or loss		1,211.98	2,149.01
	B (I) Items that will be reclassified to profit or loss		(210.65)	166.76
			1,001.33	**2,315.77**
XIII	**Total Comprehensive Income for the period**		**3,054.12**	**3,518.03**
XIV	**Profit/(loss) for the period Attributable to:**		**2,052.79**	**1,202.26**
	Owners of the Parent		2,050.01	1,415.83
	Non-Controlling Interest		2.78	(213.57)
XV	**Other Comprehensive Income Attributable to:**		**1,001.33**	**2,315.77**
	Owners of the Parent		1,001.33	2,315.77
	Non-Controlling Interest		-	-
XVI	**Total Comprehensive Income Attributable to:**		**3,054.12**	**3,518.03**
	Owners of the Parent		3,051.34	3,731.60
	Non-Controlling Interest		2.78	(213.57)
XVII	**Earnings per equity share (for continuing operations)**	1.37		
	1) Basic		0.75	0.62
	2) Diluted		0.75	0.62
	Summary of Significant Accounting Policies & Notes	B		

Notes referred to above form an integral part of the Financial Statements
In terms of our Report of even date attached herewith.
For **L. B. Jha & Co**

Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
B2/1, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 20th May, 2022

Ravi Varma
Company Secretary

Directors
S. K. Poddar
Utsav Parekh
A. K. Gupta
Indrajit Mookerjee
D. H. Kela
A. K. Vijay

Statement of Consolidated Cash Flow for the year ended 31st March, 2022

(₹ in Lakhs)

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
A)	**Cash Flows From Operating Activities:**		
	Net Profit before Taxation & Exceptional Items	**2,640.25**	**333.67**
	Adjustments for:		
	Depreciation	3,600.20	3,745.35
	Interest Paid	10,024.14	10,296.95
	Bad Debt Written off	231.45	51.18
	Provision and Excess Liabilities Written Back / Off (Net)	(1.46)	(1.24)
	Interest Received	(374.96)	(335.73)
	Income From Investments	(60.05)	(32.10)
	Profit on Sale of Investments-Current (Net)	(22.30)	(2.77)
	Gain on Fair Value of bonds / Mutual Fund	(0.69)	(211.05)
	Loss / (Profit) on Sale Of Property, Plant and Equipment (Net)	(10.30)	7.57
		13,386.03	**13,518.16**
		16,026.28	**13,851.83**
	Operating Profit before Working Capital Changes & Exceptional Items	-	-
	(Increase) / Decrease in Trade & Other Receivables	3,719.50	4,818.68
	(Increase) / Decrease in Inventories	(5,175.60)	22,777.36
	Increase / (Decrease) in Trade Payables & Other Liabilities	(9,663.91)	(36,483.98)
		(11,120.01)	**(8,887.94)**
	Cash Generated from Operations	4,906.27	4,963.89
	Direct Taxes Paid	(2,189.27)	(932.52)
	Cash Flow before Exceptional Items	**2,717.00**	**4,031.37**
	Exceptional Items	-	-
	Net Cash Generated from Operating Activities	**2,717.00**	**4,031.37**
B)	**Cash Flows From Investing Activities**		
	Sale / (Purchase) of Property,Plant & Equipments	(1,575.93)	(829.81)
	(Purchase) / Sale of Investments (Net)	7,415.71	107.84
	Bank Deposits (Includes having original maturity more than three months)	(3,774.93)	(1,501.19)
	Interest Received	(187.84)	(110.12)
	Dividend Received	158.50	32.10
	Net Cash Generated from/(used in) Investing Activities	**2,035.51**	**(2,301.18)**
C)	**Cash Flows From Financing Activities**		
	Receipt / (Payment) of Long Term Borrowings	1,186.72	(1,908.97)
	Receipt / (Payment) of Short Term Borrowings	(8,096.63)	2,979.51
	Increase in Share Capital	715.27	255.84
	Increase in Securities Premium	15,397.74	7,645.15
	Interest Paid	(10,147.81)	(10,048.05)
	Dividend Paid	(250.53)	(236.58)
	Net Cash used in Financing Activities	**(1,195.24)**	**(1,313.10)**
D)	**Changes in Foreign Currency Translation arising from Foreign Operations**	(210.65)	166.76
	Net Decrease in Cash and Cash Equivalents	3,346.62	583.85
	Cash and Cash Equivalents at the beginning of the period	2,260.14	1,676.29
	Cash and Cash Equivalents at the end of the period	5,606.76	2,260.14
	Note:		
	(1) Details of Cash and Cash Equivalents as on		
	Balances with banks		
	Current Accounts	5,565.09	2,133.22
	Cheques on hand	-	51.04
	Cash in hand	41.67	75.88
		5,606.76	**2,260.14**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS-7 (Statement of Cash Flow)

Notes referred to above form an integral part of the Financial Statements
In terms of our Report of even date attached herewith.

For **L. B. Jha & Co**

Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
B2/1, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 20th May, 2022

Ravi Varma
Company Secretary

Directors
S. K. Poddar
Utsav Parekh
A. K. Gupta
Indrajit Mookerjee
D. H. Kela
A. K. Vijay

Statement of Changes in Equity for the Year Ended 31st March, 2022

a. Equity share capital

(₹ in Lakhs)

Particulars	Issued, Subscribed and Paid up Capital
Balance as at 01.04.2020	2,248.59
Add: Change in Equity Share Capital during the year	254.84
Balance as at 31.03.2021	**2,503.43**
Add: Change in Equity Share Capital during the year	715.27
Balance as at 31.03.2022	**3,218.70**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Account	General Reserve	Share Option Outstanding Account	Retained Earnings	Equity instruments/ retained benefits/ income in Associates and Joint Ventures through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1st April, 2020	**1,626.60**	**39,934.70**	**47,220.92**	**1,184.36**	**10,064.24**	**510.61**	**(56.82)**	**100,484.61**
Income for the year	-	-	-	-	1,415.83	-	-	1,415.83
Other Comprehensive Income for the year	-	-	-	-	-	2,125.82	166.76	2,292.58
Issue of Equity Shares by conversion of loan (promotor's contribution)	-	7,645.15	-	-	-	-	-	7,645.15
Dividend on Equity Shares	-	-	-	-	(224.83)	-	-	(224.83)
Transfer to/from retained earnings	-	-	-	-	20.81	2.38	-	23.19
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Asssociates & Joint Ventures	-	-	-	-	(0.02)	0.02	-	-
Balance as at 31st March, 2021	**1,626.60**	**47,579.85**	**47,420.92**	**1,184.36**	**11,076.03**	**2,638.83**	**109.94**	**111,636.53**
Income for the year	-	-	-	-	2,050.01	-	-	2,050.01
Other Comprehensive Income for the year	-	-	-	-	-	1,237.93	(210.65)	1,027.28
Issue of Equity Shares under Rights Issue	-	15,735.86	-	-	-	-	-	15,735.86
Adjustments for Rights Issue expenses	-	(338.12)	-	-	-	-	-	(338.12)
Dividend on Equity Shares	-	-	-	-	(250.34)	-	-	(250.34)
Remeasurement of the net defined benefit plan	-	-	-	-	-	(25.68)	-	(25.68)
Realised Profit on sale of equity shares transferred from equity instrument through other comprehensive income	-	-	-	-	3,787.78	(3,787.78)	-	-
Transfer to/from retained earnings	-	-	-	-	(25.68)	25.68	-	-
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Asssociates & Joint Ventures	-	-	-	-	(0.23)	-	-	(0.23)
Balance as at 31st March, 2022	**1,626.60**	**62,977.59**	**47,620.92**	**1,184.36**	**16,437.57**	**88.98**	**(100.71)**	**129,835.31**

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co**

Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
B2/1, Gillander House
8, Netaji Subhas Road
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Dated: 20th May, 2022

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A. K. Vijay

Notes on Consolidated Financial Statement

A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Holding Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

The Holding Company and its subsidiaries are engaged in the manufacturing, selling and providing service for Rail and Rail related products. The Company manufactures a diverse range of products.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

These financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of Accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefits plans which are measured at fair values at the end of each reporting period. Historical cost is generally based on the value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Functional currency of the Company is in Indian Rupees. These Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non- current classification of assets and liabilities.

(iii) Use of Estimates

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates, judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of Contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each year. The policy has been explained under note B (xxi).

(iv) Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation has been provided on straight line method in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act, 2013 except certain assets for which useful life of assets has been ascertained based on report of technical experts. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition.

The Company, based on technical assessment made by technical expert and management estimate, depreciates Building and Plant & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

- Buildings (Site Office) 3 years
- Buildings/ Investment Property 30 to 60 years
- Roads 5 to 10 years
- Railway Sidings 15 to 30 years
- Electrical Machinery 10 to 20 years
- Plant & Equipment 5 to 17 years
- Furniture 10 years
- Office Equipment 5 years
- Computers 3 years
- Motor Vehicles 8 years
- Intangible Assets (Software) 6 years
- Leasehold Improvements 3 years

Capital work-in-progress

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as Capital Advances.

Investment Properties

Properties that are held for - long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any, Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets are amortized on Straight Line Basis over a period of 6 years.

(vi) 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(vii) Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to statement profit or loss immediately.

Notes on Consolidated Financial Statement

(viii) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(a) Financial assets carried at amortized cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Investment in Equity Instruments at fair value through other comprehensive income

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e) Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at cost in the Financial Statements.

f) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

g) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(ix) Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(x) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of GST, trade discounts, rebates but includes excise duty. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Export incentives, certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

a. Revenue from Operations

Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

b. Revenue from construction contracts

In accordance with Ind AS 115 “Revenue from Contracts with customers”, Revenue is recognized from construction and service activities is recognized based on “over time “ method and the company uses the input method to measure progress of delivery.

When the outcome of individual contracts can be estimated reliably, contract revenue and contract cost are recognized as revenue and expenses respectively by reference to the stage of completion at the reporting date. Costs are recognized as incurred and revenue is recognized on the basis of the proportion of total cost at the reporting date to the estimated total cost of the contract.

Estimates of the final out-turn on each contract may include cost contingencies to take account of the risk within each contracts that have been identified during the early stages of contract. The cost contingencies are reviewed on a regular basis throughout the contract life and are adjusted where appropriate. However, the natures of the risks on contracts are such that they often cannot be resolved until the end of the project and therefore may not reverse until the end of the Project. The estimated final out- turns on contracts are continuously reviewed, and in certain limited cases, recoveries from insurers are assessed, and adjustments made where necessary. No margin is recognized until the outcome of the contract can be estimated with reasonable certainty. Provision is made for all known or expected losses on individual contracts once each losses are foreseen.

Revenue in respect of variations to contracts and incentive payments is recognized when it is highly probable and agreed by the customer. Revenue in respect of claim is recognized only if it is highly probable not to reverse in future periods. Profit for the year includes the benefit of claims settled in the year to the extent not previously recognized on contracts completed in previous years.

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS115 “Revenue from Contracts with customers” where income from operations is determined and recognized, based on the bills raised on technical evaluation of work executed based on joint inspection with customers including railways. The figures have been taken as per the management working on the basis of the work completed.

c. Other Income

Other income comprises of primarily of Interest Income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental Income and Claims (if any).

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Dividend Income is recognized as and when right to receive payment is established provided, which is generally after the shareholders approves it in the Annual General Meeting.

Gain/ (Loss) on sale of Current/ Non Current Investments are recognized at the time of redemption/ Sale and at Fair value at each reporting period.

Rent Income/Lease rentals are recognized on accrual basis in accordance with the terms of agreements.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(xi) Employee Benefits

The Company's contribution to provident fund, pension fund, employees' state insurance scheme and super-annuation fund are charged on accrual basis to Statement of Profit & Loss.

a. Short term benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/ schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis s-vis interest rate declared by the Employees' Provident Fund Organisation.

c. Defined benefit retirement benefits:

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees.

Remeasurement, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognized in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in the comprehensive income are not reclassified to the statement of profit and loss but recognized directly in the retained earnings. Past service costs are recognized in the statement of profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

d. **Voluntary Retirement Scheme Benefits**

Voluntary retirement scheme benefits are recognized as an expense in the year they are incurred.

(xii) Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

(xiii) Custom Duty & Goods & Service Tax (GST)

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods. GST payable on finished goods lying in factory is provided for and included in Closing Stock of Inventory.

(xiv) Research and Development

Research and Development expenditures of revenue nature are charged to Profit & Loss Account, while capital expenditure is added to the cost of fixed assets in the year in which these are incurred.

(xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on weighted average basis.

Stores and Spares are valued on the "weighted average" basis.

(xvi) Lease

a. **Where the Company is the lessee**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

b. **Where the Company is the lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit &Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of Profit &Loss.

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

(xvii) Foreign Currency Transactions and Exchange Differences

Transactions in currencies other than entity's functional currency (spot rates) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are premeasured at the rates of exchange prevailing at that date. Exchange difference on monetary items are recognized in the statement of Profit & Loss in the period in which they arise. Non-monetary items carried at historical cost are translated using exchange rates at the dates of the initial transaction.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a. **Provisions & Warranties**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognise at the date of sale of the relevant products, at the management's best estimate of the expenditure -required to settle the Company's warranty obligation.

b. **Onerous contracts**

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognized and measured as provisions.

c. **Contingent liabilities**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Notes on Consolidated Financial Statement

d. **Contingent Assets**

   Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain.

(xix) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xx) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(xxi) Segment Reporting

a) Based on the organizational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Heavy Engineering Division and Steel Foundry Division and Rail EPC.

b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.

c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a. **Current income taxes**

   The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

b. **Deferred income taxes**

   Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

   Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

   Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognized as they become receivable. In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss.

(xxiv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xxv) Cash Flow Statement

Cash Flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company are segregated.

(xxvi) Exceptional Item

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.

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
Jointly controlled assets	Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	**(a) Integrated joint ventures:** (i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures. (ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses. **(b) Incorporated jointly controlled entities:** (i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established. (ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature.

(XXVIII) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements

Notes on Consolidated Financial Statement

Note 1.01 Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2021	Additions during the year	Sales / Adjustments	As at 31.03.2022	As at 01.04.2021	During the year	Sales / Adjustments	As at 31.03.2022	As at 31.03.2022
Property, Plant & Equipment:									
Land	3,923.14	-	42.39	3,880.75	150.82	0.02	39.77	111.07	3,769.68
Buildings	11,230.76	43.11	-	11,273.87	1,802.70	375.51	-	2,178.21	9,095.66
Roads	196.49	-	-	196.49	113.61	16.85	-	130.46	66.03
Railway Sidings	219.12	85.86	-	304.98	58.01	11.12	-	69.13	235.85
Plant & Machinery	32,795.27	1,704.11	441.16	34,058.22	10,375.91	2,694.53	273.16	12,797.28	21,260.94
Electrical Machinery	716.05	0.45	-	716.50	314.16	52.89	-	367.05	349.45
Office Equipments	1,043.54	60.71	32.51	1,071.74	719.87	143.37	28.00	835.24	236.50
Furniture & Fittings	752.82	10.67	86.59	676.90	403.59	55.98	75.89	383.68	293.22
Vehicles	918.84	174.43	104.68	988.59	326.88	126.81	73.90	379.79	608.80
Total	**51,796.03**	**2,079.34**	**707.33**	**53,168.04**	**14,265.55**	**3,477.08**	**490.72**	**17,251.91**	**35,916.13**
Note: 1.02									
a) Right of Use Assets	45.37	-	-	45.37	1.36	0.67	-	2.03	43.34
b) Capital Work in Progress (CWIP)	392.92	1,446.35	1,593.35	245.92	-	-	-	-	245.92
c) Investment Property	3,638.16	-	-	3,638.16	654.42	89.81	-	744.23	2,893.93
Total	**4,076.45**	**1,446.35**	**1,593.35**	**3,929.45**	**655.78**	**90.48**	**-**	**746.26**	**3,183.19**
Note: 1.03									
Intangible Assets:				-					
Software	519.90	24.75	-	544.65	462.33	32.64	-	494.97	49.68
Total	**519.90**	**24.75**	**-**	**544.65**	**462.33**	**32.64**	**-**	**494.97**	**49.68**
Grand Total	**56,392.38**	**3,550.44**	**2,300.68**	**57,642.14**	**15,383.66**	**3,600.20**	**490.72**	**18,493.14**	**39,149.00**

Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2020	Additions during the year	Sales / Adjustments	As at 31.03.2021	As at 01.04.2020	During the year	Sales / Adjustments	As at 31.03.2021	As at 31.03.2021
Property, Plant & Equipment:									
Land	3,923.14	-	-	3,923.14	150.80	0.02	-	150.82	3,772.32
Buildings	11,086.34	144.42	-	11,230.76	1,385.47	417.23	-	1,802.70	9,428.06
Roads	183.51	12.98	-	196.49	98.51	15.10	-	113.61	82.88
Railway Sidings	217.71	1.41	-	219.12	48.24	9.77	-	58.01	161.11
Plant & Machinery	32,661.13	1,078.57	944.43	32,795.27	7,854.99	2,738.23	217.31	10,375.91	22,419.36
Electrical Machinery	706.53	28.57	19.05	716.05	276.74	51.10	13.68	314.16	401.89
Office Equipments	1,005.20	51.26	12.92	1,043.54	568.21	163.07	11.41	719.87	323.67
Furniture & Fittings	729.55	14.87	(8.40)	752.82	337.75	60.67	(5.17)	403.59	349.23
Vehicles	972.53	127.20	180.89	918.84	323.75	134.56	131.43	326.88	591.96
Total	**51,485.64**	**1,459.28**	**1,148.89**	**51,796.03**	**11,044.46**	**3,589.75**	**368.66**	**14,265.55**	**37,530.48**
Note: 1.02									
a) Right of Use Assets	45.37	-	-	45.37	0.68	0.68	-	1.36	44.01
b) Capital Work in Progress (CWIP)	735.42	500.98	843.48	392.92	-	-	-	-	392.92
c) Investment Property	3,638.16	-	-	3,638.16	564.61	89.81	-	654.42	2,983.74
Total	**4,418.95**	**500.98**	**843.48**	**4,076.45**	**565.29**	**90.49**	**-**	**655.78**	**3,420.67**
Note: 1.03									
Intangible Assets:				**-**					
Software	501.36	18.54	-	**519.90**	**397.22**	**65.11**	**-**	**462.33**	**57.57**
Total	**501.36**	**18.54**	**-**	**519.90**	**397.22**	**65.11**	**-**	**462.33**	**57.57**
Grand Total	**56,405.95**	**1,978.80**	**1,992.37**	**56,392.38**	**12,006.97**	**3,745.35**	**368.66**	**15,383.66**	**41,008.72**

Notes on Consolidated Financial Statement

Ageing of Capital-Work-in Progress (CWIP)

(₹ in Lakhs)

Description of Assets	As on 31st March 2022					As on 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11.66	31.04	136.01	67.21	245.92	112.44	213.27	-	67.21	392.92
Project temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**11.66**	**31.04**	**136.01**	**67.21**	**245.92**	**112.44**	**213.27**	**-**	**67.21**	**392.92**

Title deeds of Immovable Propertis not held in name of the Company

Particulars	Description of item of property	Gross carrying value (₹ in Lakhs)	Year in Service	Title deeds held in the name of	Title Deed Holder	Year since Property held	Reason for not being held in the name of the company
Property, Plant & Equipment	**Land**						
	i) Belgharia & Agarpara	456.92	Since 1944	Textile Machinery Corporation Ltd.,Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1944	Held in the name of Pre-demerged entity.
	ii) Sodepur	56.16	1999	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1999 & 2000	Held in the name of Pre-demerged entity.
	iii) Panihati	835.13	2006	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2006	Held in the name of Pre-demerged entity.
	Building						
	i) Flat no. 6A, Mandeville court, 1-D, Mandeville Garden, Kolkata-700019. Area - 1333 Sq. Ft.	14.86	2000	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2000	Held in the name of Pre-demerged entity
	ii) Flat no.4H,6,Hastings Park Road, Kolkata-700027. Area -1237 Sq.Ft.	2.10	2001	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2001	Held in the name of Pre-demerged entity
	iii) Flat at 1st Floor,1/115, Gariahat Road, Kolkata-700068 Area -1318 Sq Ft	14.59	2007	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2007	Held in the name of Pre-demerged entity
Investment Property	**Land**						
	i) Sodepur	35.32	2020	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2020	Held in the name of Pre-demerged entity.

Notes on Consolidated Financial Statement

Note 1.04 Non Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
OTHER THAN TRADE INVESTMENTS		
Fully Paid-up		
Investments in Equity Instruments (Quoted) (At fair value)		
Texmaco Infrastructure & Holdings Ltd.	114.39	1,644.86
1,99,809 (2021: 23,49,809) Shares of ₹ 1 each		
Chambal Fertilisers & Chemicals Ltd.	42.21	2,290.50
10,000 (2021: 10,00,000) Shares of ₹ 10 each		
Investments in Equity Instruments of Associate Company (Unquoted)(At Cost)		
Texmaco Defence Systems Private Limited	-	0.06
41,000 (2021: 41,000) Shares of ₹ 10 each		
Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt Limited	1,545.27	1,362.53
1,26,49,999 (2021: 1,26,49,999) Shares of ₹ 10 each		
Wabtec Texmaco Rail Private Limited	642.28	621.44
32,81,700 (2021:32,81,700) Shares of ₹ 10 each		
Investments in CCD of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt Limited	5,350.00	3,666.83
53,50,000 (2021: 36,66,825) CCD of ₹ 100 each		
TOTAL NON CURRENT INVESTMENTS	**7,694.15**	**9,586.22**
i) Aggregate amount of quoted investments	156.60	3,935.36
ii) Market Value of quoted investments	156.60	3,935.36
iii) Aggregate amount of unquoted investments	7,537.55	5,650.86

Note 1.05 Bank Balance (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Margin Money	1,411.07	1,025.16

Note 1.06 Other Non-Current Financial Assets

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Security Deposits	631.97	568.36
(b) Term Deposit of more Than Twelve Months Maturity	217.81	134.48
(c) Interest Accured on Deposits & Others	53.05	44.05
Total	**902.83**	**746.89**

Notes on Consolidated Financial Statement

Note 1.07 Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Tax Assets		
(a) Carried Forward Losses	3,693.47	2,752.69
(b) Provisions & others	2,718.63	5,085.21
(c) MAT Credit	4,939.90	4,906.92
(d) Compensated absences	169.43	175.74
(e) Gratuity	133.60	139.45
Total Deferred Tax Assets	**11,655.03**	**13,060.01**
Deferred Tax Liabilities		
(a) Property,Plant and equipment	(4,773.71)	(4,843.42)
Total Deferred Tax Liabilities	**(4,773.71)**	**(4,843.42)**
Net deferred tax assets	**6,881.32**	**8,216.59**

Note 1.08 Other non-current asset

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Capital Advances	155.76	300.32
(b) Prepaid Expenses	268.47	202.94
Total	**424.23**	**503.26**

Note 1.09 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Raw Material	13,234.19	11,376.75
(b) Work in Progress	16,845.09	14,581.23
(c) Finished Goods	1,501.69	1,463.64
(d) Stock in Trade	-	-
(e) Stores and Spares	2,304.43	1,615.32
(f) Goods in transit(Purchase)	2,219.85	1,892.71
Total	**36,105.25**	**30,929.65**

Inventories are secured against first charge on working capital facility.

Note 1.10 Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Investments in Mutual Funds (Unquoted) (At Fair Value)		
Axis Treasury Advantage Fund Growth	16.70	16.00
645 (2021: 645) Units of ₹ 1000 each		
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H	-	1,882.78
Nil (2021: 1,50,00,000) Units of ₹ 100 each		
SBI Debt Fund Series C-16 1100 Days	-	1,648.13
Nil (2021: 1,32,24,964) Units of ₹ 10 each		
TOTAL CURRENT INVESTMENTS	**16.70**	**3,546.91**
i) Aggregate amount of quoted investments	-	-
ii) Market Value of quoted investments	-	-
iii) Aggregate amount of unquoted investments	**16.70**	**3,546.91**

Notes on Consolidated Financial Statement

Note 1.11 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Secured , considered good	-	-
(b) Unsecured , considered good	56,994.22	61,148.82
(c) Unsecured, Credit Impaired	4,875.35	9,949.34
	61,869.57	**71,098.16**
Allowance for bad and doubtful debts	(4,875.35)	(9,949.34)
Total	**56,994.22**	**61,148.82**

(i) The above includes ₹ 15,862.45 Lakhs as retention money (2021: ₹ 17,246.,95 Lakhs) which are recoverable on completion of the project as per the relevant contract.

(ii) Trade Receivables are secured against first charge on working capital facility

(iii) The Company provide allowance in trade recivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the Recievables.

(₹ in Lakhs)

Ageing of Trade Receivable	As on 31st March, 2022 Outstanding for following periods from due date of payment						
Particulars	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivable							
(i) Undisputed Trade Receivables – considered good	14,062.43	21,876.43	4,488.22	3,466.56	3,079.15	10,021.43	56,994.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	21.69	21.34	4,832.32	4,875.35
Disputed Trade Receivable	-	-	-	-	-	-	
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Debtors	**14,062.43**	**21,876.43**	**4,488.22**	**3,488.25**	**3,100.49**	**14,853.75**	**61,869.57**
Less:Allowance for bad and doubtful debts	-	-	-	(21.69)	(21.34)	(4,832.32)	(4,875.35)
Net Debtors	**14,062.43**	**21,876.43**	**4,488.22**	**3,466.56**	**3,079.15**	**10,021.43**	**56,994.22**

(₹ in Lakhs)

Ageing of Trade Receivable	As on 31st March, 2021 Outstanding for following periods from due date of payment						
Particulars	**Not Due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivable							
(i) Undisputed Trade Receivables – considered good	11,687.10	31,452.58	1,401.74	4,484.48	3,657.80	8,465.12	61,148.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	9,949.34	9,949.34
Disputed Trade Receivable	-	-	-	-	-	-	
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Debtors	**11,687.10**	**31,452.58**	**1,401.74**	**4,484.48**	**3,657.80**	**18,414.46**	**71,098.16**
Less:Allowance for bad and doubtful debts	-	-	-	-	-	(9,949.34)	(9,949.34)
Net Debtors	**11,687.10**	**31,452.58**	**1,401.74**	**4,484.48**	**3,657.80**	**8,465.12**	**61,148.82**

Notes on Consolidated Financial Statement

Note 1.12 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Balances with banks		
- In current accounts	5,565.09	2,133.22
(b) Cheques/ Pay order on hand	-	51.04
(c) Cash in hand	41.67	75.88
Total	**5,606.76**	**2,260.14**

Cash and cash equivalents include Cash in hand, Cheques/Draft on hand & Cash at Bank

Note 1.13 Bank balances other than above

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Unpaid Dividend Account	16.32	16.51
(b) Term Deposit of upto Twelve Months Maturity	12.71	12.71
(c) Margin Money	11,630.01	8,240.80
Total	**11,659.04**	**8,270.02**

Represents deposit with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet Date.

Note 1.14 Loans(Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Loan to Associates	290.69	259.74
(b) Other loans		
Interest accrued on Loans	1,801.95	1,283.81
Advance to Employee	184.83	248.00
Total	**2,277.47**	**1,791.55**
(c) Unsecured,Credit Impaired		
Loan to Body Corporates	275.00	275.00
Less :Allowance for Loan to Body Corporate	(275.00)	(275.00)
Total	**2,277.47**	**1,791.55**

Note 1.15 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Payment of Income Tax (net of provision)	5,250.96	3,144.66
Total	**5,250.96**	**3,144.66**

Notes on Consolidated Financial Statement

Note 1.16 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Security Deposits	1,082.35	132.19
(b) Advance to Parties	6,270.66	5,576.47
(c) Other Advances	1,855.77	2,878.64
(d) Prepaid Expenses	1,024.48	401.90
(e) Balances with Government Dept	18,316.48	20,345.04
(f) Contractually reimbursable expenses	1,908.83	2,575.21
(g) Unbilled Debtors	61,574.07	60,099.75
Total	**92,032.64**	**92,009.20**

Note 1.17 Equity Share capital

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Authorised Share Capital		
(As at 31st March 2021: 197,00,00,000 equity share of Re 1/- each)	19,700.00	19,700.00
Total	**19,700.00**	**19,700.00**
Issued, Subscribed and paid up capital		
32,18,69,895 Equity Share of Re 1/- each		
(As at 31st March 2021: 25,03,43,252 equity share of Re 1/- each)	3,218.70	2,503.43
Total	**3,218.70**	**2,503.43**

(i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

(iii) During previous financial year, the Company has allotted 1,61,29,031 and 93,54,839 Equity Shares of ₹ 1 each to Shri Saroj Kumar Poddar and M/s Adventz Finance Private Limited respectively under preferential allotment as approved by the shareholders in accordance with Chapter V of the Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2018. The Equity Shares were issued @ ₹ 31/- per Equity Share (including a premium of ₹ 30/- per share)

Notes on Consolidated Financial Statement

(iv) During the year, the Company had issued and allotted 7,15,26,643 equity shares of face value of ₹ 1 each by way of Rights Issue for an amount aggregating up to ₹ 164,51,12,789, in the ratio of 2 equity shares for every 7 equity shares held, to eligible equity shareholders of the Company as on the record date at an issue price of ₹ 23/- per equity share (including a premium of ₹ 22/- per equity share).

The proceeds from Rights Issue have been utilised towards the objects stated in the Letter of Offer in the following manner:

Original Object	Modified Object,if any	Original Allocation (₹ In Lakhs)	Modified allocation, if any	Funds Utilised (₹ In Lakhs)	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
Part Repayment or prepayment of ICDs and unsecured loans	N.A	11,500.00	10,402.16	10,402.16	NIL	Refer Note
Funding Working Capital requirements of the company	N.A	3,000.00	N.A	3,000.00	NIL	NIL
General Corporate Purpose	N.A	1,629.18	2,727.02	2,712.77	NIL	Refer Note

Note: The Right Issue was over -subscribed by 1.35 times(approx.) and accordingly,the shares to the promoters/promoter group was limited due to pro-rata basis of allotment to public and promoter category.Therefore,the amount could not be fully utilized for repayment of loan(ICD) on account of allotment of shares to the promoters/promoter group to the extent of ₹ 10,402.16 Lakh.The balance amount of ₹ 1097.84 Lakhs from 'ICD head' has been adjusted in the General Corporate Purpose.Accordingly,the allocation has been modified.Deviation or variation could mean:

(a) Deviation in the objects or purposes for which the funds have been rais ed or

(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or

(c) Change in terms of a contract referred to in the fund raising document i.e prospectus,letter of offer,etc.

(v) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

Particulars	As at 31.03.2022	As at 31.03.2021
	No . Of Shares	No . Of Shares
Number of Shares at the beginning of the year	25,03,43,252	22,48,59,382
Add: Conversion of Loan into Equity Share through Preferential Allotment	-	25,483,870
Add: Allotment under Right Issue	71,526,643	-
Number of Shares at the end of the year	**321,869,895**	25,03,43,252

(vi) After the reporting date, dividend of10 paisa (2021: 10 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the share holders at the Annual General Meeting, the dividend has not been recognised as Liabilities.

Notes on Consolidated Financial Statement

(vii) The name of Shareholders holding more than 5% Equity shares

Name of Shareholders	As at 31.03.2022		As at 31.03.2021	
	No . Of Shares	% Holding	No . Of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	18.17	5,85,00,000	23.37
Zuari Investments Ltd.	6,37,68,926	19.81	2,50,63,900	10.01
Saroj Kumar Poddar*	2,75,51,367	8.56	2,01,86,771	8.06
Adventz Finance Pvt. Ltd.	2,43,76,949	7.57	1,79,82,239	7.18
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	1,74,67,565	5.43	14,190,615	5.67

*The shares held by Shri Saroj Kumar Poddar includes his holding as Karta of HUF and trustee of Saroj and Jyoti Poddar Holdings Pvt Ltd.

(viii) Details of shareholdings by Promoter / Promoter Group

Sl. No.	Name of the Promoter & Promoter Group	As at31.03.2022		As at 31.03.2021		% Change during the year*
		No . Of Shares	% of Shareholding	No . Of Shares	% of Shareholding	
1	Saroj Kumar Poddar (As A Karta)	10710	0.00	10710	0.00	-
2	Saroj Kumar Poddar (As A Trustee - Saroj And Jyoti Poddar Holdings Private Trust)	3792857	1.18	2950000	1.18	28.57
3	Shradha Agarwala	20693	0.01	14280	0.01	44.91
4	Jyotsna Poddar (As An Individual)	104032	0.03	71790	0.03	44.91
5	Saroj Kumar Poddar (As An Individual)	23747800	7.38	17226061	6.88	37.86
6	Kumari Anisha Agarwala	46574	0.01	32140	0.01	44.91
7	Aashti Agarwala	20693	0.01	14280	0.01	44.91
8	Eureka Traders Private Limited	530	0.00	530	0.00	-
9	Indrakshi Trading Company Private Limited	30000	0.01	30000	0.01	-
10	Master Exchange & Finance Limited	15760	0.00	15760	0.01	-
11	Premium Exchange And Finance Limited	188090	0.06	188090	0.08	-
12	Zuari Investments Limited	63768926	19.81	25063900	10.01	154.43
13	Zuari Global Limited	765988	0.24	4035000	1.61	-81.02
14	Jeewan Jyoti Medical Society	160500	0.05	160500	0.06	-
15	Adventz Finance Private Limited	24376949	7.57	17982239	7.18	35.56
16	Duke Commerce Limited	7514000	2.33	7514000	3.00	-
17	Greenland Trading Private Limited	35000	0.01	35000	0.01	-
18	Texmaco Infrastructure & Holdings Limited	58500000	18.18	58500000	23.37	-
19	Abhishek Holdings Private Limited	280	0.00	280	0.00	-
20	Adventz Securities Enterprises Limited	3809140	1.18	3809140	1.52	-
21	Adventz Investment Company Private Limited	0	-	3035710	1.21	-100.00
22	New Eros Tradecom Limited	738800	0.23	738800	0.30	-
23	Akshay Poddar	14820	0.00	14820	0.01	-
24	Puja Poddar	160000	0.05	117850	0.05	35.77
		187822142	**58.34**	141560880	**56.55**	32.68

* % change during the year has been computed on the basis of the number of shares at the beginning of the year

Notes on Consolidated Financial Statement

Note 1.18 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Other Reserves		
Share Options Outstanding Account		
Balance as per last Account	1,184.36	1,184.36
	1,184.36	**1,184.36**
(ii) Capital Reserve		
Balance as per last Account	1,626.60	1,626.60
	1,626.60	**1,626.60**
(iii) Securities Premium		
Balance as per last Account	47,579.85	39,934.70
Add:Issue of Equity Share Under Preferantial allotmnent	-	7,645.15
Add: Rights Issue of Equity Shares (including conversion of Loan(Promoters Contribution)	15,735.86	-
Less: Adjustment for Rights Issue Expenses	(338.12)	-
	62,977.59	**47,579.85**
(iv) General reserve		
Balance at the beginning of the year	47,420.92	47,220.92
Add: Transferred from Statement of Profit and Loss	200.00	200.00
	47,620.92	**47,420.92**
(v) Reserves representing unrealised gains/losses		
(a) Equity Instruments through Other Comprehensive Income	2,638.83	515.23
Addition during the year	1,237.93	2,123.60
Less: Realised Profit on Sale of Equity Shares Transferrred to Retained Earnings	(3,787.78)	-
	88.98	**2,638.83**
(b) Remeasurements of the net defined benefit Plans	-	(2.38)
Addition during the year	(25.68)	23.19
Less : Transferred to Retained Earning	25.68	(20.81)
	-	**-**
(c) Share of other Comprehensive Income in Asssociates & Joint Ventures, to the extent not to be classified into profit or loss		
Balance at the beginning of the year	-	(2.24)
Addition during the year	-	2.22
Less : Transferred to Retained Earning	-	0.02
	-	**-**
(vi) Exchange differences on translating the financial statements of a foreign operation		
Balance at the beginning of the year	109.94	(56.82)
Addition during the year	(210.65)	166.76
	(100.71)	**109.94**
(vii) Retained Earnings		
Surplus at the beginning of the year	11,076.03	10,064.24
Add : Profit for the year	2,050.01	1,415.83
Add : Transferred from Remeasurements of the net defined benefit Plans	(25.68)	20.81
Add: Realised Profit on Sale of Equity Shares Transferrred from Equity Instrument Through Other Comprehensive Income	3,787.78	-
Add : Transferred from Share of other Comprehensive Income in Asssociates & Joint Ventures, to the extent not to be classified into profit or loss	(0.23)	(0.02)
Less : Transferred to General Reserve	(200.00)	(200.00)
Less:Dividend on Equity Shares	(250.34)	(224.83)
	16,437.57	**11,076.03**
Total	**129,835.31**	**111,636.53**

Notes on Consolidated Financial Statement

Note 1.18 Other Equity (Contd.)

(i) **General Reserve:** The General Reserve is used from time to time to transfer of profit from Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items includes in the General Reserve will not be reclassified subsequently to profit & loss

(ii) **Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumulative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.

(iii) **Capital Reserves:** The Company recoginses profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.

(iv) **Security Premium:** Security Premium Reserve used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013

(v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.

(vi) **Retained Earnings:** Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses off setting earnings.

Note 1.19 Borrowings (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Secured		
From banks		
(a) Term Loan/Foreign Currency Term Loan (TL/FCTL)	6,378.41	5,213.74
(b) Car Loan	46.14	59.76
Total	**6,424.55**	**5,273.50**

i) Term Loan from Banks are secured against the Property, Plant and Equipments created from such Loan, remaining Term Loan from Banks are repayable as per the timeline mentioned in sanctioned letter.

ii) Term Loans includes loan of ₹ 4150 lakhs secured primarily by an exclusive charge over rent receivables from the lessee and has collateral security by way of an exclusive charge over immovable property against which the rent is receivable.

iii) Some of the vehicles are acquired through Auto Loan facility and such vehicles are exclusively hypothecated in favour of respective lenders, repayable in monthly equated instalments till Jan 2025.

Note 1.20 Provisions (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Provision for Leave	365.96	399.17
(b) Provision for Gratuity	305.47	353.50
(c) For Warranty and others	183.99	183.99
Total	**855.42**	**936.66**

The Company accounts for leave and gratuity based on Actuary Valuation

Notes on Consolidated Financial Statement

Note 1.21 Other Non Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Advances from Customers	11,249.61	11,638.87
(b) Prepaid - Rent Liability	274.47	307.34
Total	**11,524.08**	**11,946.21**

Note 1.22 Borrowings (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Secured		
(i) From Banks		
Cash Credit	49,976.38	42,154.74
Short Term Loans	4,000.00	6,932.19
(b) From Other Parties	-	-
(i) Loans from related parties	4,878.92	19,465.00
ii) Inter-Corporate Deposits	5,700.00	4,100.00
Total	**64,555.30**	**72,651.93**

(i) Cash Credit facilities of respective divisions are secured by hypothecation of first charge on stock, book debts and other current assets of that particular division (both present and future).

(ii) Cash Credit facility for Rail EPC Divisions and Steel Foundry Division (Raipur) are further secured by first charge on the movable fixed assets of their respective divisions (both present and future).

(iii) Cash Credit facility for Rail EPC- Kalindee Division are further secured by way of first Pari-Passu charge on fixed deposit of ₹ 14.49 Crores along with flats at Jaipur & Gurgaon to the working capital consortium lenders.

(iv) Cash Credit Facility of HED/SF (Kolkata) Division are secured by exclusive charge on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.

(v) Current maturities of long term borrowings amounts to ₹ 1658.74 Lakhs (Previous year ₹ 1054.61 Lakhs)

Note 1.23 Trade Payables

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Dues to Micro Enterprise and Small Enterprises	-	-
Dues of Creditors other than Micro Enterprise and Small Enterprises	31,164.39	43,016.86
	31,164.39	**43,016.86**
Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows		
Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are give as follows:		
(a) Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	**-**	**-**

There are no material dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2022 and 31st March, 2021. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors

(₹ in Lakhs)

Ageing of Trade Payable	As on 31st March, 2022				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Other Creditors	24,068.95	3,470.55	1,242.52	2,382.37	31,164.39
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-

(₹ in Lakhs)

Ageing of Trade Payable	As on 31st March, 2021				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Other Creditors	35,571.79	4,257.01	1,289.96	1,898.10	43,016.86
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-

Notes on Consolidated Financial Statement

Note 1.24 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Interest accrued		
Interest accrued but not due on borrowings	411.88	535.55
(b) Unclaimed/Unpaid dividends	16.32	16.51
(c) Others		
Liabilities for Expenses	1,192.10	2,336.20
Amount Due to Employee	1,464.81	1,324.25
Others Misc. Payable	222.13	186.49
Creditors for Capital Advance	25.07	15.38
Total	**3,332.31**	**4,414.38**

There is no amount due and outstanding to be credited to the Investor Eduaction and Protection Fund against upaid dividend as at 31st March, 2022

Note 1.25 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Advances from Customers	7,803.26	4,765.89
(b) TDS and other taxes payable	659.64	337.71
(c) PF, ESI amount Payble	124.60	120.24
(d) Security Deposits	2,454.68	2,178.50
(e) Other Liabilities	2,116.85	1,455.79
Total	**13,159.03**	**8,858.13**

Note 1.26 Provisions (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Provision for Gratuity	76.86	45.58
(b) Provision for leave	118.89	103.77
(c) Provision for Contract Loss Provision	35.63	600.40
(d) Provision for Expenses	2,325.31	2,423.82
Total	**2,556.69**	**3,173.57**

The Company accounts for leave and gratuity based on Actuary Valuation

Notes on Consolidated Financial Statement

Note 1.27 Revenue From Operations

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Sale of products	104,508.34	104,493.10
(b) Sale of services	74,913.37	77,642.43
(c) Other operating revenues	2,019.87	806.37
Gross Revenue from Operations	181,441.58	182,941.90
Less: Inter Segment Revenue	19,267.99	14,057.11
Net Revenue from Operations	162,173.59	168,884.79

Note 1.28 Other Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Interest Income		
From Bank	335.33	265.14
From Others	39.63	70.59
(b) Dividend Income		
Income from Non-Current Investments	60.05	32.10
(c) Other non-operating income		
Net gain on Sale of Current Investments	22.30	2.77
Compensation Against Old Refugee Settlement Area	-	589.74
Miscellaneous Receipts and Income	631.34	297.10
Sundry Credit Balance Adjusted	29.82	0.45
Profit on sale of Fixed Assets (Net)	10.30	-
Rent Received	927.24	965.17
Provision & Excess Liabilities Written Back	1.46	2.18
Insurance Claim Received	184.97	66.87
Gain on fair valuation of Bonds/Mutual Fund	0.69	211.05
Total	**2,243.13**	**2,503.16**

Note 1.29 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stock of Raw Materials	3,764.71	5,888.18
Add: Raw materials Purchased and Departmental Transfers etc.	82,470.78	68,782.00
	86,235.49	**74,670.18**
Less: Closing Stock of Raw Materials	5,380.71	3,764.71
	80,854.78	**70,905.47**
Consumption of Components	50,137.92	44,471.32
Less Inter Segment Revenue	(19,267.99)	(14,057.11)
Total	**111,724.71**	**101,319.68**

Notes on Consolidated Financial Statement

Note 1.30 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stock		
Finished Goods	1,463.64	5,097.35
Work-in-Progress	14,581.23	27,792.32
	16,044.87	**32,889.67**
Less : Closing Stock		
Finished Goods	1,501.69	1,463.64
Work-in-Progress	16,845.09	14,581.23
	18,346.78	**16,044.87**
(Increase) / Decrease in Stock	(2,301.91)	16,844.80

Note 1.31 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Salaries ,Wages and Bonus	11,220.19	10,334.05
(b) Contribution to provident and other funds	-	-
i) Provident Fund and Pension Fund	735.33	660.62
ii) Superannuation Fund	28.90	25.11
iii) Gratuity	61.62	267.67
(c) Staff Welfare Expenses	490.76	400.06
(d) VRS Expenses	66.55	0.59
Total	**12,603.35**	**11,688.10**

Note 1.32 Finance Costs

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Interest		
i) Banks	4,994.86	5,891.30
ii) Others	2,946.44	3,115.69
(b) Other Borrowing costs	2,082.84	1,289.96
Total	**10,024.14**	**10,296.95**

Note 1.33 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Depreciation on Tangible Assets	3,567.56	3,680.24
Depreciation on Intangible Assets	32.64	65.11
Total	**3,600.20**	**3,745.35**

Notes on Consolidated Financial Statement

Note 1.34 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022		Year Ended 31.03.2021	
Consumption of stores and spare parts		7,999.95		8,815.25
Power and Fuel		5,544.74		5,515.63
Rent		432.69		569.25
Repairs to buildings		574.95		497.86
Repairs to machinery		485.55		364.30
Repairs to others		110.43		111.56
Insurance		371.85		491.89
Rates and Taxes excluding taxes on Income		388.38		411.42
Freight,Packing and Transport		859.38		1,284.00
Erection Expenses		4,815.19		5,687.60
Drawings and Designs		4.40		1.01
Royalty & Knowhow		0.68		24.01
Research & Development		71.62		129.54
Selling Agents Commission		24.08		62.32
Selling Expenses		284.04		134.61
Director's Sitting Fees		28.20		23.35
Director's Commission		13.59		12.41
Payments to the Auditor		44.20		42.32
As Auditor	20.20		19.90	
For Tax Audit	4.75		4.75	
For Quarterly Review	5.70		5.70	
For Fees for Other Services	11.17		5.11	
As Cost Auditor	1.95		1.85	
For Reimbursement of out of pocket expenses	0.43		5.01	
Donation		2.07		1.04
CSR Expenses*		7.68		11.61
Miscellaneous Expenses		3,315.48		2,555.95
Sundry Debit Balance Adjusted		4.50		37.54
Capital WIP Written Off		-		378.48
Allowance for bad & doubtful debts		597.34		330.91
Bad Debt/Impairment /Loss of unbilled Revenue	5,561.37	-	8,817.50	-
Less: Allowance for bad & doubtful debts	(5,329.92)	231.45	(8,766.32)	51.18
Capital Advance Written Off		42.48		-
Net (gain)/loss on foreign currency transaction		(128.94)		(394.15)
Unbilled revenue/ Contractually reimbursable expenses written off	1,281.42	-		
Less: credit impaired	(1,281.42)	-		
Loss/(Profit) on sale of PPE (Net)		-		7.57
Provision & Excess Liabilities Written Back		-		0.94
Total		**26,125.98**		**27,159.40**

***Note on CSR Expense:**

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i)	Amount required to be spent by the company during the year	6.55	7.31
(ii)	Amount of expenditure incurred	7.68	11.61
(iii)	Shortfall at the end of the year	NA	NA
(iv)	Total of previous years shortfall	NA	NA
(v)	Reason for shortfal	NA	NA
(vi)	Nature of CSR activities	Health & Education	Health & Education
(vii)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Nil	Nil

Notes on Consolidated Financial Statement

Note 1.35 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
A. Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defrned benefit plans	(25.68)	23.19
(ii) Equity Instruments through Other Comprehensive Income	1,237.93	2,123.60
(iii) Share of Other Comprehensive Income in Associates and loint Ventures, to the extent not to be classified into profit or loss	(0.27)	2.22
Total	**1,211.98**	**2,149.01**
B. Items that will be reclassified to profit or loss		
(i) Exchange differences in translating the financial statements of a foreign operation	(210.65)	166.76
Total	**(210.65)**	**166.76**

Note No. 1.36 Related Party Disclosure

(a) Name of the related parties and relationship as per Ind AS 24, where transaction exists.

Relationship	Parties where control Exist 2021-2022	Parties where control Exist 2020-21
A. Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman	Mr. Saroj Kumar Poddar Executive Chairman
	Mr. Indrajit Mookherjee, Executive Director & Vice Chairman (w.e.f: 1st January,2022)	Mr. Indrajit Mookherjee, Managing Director (Redesignated w.e.f: 02ndApril, 2020)
	Mr. Ashish Kr. Gupta, Managing Director (w.e.f: 1st January,2022)	Mr. Ashish Kr. Gupta, Deputy Managing Director (Appointed w.e.f: 17th November,2020)
	Mr. A. C. Chakrabortti, Independent Director (Resigned w.e.f 7th February 2022)	Mr. A. C. Chakrabortti, Independent Director
	Mr. D. R. Kaarthikeyan, Independent Director	Mr. D. R. Kaarthikeyan, Independent Director
	-	Ms. Mridula Jhunjhunwala, Independent Director (Resigned w.e.f 19th March, 2021)
	Mr. Sunil Mitra, Independent Director (Resigned w.e.f 9th December 2021)	Mr. Sunil Mitra, Independent Director
	Mr. Utsav Parekh, Independent Director	Mr. Utsav Parekh, Independent Director
	Mr. Virendra Sinha, Independent Director	Mr. Virendra Sinha, Independent Director (Appointed w.e.f: 17th Feb,2021)

Notes on Consolidated Financial Statement

Relationship	Parties where control Exist 2021-2022	Parties where control Exist 2020-21
	Ms. Rusha Mitra, Independent Director	Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021)
	Mr. Partha Sarathi Bhattacharyya, Independent Director (Appointed w.e.f: 1st Jan,2022)	-
	Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO	Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO
	Mr. Damodar Hazarimal Kela Executive Director & CEO (SF)	Mr. Damodar Hazarimal Kela Executive Director & CEO (SF)
	Mr. Akshay Poddar, Non – Executive Director	Mr. Akshay Poddar, Non – Executive Director
	Mr. Ravi Varma Company Secretary	Mr. Ravi Varma Company Secretary
B. Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)
	Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)	Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)
	Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)	Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)
	Ms. Anisha Kumari Agarwal (GrandDaughter of Mr. S.K.Poddar)	Ms. Anisha Kumari Agarwal (GrandDaughter of Mr. S.K.Poddar)
	Ms. Aashti Agarwal (GrandDaughter of Mr. S.K.Poddar)	Ms. Aashti Agarwal (GrandDaughter of Mr. S.K.Poddar)
C. Subsidiary Company	Belur Engineering Private Ltd. (100% of Capital held by Company)	Belur Engineering Private Ltd. (100% of Capital held by Company)
	Texmaco Transtrak Private Ltd. (51.01% of Capital held by Company)	Texmaco Transtrak Private Ltd. (51.01% of Capital held by Company)
	-	Texrail SA (Pty) Ltd. (Subsidiary by way of Control)
	Texmaco Rail Systems Pvt. Ltd (51% of Capital held by Company)	Texmaco Rail Systems Pvt. Ltd. (67.11% of Capital held by Company)
	Texmaco Rail Electrification Ltd. (100% of Capital held by Company)	Texmaco Rail Electrification Ltd. (100% of Capital held by Company)
	Texmaco Engineering Udyog Pvt. Ltd. (100% of Capital held by Company)	Texmaco Engineering Udyog Pvt. Ltd. (100% of Capital held by Company)
D. Associate	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)
E. Joint Ventures	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)
	Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)	Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)
	Kalindee Cobra JV	Kalindee Cobra JV
	Kalindee Kapoor Railcon JV	Kalindee Kapoor Railcon JV
	Kalindee Karthik JV	Kalindee Karthik JV
	Kalindee VNC JV	Kalindee VNC JV

Notes on Consolidated Financial Statement

Relationship	Parties where control Exist 2021-2022	Parties where control Exist 2020-21
	Kalindee IF&LS JV	Kalindee IF&LS JV
	GMR TPL KRNL JV	GMR TPL KRNL JV
	Kalindee Rahee JV	Kalindee Rahee JV
	Kalindee URC JV	Kalindee URC JV
	JMC – GPT – Vijaywargi – Bright Power JV	JMC – GPT – Vijaywargi – Bright Power JV
	JMC – Vijaywargi – Bright Power JV	JMC – Vijaywargi – Bright Power JV
	Bright – Vijaywargi JV	Bright – Vijaywargi JV
	Bright – Kalindee JV	Bright – Kalindee JV
	Bright – Texmaco JV	Bright – Texmaco JV
	ISC Projects- Texmaco JV	ISC Projects- Texmaco JV
	Kalindee ASIS JV	Kalindee ASIS JV
	Tata Projects – Kalindee JV	Tata Projects – Kalindee JV
	TexmacoRahee JV	TexmacoRahee JV
F. Group Company where Transaction Exists.	Duke Commerce Ltd.	Duke Commerce Ltd.
	Adventz Securities Enterprises Ltd.	Adventz Securities Enterprises Ltd.
	Zuari Global Ltd.	Zuari Global Ltd.
	New Eros Tradecom Ltd.	New Eros Tradecom Ltd.
	Master Exchange & Finance Ltd.	Master Exchange & Finance Ltd.
	Adventz Investments Co. Pvt. Ltd.	Adventz Investments Co. Pvt. Ltd.
	Adventz Finance Pvt. Ltd.	Adventz Finance Pvt. Ltd.
	Eureka Traders Pvt. Ltd.	Eureka Traders Pvt. Ltd.
	Abhishek Holdings Pvt. Ltd.	Abhishek Holdings Pvt. Ltd.
	Greenland Trading Pvt. Ltd.	Greenland Trading Pvt. Ltd.
	Indrakshi Trading Company Pvt. Ltd.	Indrakshi Trading Company Pvt. Ltd.
	Zuari Management Services Ltd.	Zuari Management Services Ltd.
	High Quality Steels Ltd.	High Quality Steels Ltd.
	Lionel India Ltd.	Lionel India Ltd.
	Lionel Edwards Ltd.	Lionel Edwards Ltd.
	Texmaco Infrastructure & Holdings Ltd.	Texmaco Infrastructure & Holdings Ltd.
	Zuari Investments Ltd.	Zuari Investments Ltd.
	Zuari Sugar and Power Ltd.	Zuari Sugar and Power Ltd.
	Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.
	Magnacon Electricals India Ltd.	Magnacon Electricals India Ltd.
	The Pench Valley Coal Company Ltd.	The Pench Valley Coal Company Ltd.
	Premium Exchange And Finance Ltd.	Premium Exchange And Finance Ltd.
	Jeewan Jyoti Medical Society	Jeewan Jyoti Medical Society

(b) Related Party Transactions

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
Remuneration Paid							
- Mr. Saroj Kumar Poddar	-- (--)	-- (--)	-- (--)	-- (--)	423.83 (274.37)	423.83 (274.37)	-- (--)
- Mr. Indrajit Mookherjee	-- (--)	-- (--)	-- (--)	-- (--)	80.08 (58.90)	80.08 (58.90)	-- (--)
- Mr. A.K. Vijay	-- (--)	-- (--)	-- (--)	-- (--)	89.92 (54.80)	89.92 (54.80)	-- (--)
- Mr. D. H. Kela	-- (--)	-- (--)	-- (--)	-- (--)	168.51 (95.38)	168.51 (95.38)	-- (--)
- Mr. Ashish Kr. Gupta	-- (--)	-- (--)	-- (--)	-- (--)	170.24 (52.08)	170.24 (52.08)	-- (--)
- Mr. Ravi Varma	-- (--)	-- (--)	-- (--)	-- (--)	29.40 (22.03)	29.40 (22.03)	-- (--)
- Mr. A. C. Chakrabortti (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	8.37 (6.85)	8.37 (6.85)	-- (--)
- Mr. D.R. Kaarthikeyan (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	7.15 (5.85)	7.15 (5.85)	-- (--)
- Mr. Sunil Mitra (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.34 (5.75)	4.34 (5.75)	-- (--)
- Mr. Utsav Parekh (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	7.00 (4.00)	7.00 (4.00)	-- (--)
- Mr. Akshay Poddar (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.50 (5.00)	4.50 (5.00)	-- (--)
- Ms. Rusha Mitra (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.65 (0.89)	4.65 (0.89)	-- (--)
- Mr. Partha Sarathi Bhattacharyya (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	1.14 (--)	1.14 (--)	-- (--)
- Mr. Virendra Sinha (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.65 (0.89)	4.65 (0.89)	-- (--)
- Ms. Mridula Jhunjhunwala (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	-- (6.53)	-- (6.53)	-- (--)
- Mr. Indrajit Mookherjee (Appointed w.e.f: 02nd April, 2020)	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.01)	-- (0.01)	-- (--)
Investment							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	-- (--)	-- (--)	-- (--)	1,683.17 (466.83)	-- (--)	1,683.17 (466.83)	6,614.99 (4,931.82)
- Texmaco Infrastructure & Holdings Ltd.	(1530.48) (--)	-- (--)	-- (--)	-- (--)	-- (--)	(1,530.48) (--)	114.39 (1,644.87)
- Wabtec Texmaco Rail Pvt. Ltd	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	328.17 (328.17)

Notes on Consolidated Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
Loans & Advances Given							
- Bright-Vijaywargi-JV	--	--	--	-39.71	--	-39.71	66.39
	(--)	(--)	(--)	(48.41)	(--)	(48.41)	(106.10)
- Bright- Kalindee-JV	--	--	--	-23.67	--	-23.67	-47.32
	(--)	(--)	(--)	(44.97)	(--)	(44.97)	(-23.65)
- Bright- Texmaco-JV	--	--	--	-52.90	--	-52.90	-193.50
	(--)	(--)	(--)	(124.48)	(--)	(124.48)	(-140.60)
Loans & Advances Received/ Repaid							
- Adventz Finance Pvt. Ltd.	-2,802.00	--	--	--	--	-2,802.00	318.00
	(-2,080.00)	(--)	(--)	(--)	(--)	(-2,080.00)	(3,120.00)
- Adventz Securities	-1,044.00	--	--	--	--	-1,044.00	31.00
Enterprises Ltd.	(375.00)	(--)	(--)	(--)	(--)	(375.00)	(1,075.00)
- Magnacon Electricals India	--	--	--	--	--	--	--
Ltd.	(-800.00)	(--)	(--)	(--)	(--)	(-800.00)	(--)
- Zuari Management	--	--	--	--	--	--	3,600.00
Services Ltd.	(3,600.00)	(--)	(--)	(--)	(--)	(3,600.00)	(3,600.00)
- Zuari Investments Ltd.	-8070.00	--	--	--	--	-8070.00	930.00
	(9,000.00)	(--)	(--)	(--)	(--)	(9,000.00)	(9,000.00)
- Zuari Sugar and Power Ltd.	-1,150.00	--	--	--	--	-1,150.00	--
	(1,150.00)	(--)	(--)	(--)	(--)	(1,150.00)	(1,150.00)
- Mr. Saroj Kumar Poddar	–	--	--	--	-1,500.00	-1,500.00	--
	(–)	(--)	(--)	(--)	(1,500.00)	(1,500.00)	(1,500.00)
- Pench Valley Coal	-20.00	--	--	--	--	-20.00	--
Company Ltd.	(20.00)	(--)	(--)	(--)	(--)	(20.00)	(20.00)
Dividend Paid							
- Mr.Saroj Kumar Poddar	–	--	--	--	20.19	20.19	--
	(–)	(--)	(--)	(--)	(4.15)	(4.15)	(--)
- Ms Jyotsna Poddar	0.07	--	--	--	--	0.07	--
	(0.07)	(--)	(--)	(--)	(--)	(0.07)	(--)
- Ms. Puja Poddar	0.12	--	--	--	--	0.12	--
	(0.03)	(--)	(--)	(--)	(--)	(0.03)	(--)
- Mr. Akshay Poddar	–	--	--	--	0.01	0.01	--
	(–)	(--)	(--)	(--)	(0.01)	(0.01)	(--)
- Ms. Shradha Agarwal	0.01	--	--	--	--	0.01	--
	(0.01)	(--)	(--)	(--)	(--)	(0.01)	(--)
- Ms. Aashti Agarwal	0.01	--	--	--	--	0.01	--
	(0.01)	(--)	(--)	(--)	(--)	(0.01)	(--)
- Ms. Anisha Kumari Agarwal	0.03	--	--	--	--	0.03	--
	(0.03)	(--)	(--)	(--)	(--)	(0.03)	(--)
- Premium Exchange and	0.19	--	--	--	--	0.19	--
Finance Ltd.	0.19	(--)	(--)	(--)	(--)	0.19	(--)
- Jeewan Jyoti Medical	0.16	--	--	--	--	0.16	--
Society	0.16	(--)	(--)	(--)	(--)	0.16	(--)
- Adventz Securities	3.81	--	--	--	--	3.81	--
Enterprises Ltd.	(3.81)	(--)	(--)	(--)	(--)	(3.81)	(--)
- Adventz Finance Pvt. Ltd.	17.98	--	--	--	--	17.98	--
	(8.48)	(--)	(--)	(--)	(--)	(8.48)	(--)
- Adventz Investments Co.	3.04	--	--	--	--	3.04	--
Pvt. Ltd.	(3.04)	(--)	(--)	(--)	(--)	(3.04)	(--)

Notes on Consolidated Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Duke Commerce Ltd.	7.51	--	--	--	--	7.51	--
	(7.51)	(--)	(--)	(--)	(--)	(7.51)	(--)
- Greenland Trading Pvt. Ltd.	0.04	--	--	--	--	0.04	--
	(0.04)	(--)	(--)	(--)	(--)	(0.04)	(--)
- Master Exchange & Finance Ltd.	0.02	--	--	--	--	0.02	--
	(0.02)	(--)	(--)	(--)	(--)	(0.02)	(--)
- New Eros Tradecom Ltd.	0.74	--	--	--	--	0.74	--
	(0.74)	(--)	(--)	(--)	(--)	(0.74)	(--)
- Indrakshi Trading Company Pvt. Ltd.	0.03	--	--	--	--	0.03	--
	(0.03)	(--)	(--)	(--)	(--)	(0.03)	(--)
- Texmaco Infrastructure & Holdings Limited	58.50	--	--	--	--	58.50	--
	(58.50)	(--)	(--)	(--)	(--)	(58.50)	(--)
- Zuari Investments Ltd.	25.06	--	--	--	--	25.06	--
	(25.06)	(--)	(--)	(--)	(--)	(25.06)	(--)
- Zuari Global Ltd.	4.04	--	--	--	--	4.04	--
	(4.04)	(--)	(--)	(--)	(--)	(4.04)	(--)
- Mr. D. H. Kela	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(0.03)	(0.03)	(--)
- Mr. A.K. Vijay	--	--	--	--	0.05	0.05	--
	(--)	(--)	(--)	(--)	(0.05)	(0.05)	(--)
- Mr. Ravi Varma	--	--	--	--	0.01	0.01	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Dividend Received							
- Texmaco Infrastructure & Holdings Ltd.	4.70	--	--	--	--	4.70	--
	(4.70)	(--)	(--)	(--)	(--)	(4.70)	(--)
- Wabtec Texmaco Rail Pvt. Ltd.	98.45	--	--	--	--	98.45	--
	-	(--)	(--)	(--)	(--)	-	(--)
Others							
- Adventz Finance Pvt. Ltd. (Rent Paid)	15.73	--	--	--	--	15.73	--
	(15.79)	(--)	(--)	(--)	(--)	(15.79)	(--)
- Adventz Finance Pvt. Ltd. (Interest Paid)	491.14	--	--	--	--	491.14	4.07
	(710.74)	(--)	(--)	(--)	(--)	(710.74)	(127.90)
- Adventz Securities Enterprises Ltd. (Interest Paid)	117.70	--	--	--	--	117.70	40.37
	(106.97)	(--)	(--)	(--)	(--)	(106.97)	(27.12)
- Magnacon Electricals India Ltd. (Interest Paid)	--	--	--	--	--	--	--
	(90.73)	(--)	(--)	(--)	(--)	(90.73)	(--)
- Zuari Management Services Ltd. (Interest Paid)	486.00	--	--	--	--	486.00	328.35
	(438.06)	(--)	(--)	(--)	(--)	(438.06)	(405.21)
- Zuari Sugar and Power Ltd. (Interest Paid)	87.77	--	--	--	--	87.77	0.82
	(58.68)	(--)	(--)	(--)	(--)	(58.68)	(54.28)
- Zuari Investment Ltd. (Interest Paid)	1,080.09	--	--	--	--	1,080.09	57.74
	(29.25)	(--)	(--)	(--)	(--)	(29.25)	(27.06)
- Pench Valley Coal Company Ltd (Interest Paid)	1.98	--	--	--	--	1.98	--
	(0.37)	(--)	(--)	(--)	(--)	(0.37)	(0.34)
- Mr. Saroj Kumar Poddar (Interest Paid)	--	--	--	--	120.82	120.82	--
	(--)	(--)	(--)	(--)	(349.81)	(349.81)	(326.44)
- High Quality Steels Ltd. (Services Received)	563.48	--	--	--	--	563.48	51.01
	(530.97)	(--)	(--)	(--)	(--)	(530.97)	(59.14)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Lionel India Ltd. (Services Received)	131.42 (24.17)	-- (--)	-- (--)	-- (--)	-- (--)	131.42 (24.17)	25.25 (14.44)
- Lionel India Ltd. (Rent Received)	7.37 (21.01)	-- (--)	-- (--)	-- (--)	-- (--)	7.37 (21.01)	4.68 (21.01)
- Lionel Edwards Ltd. (Services Received)	17.58 (--)	-- (--)	-- (--)	-- (--)	-- (--)	17.58 (--)	-- (--)
- Zuari Management Services Ltd. (Services Received)	164.49 (37.06)	-- (--)	-- (--)	-- (--)	-- (--)	164.49 (37.06)	16.29 (9.71)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	-- (--)	-- (--)	-- (--)	-- (--)	0.72 (0.72)	-- (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	45.83 (68.74)	-- (--)	-- (--)	-- (--)	-- (--)	45.83 (68.74)	36.40 (73.03)
- Wabtec Texmaco Rail Pvt. Ltd.(Sale of Goods)	-- (--)	-- (--)	-- (--)	466.64 (412.40)	-- (--)	466.64 (412.40)	-- (156.22)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	1095.31 (431.95)	-- (--)	1095.31 (431.95)	73.91 (--)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services/Rent)	-- (--)	-- (--)	-- (--)	146.16 (169.43)	-- (--)	146.16 (169.43)	0.23 (43.29)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	119.61 (2181.17)	-- (--)	119.61 (2181.17)	69.43 (2550.19)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	-- (--)	4.84 (3.23)	-- (--)	4.84 (3.23)	0.44 (0.48)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	-24.56 (--)	-- (--)	-24.56 (---)	-- (24.56)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	-- (--)	-- (--)	-- (--)	528.54 (298.04)	-- (--)	528.54 (298.04)	1,337.94 (862.25)
- Paradeep Phosphate Ltd. (Rent Received)	-- (3.59)	-- (--)	-- (--)	-- (--)	-- (--)	-- (3.59)	-- (--)
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	2,369.11 (2,796.59)	-- (--)	2,369.11 (2,796.59)	459.91 (528.30)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-28.39 (123.85)	-- (--)	-28.39 (123.85)	93.82 (122.21)
- JMC-Vijaywargi-Bright Power J V (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-46.16 (49.74)	-- (--)	-46.16 (49.74)	262.24 (308.40)
- Bright-Kalindee JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	320.79 (744.47)	-- (--)	320.79 (744.47)	385.31 (239.38)
- Bright-Texmaco JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	6,012.02 (3,518.28)	-- (--)	6,012.02 (3,518.28)	532.75 (750.14)
- ISC Projects -Texmaco JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	1,396.93 (1,948.70)	-- (--)	1,396.93 (1,948.70)	441.79 (356.46)

Notes on Consolidated Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1.15 (1.15)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	2.45 (2.45)
- Kalindee Cobra JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	899.04 (1,431.00)	-- (--)	899.04 (1,431.00)	569.35 (573.41)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	15.77 (1.44)	-- (--)	15.77 (1.44)	-- (--)
- Kalindee IL & FS JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	-- (19.64)	-- (--)	-- (19.64)	1346.48 (1,346.48)
- Kalindee IL & FS JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	1.17 (--)	-- (--)	1.17 (--)	1.17 (--)
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	804.19 (90.47)	-- (--)	804.19 (90.47)	773.05 (316.04)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	2.32 (1.71)	-- (--)	2.32 (1.71)	-- (--)
- Kalindee Karthik JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	10.48 (112.64)	-- (--)	10.48 (112.64)	363.91 (529.31)
- Kalindee Karthik JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	0.23 (--)	-- (--)	0.23 (--)	-- (--)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	12.29 (28.02)	-- (--)	12.29 (28.02)	677.29 (905.79)
- Kalindee URC JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	49.11 (212.25)	-- (--)	49.11 (212.25)	167.91 (181.43)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	14.24 (32.89)	-- (--)	14.24 (32.89)	1638.78 (1681.28)
- GMR TPL KRNL JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	325.12 (849.28)	-- (--)	325.12 (849.28)	777.00 (878.34)
- Tata Projects- Kalindee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	521.21 (553.49)	-- (--)	521.21 (553.49)	49.10 (465.30)
- Texmaco SA (Pty) Ltd. (Services Received)	-- (--)	-- (0.36)	-- (--)	-- (--)	-- (--)	-- (0.36)	-- (--)
- Texmaco-Rahee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	1475.92 (691.05)	-- (--)	1475.92 (691.05)	-- (67.24)
- Texmaco-Asis JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	153.88 (12.05)	-- (--)	153.88 (12.05)	-- (--)
Corporate Guarantee Given							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (--)	-- (--)	-- (--)	-1144.21 (958.48)	-- (--)	-1144.21 (958.48)	1520.66 (2664.87)

Note: Figures in brackets are for previous financial year.

Notes on Consolidated Financial Statement

Note 1.37 Earning Per Share – The Numerator And Denominator Used To Calculate Basic/ Diluted Earning Per Share

Particulars		2021-22	2020-21
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	2,050.01	1,415.83
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	27,38,58,861	22,74,42,678
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	27,38,58,861	22,74,42,678
(A) Basic Earning per share (face value of Re 1/- each)	Re	0.75	0.62
(B) Diluted Earning per share (face value of Re 1/- each)	Re	0.75	0.62

Note No. 1.38 Principles of Consolidation

a) The consolidated financial statements include results of the subsidiaries of Texmaco Rail & Engineering Limited., consolidated in accordance with Ind AS 110' Consolidated Financial Statements'.

Name of the Company	Country of Incorporation	% Shareholding
Belur Engineering Pvt. Ltd.	India	100%
Texmaco Transtrak Pvt. Ltd.	India	51%
Texmaco Rail Systems Pvt. Ltd.	India	51%
Texmaco Rail Electrification Ltd.	India	100%
Texmaco Engineering Udyog Pvt Ltd.	India	100%

b) Theses financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

All assets and liabilities have been classified as current or non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) Accounting policies applicable in consolidated financial statements

i) The Company combines the financial statements of the parent and its subsidiaries line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transaction, balance and unrealised gains on transactions between group companies are eliminated.

ii) 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.

iii) Investments in Associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognized the Company's share of the post – acquisition profit or losses of the investee in profit and loss, and the company's share of other comprehensive income of the investee in other comprehensive income.

iv) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes on Consolidated Financial Statement

Note 1.39 Financial Instruments

A. Accounting classification and fair values

31st March 2022

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments		156.60	7,537.55	7,694.15	156.60	7,537.55	-	7,694.15
- Bank Balances			1,411.07	1,411.07	-	-	1,411.07	1,411.07
- Others			902.83	902.83	-	-	902.83	902.83
Financial Assets (Short Term)								
- Investments	16.70			16.70	16.70	-	-	16.70
- Trade Receivable			56,994.22	56,994.22	-	-	56,994.22	56,994.22
- Cash and cash equivalents			5,606.76	5,606.76	-	-	5,606.76	5,606.76
- Bank Balances & Others			11,659.04	11,659.04	-	-	11,659.04	11,659.04
- Loans & Advances			2,277.47	2,277.47	-	-	2,277.47	2,277.47
Total	**16.70**	**156.60**	**86,388.94**	**86,562.24**	**173.30**	**7,537.55**	**78,851.39**	**86,562.24**
Financial liabilities (Long Term)								
- Borrowings			6,424.55	6,424.55			6,424.55	6,424.55
Financial liabilities (Short Term)								
- Borrowings			64,555.30	64,555.30			64,555.30	64,555.30
- Trade Payable			31,164.39	31,164.39			31,164.39	31,164.39
- Other Financial Liabilities			3,332.31	3,332.31			3,332.31	3,332.31
Total	**-**	**-**	**105,476.55**	**105,476.55**	**-**	**-**	**105,476.55**	**105,476.55**

A. Accounting classification and fair values

31st March 2021

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments		3,935.36	5,650.86	9,586.22	3,935.36	5,650.86	-	9,586.22
- Bank Balances			1,025.16	1,025.16	-	-	1,025.16	1,025.16
- Others			746.89	746.89	-	-	746.89	746.89
Financial Assets (Short Term)								
- Investments	3,546.91			3,546.91	3,546.91	-	-	3,546.91
- Trade Receivable			61,148.82	61,148.82	-	-	61,148.82	61,148.82
- Cash and cash equivalents			2,260.14	2,260.14	-	-	2,260.14	2,260.14
- Bank Balances & Others			8,270.02	8,270.02	-	-	8,270.02	8,270.02
- Loans & Advances			1,791.55	1,791.55	-	-	1,791.55	1,791.55
Total	**3,546.91**	**3,935.36**	**80,893.44**	**88,375.71**	**7,482.27**	**5,650.86**	**75,242.58**	**88,375.71**
Financial liabilities (Long Term)								
- Borrowings	-	-	5,273.50	5,273.50	-	-	5,273.50	5,273.50
Financial liabilities (Short Term)								
- Borrowings	-	-	72,651.93	72,651.93	-	-	72,651.93	72,651.93
- Trade Payable	-	-	43,016.86	43,016.86	-	-	43,016.86	43,016.86
- Other Financial Liabilities	-	-	4,414.38	4,414.38	-	-	4,414.38	4,414.38
Total	**-**	**-**	**125,356.67**	**125,356.67**	**-**	**-**	**125,356.67**	**125,356.67**

** The carrying value and the fair value approximates.*

Notes on Consolidated Financial Statement

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

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

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.

2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

Note 1.40 Tax Expense

(₹ in Lakhs)

Particulars	For the Year ended	
	31 March, 2022	**31 March, 2021**
a) Tax Expense		
Current Tax		
- Current tax on profits for the year	32.98	-
- Adjustments for current tax of prior periods	49.99	(21.80)
- Total current tax expense	82.97	(21.80)
Deferred Tax		
- Decrease/(increase) in deferred tax assets	1,404.98	(524.78)
- (Decrease)/increase in deferred tax liabilities	(69.70)	519.31
- Total deferred tax expenses/(benefit)	1,335.28	(5.47)
MAT credit entitlement	-	-
Tax Expense	**1,418.25**	**(27.27)**
b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	2,640.25	333.67
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	922.61	116.60
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	2.68	4.19
- Disallowance of estimated expenditure to earn tax exempt income	-	
- Others	-	
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Weighted deduction on R&D expenses	-	
- Income from Investment	(20.97)	(82.12)
- Income from rented property	(97.14)	(101.69)
- MAT Credit/carry forward losses adjustment & Others	(106.18)	57.55
Tax effect of other adjustment		
- Income from Investment	667.26	-
- Income tax for earlier years	49.99	(21.80)
Tax Expense	**1,418.25**	**(27.27)**

Notes on Consolidated Financial Statement

Note 1.41: Information on Segment Working is given below-

Particulars	2021-22				2020-21			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Total
	1	2	3	4 (1+2+3)	1	2	3	4 (1+2+3)
Revenue (Net of Excise Duty and Cess)								
Gross Sales	71,487.33	33,065.76	74,868.62	179,421.71	72,601.81	31,962.80	77,570.92	1,82,135.53
Internal-Segment Sales	(3,183.16)	(16,084.83)	-	(19,267.99)	(1,728.57)	(12,328.54)	-	(14,057.11)
Other Operating Revenue	531.68	537.80	950.39	2,019.87	595.05	-	211.32	806.37
Total	**68,835.85**	**17,518.73**	**75,819.01**	**162,173.59**	**71,468.29**	**19,634.26**	**77,782.24**	**168,884.79**
Result								
Segment Result	3,749.54	895.65	4,574.11	9,219.30	1,430.73	1,426.86	5,150.06	8,007.65
Others (Net of Unallocated Expenses)				987.29				997.28
Operating Profit/(Loss)				**10,206.59**				**9,004.93**
Interest Expense				(7,941.30)				(9,006.99)
Interest Income				374.96				335.73
Total Profit/(Loss) before Tax				**2,640.25**				**333.67**
Provision for Current Tax				**-**				-
Provision for Deferred Tax				(1,368.26)				5.47
Income Tax for Earliear Year				(49.99)				21.80
Profit/(Loss) from ordinary activities				1,222.00				360.94
Extra ordinary items				-				-
Net Profit/(Loss)				**1,222.00**				**360.94**
Other Information								
Segment Assets	91,448.14	44,427.10	122,819.55	258,694.79	88,097.47	40,593.12	122,364.07	251,054.66
Unallocated Corporate assets				7,710.85				13,133.13
Total assets				**266,405.64**				**264,187.79**
Segment liabilities	51,066.84	2,524.34	79,760.45	133,351.63	51,202.68	9,518.38	89,326.77	150,047.83
Unallocated corporate liabilities				-				-
Total Liabilities				**133,351.63**				**150,047.83**
Capital expenditure				1,957.09				1,135.32
Depreciation				3,600.20				3,745.35
Non-cash expenses other than depreciation				875.77				806.62

Note : The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

Notes on Consolidated Financial Statement

Note 1.42 Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

(₹ in Lakhs)

Name of the entity	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 (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of total comprehensive income	Amount (₹ in lakhs)
Parent								
Texmaco Rail & Engineering Ltd.	99.87%	132,660.04	89.12%	1,829.45	100.03%	1,001.60	92.70%	2,831.05
Indian Subsidiaries								
Belur Engineering Pvt. Ltd.	0.04%	49.03	1.00%	20.46	0.00%	-	0.67%	20.46
Texmaco Transtrack Pvt. Ltd.	-0.34%	(448.95)	0.34%	6.90	0.00%	-	0.23%	6.90
Texmaco Rail Systems Pvt. Ltd.	-0.00%	(0.31)	-0.03%	(0.68)	0.00%	-	-0.02%	(0.68)
Texmaco Rail Electrification Ltd.	0.00%	1.34	-0.02%	(0.40)	0.00%	-	-0.01%	(0.40)
Texmaco Engineering Udyog Pvt. Ltd.	0.00%	0.53	-0.01%	(0.29)	0.00%	-	-0.01%	(0.29)
Non Controlling Interest in all subsidiaries	-0.17%	(220.14)	0.14%	2.78	0.00%	-	0.09%	2.78
Joint Ventures								
Touax Texmaco Railcar Leasing Pvt. Ltd.	0.00%	-	34.65%	711.29	0.00%	-	23.29%	711.29
Wabtech Texmaco Rail Pvt. Ltd.	0.00%	-	5.82%	119.56	-0.03%	(0.27)	3.91%	119.56
Associate Company								
Texmaco Defence Systems Pvt. Ltd.	0.00%	-	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
Consolidation Adjustment and Elimination	0.60%	792.33	-31.01%	(636.22)	0.00%	-	-20.85%	(636.49)
Total	**100.00%**	**132,833.87**	**100.00%**	**2,052.79**	**100.00%**	**1,001.33**	**100.00%**	**3,054.12**

1.43 Ratios.

Particulars	Numerator	Denominator	31st Mar,2022	31st Mar,2021	% Variance	"Reason for Variance (For changes more than 25%)"
(a) Current Ratio	Current Assets	Current Liability	1.83	1.54	18.83%	
(b) Debt-Equity Ratio	Total Debt (Non-Current borrowing+Current Borrowing)	Shareholder's Equity	0.53	0.68	-22.06%	
(c) Debt Service Coverage Ratio	Net Profit after taxes+ Non-cash operating expenses (depreciation and other amortizations) + Finance Cost + other adjustments (loss on sale of PPE)	Debt service = Interest & Lease Payments + Long Term Loan Repayments	1.20	1.30	-7.69%	
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	1.66%	1.11%	49.55%	The Net Profit of the company has increased resulting in positive variance.
(e) Inventory turnover Ratio	Sale of products (Revenue from operation)	Average Inventory	4.84	3.99	21.30%	
(f) Trade Receivables turnover Ratio	Sale of products (Revenue from operation)	Average Trade Receivable	2.75	2.69	2.23%	
(g) Trade payables turnover Ratio	Cost of Goods sold (Material consumed+Changes in Inventory+Erection Expenses+Power & Fuel Expenses)	Average Trade Payable	3.45	2.81	22.78%	

Particulars	Numerator	Denominator	31st Mar,2022	31st Mar,2021	% Variance	"Reason for Variance (For changes more than 25%)"
(h) Net capital turnover Ratio	Sale of products (Revenue from operation)	Working Capital	1.70	2.38	-28.57%	The working capital of the company has increased whereas turnover during the period has decreased resulting in negative variance
(i) Net profit Ratio	Net Profit after taxes	Sale of products (Revenue from operation)	1.27%	0.71%	78.87%	The Net Profit of the company has increased resulting in positive variance.
(j) Return on Capital employed	Earning before interest & tax (Profit before tax-interest income+interest expenses)	Capital Employed (Share Capital+Other Equity-Capital Reseve+Total Debt+Deffered Tax Liability)	5.16%	4.85%	6.39%	
(k) Return on investment.	Income generated from Investment	Time Weighted Average Investment	4.38%	6.33%	-30.81%	Income from Investment and averege investment reduced

1.44 Other Disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Texamco Rail & Engineering Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Name of the Company	Note Reference of standalone financial statements
Commitments & Contingent Liabilities	Note 1.36
Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.	Note 1.37
Employee Benefits Obligation	Note 1.43
Amount Remitted During the Year on Account of Dividend to no resident shareholders (As Certified by the Management)	Note1.44
Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc.	Note 1.45
Value of Imports on C.I.F. Basis	Note 1.46
Analysis of Raw Material Consumed	Note 1.47
Expenditure in Foreign Currency	Note 1.50
Income in Foreign Exchange	Note 1.51
Details of Inventory of Work in Progress	Note 1.52
As a part of company's risk management policy, the financial risks mainly elating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.	Note 1.53
Details of Income / Expenses disclosed on net basis	Note 1.54
Financial Risk Management Objectives and policies	Note 1.56

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

Notes on Consolidated Financial Statement

1.45 Additional Regulatory Information

i). Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

ii). No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and copmany has not been declared as willful defaulter by any bank or institution or other lender

iii). To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

iv). Company is filing monthly statement of current assets in respect of its borrowings from banks and status of agreement of quarter end statements with books are as under:

31st March 20212	**Quarter-1**	**Quarter-2**	**Quarter-3**	**Quarter-4**
Status	**In agreement**	**In agreement**	**In agreement**	**In agreement**
Reason of Material diff	NA	NA	NA	NA

v). There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

vi). The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vii). 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 to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

viii). The Company has not traded or invested in crypto currency or virtual currency during the year.

1.46 Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

1.47 Figures below ₹ 500/- have been omitted for rounding off, ₹ 500/- and above have been rounded off to the next ₹1000/-.

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co**

Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
B2/1, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 20th May, 2022

Ravi Varma
Company Secretary

Directors
S. K. Poddar
Utsav Parekh
A. K. Gupta
Indrajit Mookerjee
D. H. Kela
A. K. Vijay

Independent Auditor's Report

To
The Members of
TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of TEXMACO RAIL & ENGINEERING LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and jointly controlled entities , which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

   In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entities referred to in the Other Matters paragraph, 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 their consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters"paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. 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. We have determined the matters described below to be the key audit matters to be communicated in our report in respect of the units audited by us:

Key Audit Matter	Procedures Performed
Contingent Liabilities The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states. The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2021 the Company has an amount of ₹17,829.22 Lakhs involved in various pending tax litigations. Ind AS 37 requires the Company to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.	**Principal Audit Procedures** In assessing the exposure of the Company for the tax litigations, we have performed the following procedures: • Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable); • Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures: • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. • Read the disclosures included in the Standalone Ind AS Financial Statements in accordance with Ind AS 37.

No Key Audit Matters has been communicated to us in respect of one unit and one subsidiary and one jointly controlled entity which have been audited by other auditors.

Other Information

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.

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

6. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

7. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities 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 and jointly controlled entities and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 including its associate and jointly controlled entities are responsible for assessing the ability of the Group and its associate and jointly controlled entities 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 its associate and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entities.

Auditor's Responsibility 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 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.

- Obtained 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group, its associate and its jointly controlled entities which are companies incorporated in India have adequate internal financial controls system 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, its associate and its jointly controlled entities 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, its associate and its jointly controlled entities 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 jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when 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.

16. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Other Matters

17 (a) We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 95376.37 lakhs as at 31st March, 2021 and total revenues of ₹ 58773.72 lakhs, total loss of ₹ 1914.94 lakhs, total comprehensive loss of ₹ 1750.52 lakhs and cash flows (net) of ₹ 560.22 lakhs for the year ended on that date. The financial statements of

this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

(b) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 2781.98 lakhs as at March 31, 2021, total revenues of ₹ 339.83 lakhs, total net profit after tax of ₹ 20.61 lakhs and total comprehensive income of ₹ 20.61 lakhs and cash flows (net) of ₹ 2.92 lakhs for the year ended on that date as considered in the financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 673.01 lakhs and total comprehensive income of ₹ 673.01 lakhs for the year ended March 31, 2021 as considered in the consolidated financial statements in respect of one jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of the subsidiary and these jointly controlled entities are based solely on the reports of such other auditors.

(c) The consolidated financial statements include the unaudited financial statements of one jointly controlled entity whose financial statements reflect Group's share of total net profit after tax of ₹ 169.98 lakhs and total comprehensive income of ₹ 171.21 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on such unaudited Financial Statements certified by the Management as stated above. Any adjustment upon audit by the respective auditors to the unaudited Financial Statements could have consequential effects on the Consolidated Financial Results. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these Financial Statements are not material to the Group.

(d) The consolidated financial statements include the unaudited financial information of one subsidiary which is located outside India whose financial information reflect Group's share of total assets of ₹ Nil as March 31, 2021, Group's share of total revenue of ₹ 0.36 lakhs and Group's share of total net loss after tax of ₹ 0.11 lakhs and total comprehensive loss of ₹ 0.11 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. The financial information has been prepared in accordance with accounting principles generally accepted in their respective countries and has not been audited by us. This financial information is unaudited and has been furnished to us by the Management. The Company's Management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated Financial Statements 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/ information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion proper books of accounts 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 Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, its associate and jointly controlled entities, none of the directors of the Group's companies and its associate and jointly controlled entities incorporated in India is disqualified as on 31st March, 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 over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditor's report of the parent, subsidiary companies and jointly controlled entities, which are companies incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: According to the information and explanations given to us and the records of the Group examined by us, the managerial remuneration paid or provided to one Executive Directors is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Holding Company is in the process of taking approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

(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 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 of pending litigations on the consolidated financial position of the Group and its associate and jointly controlled entities – Refer Note 1.43 to the consolidated financial statements.

ii. The Group and its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate and jointly controlled entities companies incorporated in India.

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

(D.N. Roy)
Partner
Membership No. 300389
UDIN:21300389AAAAET2326

Place: Kolkata
Date: 14.05.2021

ANNEXURE –A TO THE INDEPENDENT AUDITOR'S REPORT to the members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 18 (f) of the Auditors' Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013("the Act")

1. We have audited the internal financial controls over financial reporting of TEXMACO RAIL & ENGINEERING LIMITED. (Hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which are companies incorporated in India as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the of the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the respective companies 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries and jointly controlled entities which are companies incorporated in India based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its jointly controlled entities, which are companies incorporated in India, 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 internal financial controls system over financial reporting the Company, its subsidiary companies and its jointly controlled entities which are companies incorporated in India

Meaning of Internal Financial Control over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

   1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   2) provide reasonable assurance that the transactions are recorded as necessary to

permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

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 over financial reporting in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and one jointly controlled entity, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

(D.N. Roy)
Partner
Membership No. 300389
UDIN:21300329AAAA2326

Place: Kolkata
Date: 14.05.2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31.03. 2021	As at 31 .03. 2020
I ASSETS			
(1) **Non-Current Assets**			
(a) Property, Plant & Equipment	1.01	37,530.48	40,441.18
(b) Right-of-Use Assets	1.02a	44.01	44.69
(c) Capital work-in-progress	1.02b	392.92	735.42
(d) Investment Property	1.02c	2,983.74	3,073.55
(e) Other Intangible Assets	1.03	57.57	104.14
(f) Financial Assets			
(i) Investments	1.04	9,586.22	6,561.36
(ii) Loans	1.05	568.36	725.03
(iii) Bank Balance	1.06	1,025.16	1,109.34
(iv) Others	1.07	178.53	103.60
(g) Deferred Tax Assets (Net)	1.08	8,216.59	8,211.10
(h) Other Non current Assets	1.09	503.26	762.56
		61,086.84	**61,871.97**
(2) **Current Assets**			
(a) Inventories	1.10	30,929.65	53,707.04
(b) Financial Assets			
(i) Investments	1.11	3,546.91	3,499.62
(ii) Trade Receivables	1.12	61,148.82	64,450.00
(iii) Cash & cash equivalents	1.13	2,260.14	1,676.29
(iv) Bank balances other than (iii) above	1.14	8,270.02	6,684.65
(v) Loans	1.15	1,877.52	1,470.69
(c) Current Tax Assets (Net)	1.16	3,144.66	2,189.23
(d) Other Current Assets	1.17	91,923.23	93,106.54
		203,100.95	**226,784.06**
TOTAL ASSETS		264,187.79	**288,656.03**
II EQUITY AND LIABILITIES			
(1) **Equity**			
(a) Equity Share capital	1.18	2,503.43	2,248.59
(b) Other Equity	1.19	111,636.53	100,484.61
Non-Controlling Interest		(223.41)	(9.84)
(2) **Non-Current Liabilities:**			
(a) Financial Liabilities			
(i) Borrowings	1.20	3,575.21	5,269.99
(b) Provisions	1.21	936.66	816.08
(c) Other non current liabilities	1.22	11,946.21	17,814.34
		16,458.08	**23,900.41**
(3) **Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	1.23	72,690.04	69,711.48
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1.24	43,016.86	55,416.13
(iii) Other financial liabilities	1.25	6,074.56	5.546.64
(b) Other current liabilities	1.26	8,858.13	14,636.39
(c) Provisions	1.27	3,173.57	16,721.62
		133,813.16	**162,032.26**
TOTAL EQUITY AND LIABILITIES		264,187.79	**288,656.03**
Summary of significant accounting Policies & Notes	B		

Notes referred to above form an integral part of the Financial Statements
In terms of our Report of even date attached herewith.
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
Place: B2/1, Gillander House
8, Netaji Subhas Road
Kolkata-700 001
Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors
S. K. Poddar
A. C. Chakrabortti
Indrajit Mookerjee
A. K. Gupta
D. H. Kela
A. K. Vijay

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31.03. 2021	Year Ended 31 .03. 2020
I	Revenue from operations	1.28	168,884.79	183,179.98
II	Other Income	1.29	2,503.16	2,072.99
III	**Total Income (I +II)**		**171,387.95**	**185,252.97**
IV	**EXPENSES**			
	Cost of materials consumed	1.30	101,319.68	130,480.18
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.31	16,844.80	(8,501.70)
	Employee benefit expenses	1.32	11,688.10	12,796.26
	Finance costs	1.33	10,296.95	9,658.98
	Depreciation and amortization expense	1.34	3,745.35	3,609.27
	Other expenses	1.35	27,159.40	32,417.82
	Total expenses (IV)		**171,054.28**	**180,460.81**
V	**Profit(loss) before tax (III-IV)**		333.67	4,792.16
VI	**Exceptional items**		-	14991.97
VII	**Profit(loss) before tax**		333.67	(10,199.81)
VIII	**Tax expense**			
	1) Current Tax		-	747.00
	2) MAT Credit Entitlement		-	(257.46)
	3) Deferred Tax		(5.47)	(3,665.30)
	4) Income Tax Paid Related to Earlier Years		(21.80)	(109.89)
			(27.27)	**(3,285.65)**
IX	**Profit (Loss) for the period from continuing operations**		**360.94**	**(6,914.16)**
X	**Profit/(loss) for the period from JV/Associates**		**841.32**	**421.72**
XI	**Profit/(loss) for the period**		**1,202.26**	**(6,492.44)**
XII	**Other comprehensive income**	1.36		
	A (i) Items that will not be reclassified to profit or loss		2,149.01	(1,174.97)
	B (i) Items that will be reclassified to profit or loss		166.76	(212.38)
			2,315.77	**(1,387.35)**
XIII	**Total Comprehensive Income for the period**		**3,518.03**	**(7,879.79)**
XIV	**Profit/(loss) for the period Attributable to:**		**1,202.26**	**(6,492.44)**
	Owners of the Parent		1,415.83	(6,483.02)
	Non-Controlling Interest		(213.57)	(9.42)
XV	**Other Comprehensive Income Attributable to:**		**2,315.77**	**(1,387.35)**
	Owners of the Parent		2,315.77	(1,387.35)
	Non-Controlling Interest		-	-
XVI	**Total Comprehensive Income Attributable to:**		**3,518.03**	**(7,879.79)**
	Owners of the Parent		3,731.60	(7,870.37)
	Non-Controlling Interest		(213.57)	(9.42)
XVII	**Earnings per equity share (for continuing operations)**	1.38		
	1) Basic		0.62	(2.88)
	2) Diluted		0.62	(2.88)
	Summary of significant accounting Policies & Notes	B		

Notes referred to above form an integral part of the Financial Statements
In terms of our Report of even date attached herewith.
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
Place: B2/1, Gillander House
8, Netaji Subhas Road
Kolkata-700 001
Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors
S. K. Poddar
A. C. Chakrabortti
Indrajit Mookerjee
A. K. Gupta
D. H. Kela
A. K. Vijay

Consolidated Statement of Cash Flow for year ended 31st March, 2021

(₹ in Lakhs)

	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
A)	**Cash Flows From Operating Activities:**		
	Net Profit before Taxation & Exceptional Items	333.67	4,792.16
	Adjustments for:		
	Depreciation	3,745.35	3,609.27
	Interest Paid	10,296.95	9,658.98
	Bad Debt Written off	51.18	98.44
	Provision and Excess Liabilities Written Back/Off	(1.24)	(18.09)
	Interest Received	(335.73)	(609.01)
	Income From Investments	(32.10)	(60.89)
	Profit on Sale Of Investments-Current(Net)	(2.77)	(5.29)
	Gain on Fair Value of bonds/Mutual	(211.05)	(293.52)
	Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	7.57	(78.75)
		13,518.16	12,301.14
		13,851.83	17,093.30
	Operating Profit before Working Capital Changes & Exceptional Items		
	(Increase)/Decrease in Trade & Other Receivables	4,818.68	(3,647.40)
	(Increase)/Decrease in Inventories	22,777.36	(8,706.85)
	Increase/(Decrease) in Trade Payables & Other Liabilities	(36,483.98)	12,961.63
		(8,887.94)	607.38
	Cash Generated from Operations	4,963.89	17,700.68
	Direct Taxes Paid	(932.52)	(1,662.74)
	Cash Flow before Exceptional Items	**4,031.37**	**16,037.94**
	Exceptional Items	-	(14,991.97)
	Net Cash from Operating Activities	4,031.37	1,045.97
B)	**Cash Flows From Investing Activities**		
	Sale/(Purchase) of Property,Plant & Equipments	(829.81)	(7,929.37)
	(Purchase)/Sale of Investments (Net)	107.84	3,840.13
	Consideration Paid for Acquisition	-	(2,324.62)
	Bank Deposits(Includes having original maturity more than three months)	(1,501.19)	(3,585.58)
	Interest Received	(110.12)	81.93
	Dividend Received	32.10	60.89
	Net Cash used in Investing Activities	(2,301.18)	(9856.62)
C)	**Cash Flows From Financing Activities**		
	Receipt/(Payment) of Long Term Borrowings	(1,908.97)	255.89
	Receipt/(Payment) of Short Term Borrowings	2,979.51	19,713.67
	Increase in Share Capital	255.84	0.25
	Increase in Securities Premium	7,645.15	9.84
	Interest Paid	(10,048.05)	(9,414.73)
	Dividend Paid	(236.58)	(785.38)
	Dividend Tax Paid	-	(162.85)
	Net Cash used in Financing Activities	(1,313.10)	9,616.69
D	**Changes in Foreign Currency Translation arising from Foreign Operations**	166.76	(212.38)
	Net Increase in Cash and Cash Equivalents	583.85	593.66
	Cash and Cash Equivalents at the beginning of the period	1,676.29	1,112.43
	De-recogintion of of Subsidiary -Texmaco Defence Systems Private Limited	-	(29.80)
	Cash and Cash Equivalents at the end of the period	2,260.14	1,676.29
	Note:		
	(1) Details of Cash and Cash Equivalents as on		
	Balances with banks		
	Current Accounts	2,133.22	1,609.28
	Cheques on hand	51.04	-
	Cash on hand	75.88	67.01
		2,260.14	1,676.29

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flow)

Notes referred to above form an integral part of the Financial Statements
In terms of our Report of even date attached herewith.
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
Place: B2/1, Gillander House
8, Netaji Subhas Road
Kolkata-700 001
Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors
S. K. Poddar
A. C. Chakrabortti
Indrajit Mookerjee
A. K. Gupta
D. H. Kela
A. K. Vijay

Statement of Changes in Equity for Year Ended 31st March, 2021

a. Equity share capital

₹ In Lakhs

Particulars	Issued, Subscribed Paid up Capital	Share Capital Suspense	Total
Balance as at 01.04.2019	**2,200.50**	**47.85**	**2,248.35**
Add: Change in Equity Share Capital during the year	48.09	(47.85)	0.24
Balance as at 31.03.2020	**2,248.59**	**-**	**2,248.59**
Add: Change in Equity Share Capital during the year	254.84	-	254.84
Balance as at 31.03.2021	**2,503.43**	**-**	**2,503.43**

b. Other equity

₹ In Lakhs

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital reserve	Securities premium account	General Reserve	Share Option Outstanding Account	Retained earnings	Equity instruments/ retained benefits/ income in Associates and Joint Ventures through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1st April, 2019	**3,951.22**	**39,924.86**	**47,220.92**	**1,184.36**	**17,479.51**	**1,703.18**	**155.56**	**111,619.61**
Income for the year	-	-	-	-	(6,483.02)	-	-	(6,483.02)
Other Comprehensive Income for the year	-	-	-	-	-	(1,192.57)	(212.38)	(1,404.95)
Adjustment of Goodwill in Business Combination	(2,324.62)	-	-	-	-	-	-	(2,324.62)
Dividend and Tax on Divident	-	-	-	-	(949.85)	-	-	(949.85)
Remeasurement of the net defined benefit plan	-	-	-	-	-	17.60	-	17.60
Transfer to/from retained earnings	-	-	-	-	17.60	(17.60)	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-
Any other change (ESOP allotment)	-	9.84	-	-	-	-	-	9.84
Adjustment for share purchase agreement	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	**1,626.60**	**39,934.70**	**47,220.92**	**1,184.36**	**10,064.24**	**510.61**	**(56.82)**	**100,484.61**
Income for the year	-	-	-	-	1,415.83	-	-	1,415.83
Other Comprehensive Income for the year	-	-	-	-	-	2,125.82	166.76	2,292.58
Issue of Equity Shares by conversion of loan (promotor's contribution)	-	7,645.15	-	-	-	-	-	7,645.15
Dividend on Equity Shares	-	-	-	-	(224.83)	-	-	(224.83)
Transfer to/from retained earnings	-	-	-	-	20.81	2.38	-	23.19
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Asssociates & Joint Ventures	-	-	-	-	(0.02)	0.02	-	-
Balance as at 31st March, 2021	**1,626.60**	**47,579.85**	**47,420.92**	**1,184.36**	**11,076.03**	**2,638.83**	**109.94**	**111,636.53**

In terms of our Report of even date attached herewith.
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
Place: B2/1, Gillander House
8, Netaji Subhas Road
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Dated: 14th May, 2021

Ravi Varma
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S. K. Poddar
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Notes on Consolidated Financial Statement

A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Holding Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

The Holding Company and its subsidiaries are engaged in the manufacturing, selling and providing service for Rail and Rail related products. The Company manufactures a diverse range of products.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

These financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of Accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefits plans which are measured at fair values at the end of each reporting period. Historical cost is generally based on the value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Functional currency of the Company in Indian Rupees. These Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained it's operating cycle as 12 months for the purpose of current and non- current classification of assets and liabilities.

(iii) Use of Estimates

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates, judgment and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each year. The policy has been explained under note B (xxii).

(iv) Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation has been provided on straight line method in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act, 2013 except certain assets for which useful life of assets has been ascertained based on report of technical experts. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition.

The Company, based on technical assessment made by technical expert and management estimate, depreciates Building and Plant & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

• Buildings (Site Office)	3 years
• Buildings/Investment Property	30 to 60 years
• Roads	5 to 10 years
• Railway Sidings	15 to 30 years
• Electrical Machinery	10 to 20 years
• Plant & Equipment	5 to 17 years
• Furniture	10 years
• Office Equipment	5 years
• Computers	3 years
• Motor Vehicles	8 years
• Intangible Assets (Softwares)	6 years
• Leasehold Improvements	3 years

Capital work-in-progress

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as Capital Advances.

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any, Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets are amortized on Straight Line Basis over a period of 6 years.

(vi) 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(vii) Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to statement profit or loss immediately.

(viii) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(a) **Financial assets carried at amortised cost**

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) **Investment in Equity Instruments at fair value through other comprehensive income**

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e) Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at cost in the Financial Statements.

f) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

g) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(ix) Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(x) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of GST, trade discounts, rebates but includes excise duty. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Export incentives, certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

a. Revenue from Operations

Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

b. Revenue from construction contracts

In accordance with Ind AS 115 "Revenue from Contracts with customers", Revenue from construction and service activities is recognized based on "over time " method and the company uses the input method to measure progress of delivery.

When the outcome of individual contracts can be estimated reliably, contract revenue and contract cost are recognized as revenue and expenses respectively by reference to the stage of completion at the reporting date. Costs are recognized as incurred and revenue is recognized on the basis of the proportion of total cost at the reporting date to the estimated total cost of the contract.

Estimates of the final out-turn on each contract may include cost contingencies to take account of the risk within each contracts that have been identified during the early stages of contract. The cost contingencies are reviewed on a regular basis throughout the contract life and are adjusted where appropriate. However, the natures of the risks on contracts are such that they often cannot be resolved until the end of the project and therefore may not reverse until the end of the Project. The estimated final out- turns on contracts are continuously reviewed, and in certain limited cases, recoveries from insurers are assessed, and adjustments made where necessary. No margin is recognized until the outcome of the contract can be estimated with reasonable certainty. Provision is made for all known or expected losses on individual contracts once each losses are foreseen.

Revenue in respect of variations to contracts and incentive payments is recognized when it is highly probable and agreed by the customer. Revenue in respect of claim is recognized only if it is highly probable not to reverse in future periods. Profit for the year includes the benefit of claims settled in the year to the extent not previously recognized on contracts completed in previous years.

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS115 "Revenue from Contracts with customers" where income from operations is determined and recognized, based on the bills raised on technical evaluation of work executed based on joint inspection with customers including railways. The figures have been taken as per the management working on the basis of the work completed.

c. Other Income

Other income comprises of primarily of Interest Income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental Income and Claims (if any).

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Dividend Income is recognized as and when right to receive payment is established provided, which is generally after the shareholders approves it in the Annual General Meeting.

Gain/ (Loss) on sale of Current/ Non Current Investments are recognized at the time of redemption/ Sale and at Fair value at each reporting period.

Rent Income/Lease rentals are recognized on accrual basis in accordance with the terms of agreements.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(xi) Employee Benefits

The Company's contribution to provident fund, pension fund, employees' state insurance scheme and super-annuation fund are charged on accrual basis to Statement of Profit & Loss.

a. Short term benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/ schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis interest rate declared by the Employees' Provident Fund Organisation.

c. **Defined benefit retirement benefits:**

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees.

Remeasurement, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognized in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in the comprehensive income are not reclassified to the statement of profit and loss but recognized directly in the retained earnings. Past service costs are recognized in the statement of profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

d. **Voluntary Retirement Scheme Benefits**

Voluntary retirement scheme benefits are recognized as an expense in the year they are incurred.

(xii) Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

(xiii) Custom Duty and Goods and Service Tax (GST)

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods. GST payable on finished goods lying in factory is provided for and included in Closing Stock of Inventory.

(xiv) Research and Development

Research and Development expenditures of revenue nature are charged to Profit & Loss Account, while capital expenditure is added to the cost of fixed assets in the year in which these are incurred.

(xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty. Cost are assigned to individual items of inventory on weighted average basis.

Stores and Spares are valued on the "weighted average" basis.

(xvi) Lease

a. **Where the Company is the lessee**

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit &Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of Profit &Loss.

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

(xvii) Foreign Currency Transactions and Exchange Differences

Transactions in currencies other than entity's functional currency (spot rates) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are premeasured at the rates of exchange prevailing at that date. Exchange difference on monetary items are recognized in the statement of Profit & Loss in the period in which they arise. Non-monetary items carried at historical cost are translated using exchange rates at the dates of the initial transaction.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognise at the date of sale of the relevant products, at the management's best estimate of the expenditure -required to settle the Company's warranty obligation.

b. Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognized and measured as provisions.

c. Contingent liabilities

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

d. Contingent Assets

Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain.

(xix) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xx) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(xxi) Segment Reporting

a) Based on the organizational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Heavy Engineering Division and Steel Foundry Division and Rail EPC.

b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.

c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a. Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

b. Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognized as they become receivable. In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss.

(xxiv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xxv) Cash Flow Statement

Cash Flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company are segregated.

(xxvi) Exceptional Item

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.

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.

Notes on Consolidated Financial Statement

Type of joint venture	Accounting treatment
Jointly controlled assets	Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	**(a) Integrated joint ventures:**
	(i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures.
	(ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses.
	(b) Incorporated jointly controlled entities:
	(i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established.
	(ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature.

(xxviii) Recent Pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes on Consolidated Financial Statement

Note 1.01: Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2020	Additions During the Year	Sales / Adjustments	As at 31.03.2021	As at 01.04.2020	During the Year	Sales / Adjustments	As at 31.03.2021	As at 31.03.2021
Note: 1.01 Property, Plant & Equipment:									
Land	3,923.14	-	-	3,923.14	150.80	0.02	-	150.82	3,772.32
Buildings	11,086.34	144.42	-	11,230.76	1,385.47	417.23	-	1,802.70	9,428.06
Roads	183.51	12.98	-	196.49	98.51	15.10	-	113.61	82.88
Railway Sidings	217.71	1.41	-	219.12	48.24	9.77	-	58.01	161.11
Plant & Machinery	32,661.13	1,078.57	944.43	32,795.27	7,854.99	2,738.23	217.31	10,375.91	22,419.36
Electrical Machinery	706.53	28.57	19.05	716.05	276.74	51.10	13.68	314.16	401.89
Office Equipments	1,005.20	51.26	12.92	1,043.54	568.21	163.07	11.41	719.87	323.67
Furniture & Fittings	729.55	14.87	(8.40)	752.82	337.75	60.67	(5.17)	403.59	349.23
Vehicles	972.53	127.20	180.89	918.84	323.75	134.56	131.43	326.88	591.96
Total	**51,485.64**	**1,459.28**	**1,148.89**	**51796.03**	**11044.46**	**3,589.75**	**368.66**	**14265.55**	**37530.48**
Note: 1.02									
a) Right to Use	45.37	-	-	45.37	0.68	0.68	-	1.36	44.01
b) Capital Work in Progress (CWIP)	735.42	500.98	843.48	392.92	-	-	-	-	392.92
c) Investment Property	3,638.16	-	-	3,638.16	564.61	89.81	-	654.42	2,983.74
Total	**4418.95**	**500.98**	**843.48**	**4076.45**	**565.29**	**90.49**	**-**	**655.78**	**3420.67**
Note: 1.03 Intangible Assets:				-					
Software	501.36	18.54	-	519.89	397.22	65.11	-	462.33	57.57
Total	**501.36**	**18.54**	**-**	**519.89**	**397.22**	**65.11**	**-**	**462.33**	**57.57**
Grand Total	**56,405.95**	**1,978.80**	**1,992.37**	**56,392.38**	**12,006.97**	**3,745.35**	**368.66**	**15,383.66**	**41,008.72**

Note-1) ₹ 13.75 lakhs being cost of Electrical Machinery regrouped to Furniture & Fittings.
2) ₹ 8.66 lakhs being accumulated depreciation regrouped from Electrical Machinery to Furniture & Fittings.
3) ₹ 0.53 lakhs being cost of Electrical Machinery regrouped to Plant & Machinery.
4) ₹ 0.27 lakhs being accumulated depreciation regrouped from Electrical Machinery to Plant & Machinery.

Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2019	Additions During the Year	Sales / Adjustments	As at 31.03.2020	As at 01.04.2019	During the Year	Sales / Adjustments	As at 31.03.2020	As at 31.03.2020
Note: 1.01 Property, Plant & Equipment:									
Land	3,958.46	-	35.32	3,923.14	129.88	20.92	-	150.80	3,772.34
Buildings	13,986.12	711.27	3,611.05	11,086.34	1451.70	416.05	482.28	1,385.47	9,700.87
Roads	177.63	5.87	(0.01)	183.51	77.77	20.74	-	98.51	85.00
Railway Sidings	217.71	-	-	217.71	38.53	9.71	-	48.24	169.47
Plant & Machinery	25,851.37	6924.11	114.35	32,661.13	5405.03	2555.65	105.69	7,854.99	24,806.14
Electrical Machinery	716.31	9.16	18.94	706.53	243.94	51.17	18.37	276.74	429.79
Office Equipments	895.03	111.95	1.78	1,005.20	389.57	179.53	0.89	568.21	436.99
Furniture & Fittings	685.82	43.73	-	729.55	278.89	58.86	0.00	337.75	391.80
Vehicles	890.50	126.73	44.70	972.53	255.78	134.07	66.10	323.75	648.78
Total	**47,378.95**	**7,932.82**	**3826.13**	**51485.64**	**8271.09**	**3446.70**	**673.33**	**11044.46**	**40441.18**
Note: 1.02									
a) Right to Use	-	45.37	-	45.37	-	0.68	-	0.68	44.69
b) Capital Work in Progress (CWIP)	1376.43	2301.67	2942.68	735.42	-	-	-	-	735.42
c) Investment Property	-	3638.16	-	3,638.16	-	89.81	(474.80)	564.61	3,073.55
Total	**1376.43**	**5985.20**	**2942.68**	**4418.95**	**-**	**90.49**	**(474.80)**	**565.29**	**3853.66**
Note: 1.03 Intangible Assets:				-					
Software	470.62	30.74	-	501.36	325.14	72.08	-	397.22	104.14
Total	**470.62**	**30.74**	**-**	**501.36**	**325.14**	**72.08**	**-**	**397.22**	**104.14**
Grand Total	**49,226.00**	**13,948.76**	**6,768.81**	**56,405.95**	**8,596.23**	**3,609.27**	**198.53**	**12,006.97**	**44,398.98**

Note: Gross Block addition includes fixed assets (Net of depreciation) acquired during the year of Urla Unit of M/s Simplex Steels Limited as per agreement dated 26th April 2019

Notes on Consolidated Financial Statement

Note 1.04 Non Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
OTHER THAN TRADE INVESTMENTS		
Fully paid-up		
Investments in Equity Instruments (Quoted) (At Fair Value)		
Texmaco Infrastructure & Holdings Limited.	1,644.86	727.26
23,49,809 (2020: 23,49,809) Shares of ₹ 1 each		
Chambal Fertilisers & Chemicals Limited.	2,290.50	1,084.50
10,00,000 (2020: 10,00,000) Shares of ₹ 10 each		
Investments in Equity Instruments of Associate Company (Unquoted)(At Cost)		
Texmaco Defence System Private Limited	0.06	1.74
41,000 (2020: 41,000) Shares of ₹ 10 each		
Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Private Limited	1,362.53	1,098.64
1,26,49,999 (2020: 1,26,49,999) Shares of ₹ 10 each		
Wabtec Texmaco Rail Private Limited	621.44	449.22
32,81,700 (2020:32,81,700) Shares of ₹ 10 each		
Investments in CCD of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Private Limited	3,666.83	3,200.00
36,66,825 (2020: 32,00,000) CCD of ₹ 100 each		
TOTAL NON CURRENT INVESTMENTS	**9,586.22**	**6,561.36**
i) Aggregate amount of quoted investments	3,935.36	1,811.76
ii) Market Value of quoted investments	3,935.36	1,811.76
iii) Aggregate amount of unquoted investments	5,650.86	4,749.60

Note 1.05 Loans (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured- Considered Good		
Security Deposits	568.36	725.03
	568.36	**725.03**

Note 1.06 Bank Balance Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Margin Money	1,025.16	1,109.34
	1,025.16	**1,109.34**

Note 1.07 Other Non-Current Financial Assets

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	Share Application Money	-	2.00
(b)	Term Deposit of more than Twelve Months Maturity	134.48	62.65
(c)	Interest Accured on Deposits & Others	44.05	38.95
	Total	**178.53**	**103.60**

Note 1.08 Deferred Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Income Tax Assets		
Carrid forward losses	2,752.69	181.27
Provisions & others	5,085.21	7,586.53
MAT Credit	4,906.92	4,501.19
Compensated absences	175.74	158.33
Gratuity	139.45	107.90
Total Deferred Income Tax Assets	13,060.01	**12,535.22**
Deferred Income Tax Liabilities		
Property,Plant and equipment	(4,843.42)	(4,324.12)
	(4,843.42)	(4,324.12)
Net Deferred Tax Assets	8,216.59	**8,211.10**

Note 1.09 Other Non-Current Asset

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Income Tax Assets		
(a) Capital Advances	300.32	507.57
(b) Prepaid Expenses	202.94	254.99
Total	503.26	**762.56**

Note 1.10 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Raw Material and Components	11,376.75	17,113.07
(b) Work in Progress	14,581.23	27,792.32
(c) Finished Goods	1,463.64	5,095.33
(d) Stock in Trade	-	2.02
(e) Stores and Spares	1,615.32	2,014.66
(f) Goods in transit(Raw Mateial and Components)	1,892.71	1,689.64
Total	30,929.65	**53,707.04**

Inventories are secured against first charge on working capital facility

Note 1.11 Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Investments in Mutual Funds (Unquoted) (At Fair Value)		
Axis Treasury Advantage Fund Growth 645 (2020: 645) Units of ₹ 1000 each	16.00	14.54
Axis Treasury Advantage Fund Growth NIL (2020: 7260) Units of ₹ 1000 each	-	163.76
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H 1,50,00,000 (2020: 1,50,00,000) Units of ₹ 10 each	1,882.78	1,769.16
SBI Debt Fund Series C-16 1100 Days 1,32,24,964 (2020: 1,32,24,964) Units of ₹ 10 each	1,648.13	1,552.16
TOTAL CURRENT INVESTMENTS	**3,546.91**	**3,499.62**
i) Aggregate amount of quoted investments	**-**	**-**
ii) Market Value of quoted investments	**-**	**-**
iii) Aggregate amount of unquoted investments	**3,546.91**	**3,499.62**

Notes on Consolidated Financial Statement

Note 1.12 Trade Receivables

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	Secured, considered good	-	-
(b)	Unsecured, considered good	61,148.82	64,450.00
(c)	Unsecured, Credit Impaired	9,949.34	5,904.53
		71,098.16	**70,354.53**
	Allowance for bad and doubtful debts	(9,949.34)	(5,904.53)
	Total	**61,148.82**	**64,450.00**

(i) The above includes ₹ 17,246.95 Lakhs as retention money (2020: ₹ 19,016.13 Lakhs) which are recoverable on completion of the project as per the relevant contract.

(ii) Trade Receivable are secured against first charge on working capital facility

(iii) The Company provide allowance in trade recivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivables.

Note 1.13 Cash and Cash Equivalents

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	Balances with banks		
	- In current accounts	2,133.22	1,609.28
(b)	Cheques/ Pay order on hand	51.04	**-**
(c)	Cash on hand	75.88	67.01
	Total	**2,260.14**	**1,676.29**

Note: Cash and cash equivalents include Cash on Hand, Cheques/Draft in Hand & Cash at Bank

Note 1.14 Bank balances other than above

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	Unpaid Dividend Account	16.51	28.24
(b)	Term Deposit of upto Twelve Months Maturity	12.71	**12.71**
(c)	Margin Money	8,240.80	6,643.70
	Total	**8,270.02**	**6,684.65**

Note: Represents deposit with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet Date.

Notes on Consolidated Financial Statement

Note 1.15 Loans (Current)

(₹ in Lakhs)

Particulars		As at 31.03.2021	As at 31.03.2020
(a)	**Security Deposits to others**	85.97	87.69
	Loans to related parties:		
	Loan to Associates	259.74	219.54
(b)	**Other loans**		
	Interest accrued on Loans	1,283.81	879.74
	Advance to Employee	248.00	283.72
		1,877.52	1,470.69
(c)	**Unsecured,Credit Impaired**		
	Loan to Body Corporates	275.00	275.00
	Less: Allowance for Loan to Body Corporate	(275.00)	(275.00)
		-	-
	Total	**1,877.52**	**1,470.69**

Note 1.16 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance Payment of Income Tax (net of provision)	3,144.66	2,189.23
Total	**3,144.66**	**2,189.23**

Note 1.17 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Security Deposits	46.22	514.06
(b) Advance to Parties	5,576.47	8,131.61
(c) Other Advances	2,878.64	2,336.32
(d) Prepaid Expenses	401.90	420.99
(e) Balances with Government Dept	20,345.04	23,635.92
(f) Contractually reimbursable expenses	2,575.21	3,965.33
(g) Unbilled Debtors	60,099.75	54,102.31
Total	**91,923.23**	**93,106.54**

Notes on Consolidated Financial Statement

Note 1.18 Equity Share capital

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised Share Capital		
(As at 31st March 2020: 197,00,00,000 Equity Shares ₹ 1/- each)	19,700.00	19,700.00
	19,700.00	**19,700.00**
Issued, Subscribed and paid up capital		
22,03,43,252 Equity Share of ₹ 1/- each	2,503.43	2,248.59
(As at 31st March, 2020: 22,48,59,382 Equity Shares ₹ 1/- each)		
	2,503.43	**2,248.59**

(i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 each holder of equity shares is entitled to one vote per shares

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders

(iii) Issued, Subcribed and Paid Up Capital includes 12,71,83,090 equity shares alloted on the basis of 1 equity shares in TexRail for Rs 1 each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) on record date without payment being received in cash for demerging its Heavy Engineering Division & Steel Foundry Division to Texmaco Rail & Engineering Limited.

(iv) During the Year the Company has alloted 1,61,29,031 and 93,54,839 Equity Shares of ₹1 each to Shri Saroj Kumar Poddar and M/s Advantz Finance Private Limited respectively under preferential allotment as approved by the shareholders in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Equity Share were issued @ ₹ 31 per Equity Share (including a premium of ₹ 30 per share).

(v) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

Particulars	As at 31.03.2021 No. Shares	As at 31.03.2020 No. Shares
Number of Shares at the beginning of the year	22,48,59,382	22,00,49,482
Add: Allotment under ESOP	-	24,600
Add: Transfer from Share Capital Suspense	-	47,85,300
Add: Conversion of Loan into Equity Share through Preferential Allotment	25,483,870	-
Number of Shares at the end of the year	25,03,43,252	**22,48,59,382**

(vi) After the reporting date, dividend of 0.10 paisa (2020: 0.10 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the share holders at the Annual General Meeting, the dividend has not been recognised as Liability

(vii) The name of Shareholders holding more than 5% Equity shares

	As at 31.03.2021		As at 31.03.2020	
Name of Shareholders	**No. of Shares**	**% Holding**	**No. of Shares**	**% Holding**
(a) Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	23.37	5,46,00,000	24.28
(b) Zuari Investments Ltd.	2,50,63,900	10.01	2,89,63,900	12.88
(c) Saroj Kumar Poddar*	2,01,86,771	8.06	-	-
(d) Adventz Finance Private Ltd.	1,79,82,239	7.18	-	-
(e) HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund	-	-	1,80,49,537	8.03
(f) HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	14,190,615	5.67	-	-

*The shares held by Shri Saroj Kumar Poddar includes his holding as Karta of HUF and trustee of Saroj and Jyoti Poddar Holdings Pvt Ltd.

Notes on Consolidated Financial Statement

Note 1.19 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(i) Other Reserves		
Share Options Outstanding Account		
Balance as per last Account	1,184.36	1,184.36
Add: On issue of ESOP	-	-
	1,184.36	**1,184.36**
(ii) Capital Reserve		
Balance as per last Account	1,626.60	3,951.22
Less: Adjustment of Goodwill in Business Combination	-	(2,324.62)
	1,626.60	**1,626.60**
(iii) Securities Premium		
Balance as per last Account	39,934.70	39,924.86
Add: Issue of Equity Shares under Preferantial allotment	7,645.15	-
Add: On issue of ESOP	-	9.84
	47,579.85	**39,934.70**
(iv) General reserve		
Balance as at the beginning of the year	47,220.92	47,220.92
Add: Transferred from Statement of Profit and Loss	200.00	-
	47,420.92	**47,220.92**
(v) Reserves representing unrealised gains/losses		
(a) Equity Instruments through Other Comprehensive Income	515.23	1,706.32
Addition during the year	2,123.60	(1,191.09)
	2,638.83	**515.23**
(b) Remeasurements of the net defined benefit plans	(2.38)	(2.38)
Addition during the year	23.19	17.60
Less : Transferred to Retained Earning	(20.81)	(17.60)
	-	**(2.38)**
(c) Share of other Comprehensive Income in Asssociates & Joint Ventures, to the extent not to be classified into profit or loss		
Balance at the balance of the year	(2.24)	(0.76)
Addition during the year	2.22	(1.48)
Less : Transferred to Retained Earning	0.02	-
	-	**(2.24)**
(vi) Exchange differences on translating the financial statements of a foreign operation		
Balance as at the beginning of the year	(56.82)	155.56
Addition during the year	166.76	(212.38)
	109.94	**(56.82)**
(vii) Retained Earnings		
Surplus at the beginning of the year	10,064.24	17,479.51
Add: Profit for the year	1,415.83	(6,483.02)
Add: Transferred from Remeasurements of the net defined benefit plans	20.81	17.60
Add: Transferred from Share of other Comprehensive Income in Asssociates & Joint Ventures, to the extent not to be classified into profit or loss	(0.02)	-
Less: Transferred to General Reserve	(200.00)	-
Less: Dividend on Equity Shares	(224.83)	(787.00)
Less: Tax on dividend	-	(162.85)
	11,076.03	**10,064.24**
Total	111,636.53	**100,484.61**

Notes on Consolidated Financial Statement

(i) **General Reserve:** The General Reserve is used from time to time to transfer profit /Retained Earnings for appropriation pupose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items includes in the General Reserve will not be reclassifies subsequently to profit & loss

(ii) **Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumulative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.

(iii) **Capital Reserves:** The Company recoginses profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.

(iv) **Security Premium:** Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013

(v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.

(vi) **Retained Earnings**: Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses off setting earnings.

Note 1.20 Borrowings (Non-Current)

(₹ in Lakhs)

Particulars		As at 31.03.2021	As at 31.03.2020
Secured			
From banks			
(a)	Term Loan/Foreign Currency Term Loan (TL/FCTL)	3,527.58	5,255.41
(b)	Car Loan	47.63	14.58
	Total	**3,575.21**	**5,269.99**

Term Loan from Banks are secured against the Property, Plant and Equipments created from such loan, remaining Term Loan from Bank are repayable in 9 quarterly installments or earlier as per the approved sanction.

Note 1.21 Provisions (Non-Current)

(₹ in Lakhs)

Particulars		As at 31.03.2021	As at 31.03.2020
(a)	Provision for Leave	399.17	334.25
(b)	Provision for Gratuity	353.50	297.84
(c)	For Warranty and others	183.99	183.99
	Total	**936.66**	**816.08**

The company accounts for leave and gratuity based on Actuary Valuation.

Note 1.22 Other Non Current Liabilities

(₹ in Lakhs)

Particulars		As at 31.03.2021	As at 31.03.2020
(a)	Advances from Customers	11,638.87	17,476.90
(b)	Prepaid - Rent Liability	307.34	337.44
	Total	**11,946.21**	**17,814.34**

Notes on Consolidated Financial Statement

Note 1.23 Borrowings (Current)

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	**Secured**		
(i)	**From Banks**		
	Cash Credit	42,154.74	47,490.64
	Short Term Loan	6,970.30	7,719.89
(b)	**From Other Parties**		
(i)	Loans from related parties	19,465.00	6,700.00
(ii)	Inter-Corporate Deposits	4,100.00	7,800.95
	Total	**72,690.04**	**69,711.48**

(i) Cash Credit facilities of respective divisions are secured by hypothecation of first charge on Stock, book debts and other current assets of that particular division (both present and future).

(ii) Cash Credit facility for Rail EPC Divisions and Steel Foundry Division (Raipur) are further secured by first charge on the movable fixed assets of their respective divisions (both present and future).

(iii) Cash Credit facility for Rail EPC- Kalindee Division are further secured by way of first Pari-Passu charge on Fixed Deposit of ₹ 14.49 Crores along with Flats at Jaipur & Gurgaon to the working capital consortium lenders.

(vi) Cash Credit Facility of HED/SF (Kolkata) Division are secured by exclusive charge on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.

Note 1.24 Trade Payables

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
	Dues to Micro Enterprise and Small Enterprises	-	-
	Dues of Creditors other than Micro Enterprise and Small Enterprises	43,016.86	55,416.13
		43,016.86	**55,416.13**
	Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows		
	Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are give as follows:		
(a)	Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b)	Interest paid during the period beyond the appointed day	-	-
(c)	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d)	Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-

There are no dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2021 and 31st March, 2020. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors

Notes on Consolidated Financial Statement

Note 1.25 Other Financial Liabilities

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	**Current maturities of long-term debt**		
	Rupees/Foreign Currency Term Loan	1,648.05	1,049.68
	Car Loan	12.13	4.94
(b)	**Interest accrued**		
	Interest accrued but not due on borrowings	535.55	286.66
(c)	**Unclaimed/Unpaid dividends**	16.51	28.24
(d)	**Others**		
	Liabilities for Expenses	2,336.20	2,086.89
	Amount Due to Employee	1,324.25	1,138.21
	Others Misc. Payable	186.49	262.26
	Creditors for Capital Advance	15.38	689.76
	Total	**6,074.56**	**5,546.64**

(i) Term Loan from Banks are secured against Property, Plant and Equipments created from such laon. The balance term loan is repayable in 4 quarterly installments or earlier as per the approved sanction

(ii) There is no amount due and outstanding to be credited to the Investor Eduaction and Protection Fund against unpaid dividend as at 31st March,2021

Note 1.26 Other Current Liabilities

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	Advances from Customers	4,765.89	10,206.68
(b)	TDS and other taxes payable	337.71	760.08
(c)	PF, ESI amount Payble	120.24	89.39
(d)	Security Deposits	2,178.50	1,991.08
(e)	Other Liabilities	1,455.79	1,589.16
	Total	**8,858.13**	**14,636.39**

Note 1.27 Provisions (Current)

(₹ in Lakhs)

	Particulars	As at 31.03.2021	As at 31.03.2020
(a)	Provision for Gratuity	45.58	50.36
(b)	Provision for Leave	103.77	172.84
(c)	Provision for Contract Loss Provision	600.40	55.70
(d)	Provision for Expenses	2,423.82	1,450.75
(e)	Provision for Impairment of Assets/Covid-19	-	14,991.97
	Total	**3,173.57**	**16,721.62**

The Company accounts for leave and gratuity based on Actuary Valuation

Notes on Consolidated Financial Statement

Note 1.28 Revenue From Operations

(₹ in Lakhs)

	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
(a)	Sale of products	1,04,493.10	118,336.57
(b)	Sale of services	77,642.43	82,536.50
(c)	Other Operating Revenue	806.37	1154.43
	Gross Revenue from Operations	**1,82,941.90**	**2,02,027.50**
	Less: Inter Segment Revenues	14,057.11	18,847.52
	Net Revenue from Operations	**168,884.79**	**183,179.98**

Note 1.29 Other Income

(₹ in Lakhs)

	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
(a)	**Interest Income**		
	From Bank	265.14	240.51
	From Others	70.59	368.50
(b)	**Dividend Income**		
	Income from Non-Current Investments	32.10	60.89
(c)	**Other non-operating income**		
	Net gain on Sale of Current Investments	2.77	5.29
	Compensation Against Old Refugee Settlement Area	589.74	178.02
	Miscellaneous Receipts and Income	297.10	455.56
	Sundry Credit Balance Adjusted	0.45	7.77
	Profit on sale of Fixed Assets	-	78.75
	Rent Received	965.17	364.04
	Provision & Excess Liabilities Written Back	2.18	18.09
	Insurance Claim Received	66.87	2.05
	Gain on fair valuation of Mutual Funds	211.05	293.52
	Total	**2,503.16**	**2,072.99**

Note 1.30 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Opening Stock of Raw Materials	5,888.18	8,241.44
Add: Raw materials Purchased and Departmental Transfers etc.	68,782.00	84,897.67
	74,670.18	**93,139.11**
Less: Closing Stock of Raw Materials	3,764.71	5,888.18
	70,905.47	**87,250.93**
Consumption of Components	44,471.32	62,076.77
Less Inter Segment Revenue	14,057.11	18,847.52
Total	**101,319.68**	**130,480.18**

Notes on Consolidated Financial Statement

Note 1.31 Changes In Inventories of Finished Goods and Work-in-Progress

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Opening Stock		
Finished Goods	5,097.35	2,518.97
Work-in-Progress	27,792.32	21,869.00
	32,889.67	**24,387.97**
Less : Closing Stock		
Finished Goods	1,463.64	5,097.35
Work-in-Progress	14,581.23	27,792.32
	16,044.87	**32,889.67**
(Increase)/ Decrease in Stock	**16,844.80**	**(8,501.70)**

Note 1.32 Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
a) Salaries ,Wages and Bonus	10,334.05	11,389.26
b) Contribution to provident and other funds		
i) Provident Fund and Pension Fund	660.62	760.49
ii) Superannuation Fund	25.11	50.90
iii) Gratuity	267.67	2.00
c) Staff Welfare Expenses	400.06	592.44
d) VRS Expenses	0.59	1.17
Total	**11,688.10**	**12,796.26**

Note 1.33 Finance Costs

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
(a) Interest		
i) Banks	5,891.30	5,687.06
ii) Others	3,115.69	2,183.70
(b) Other borrowing costs	1,289.96	1,788.22
Total	**10,296.95**	**9,658.98**

Note 1.34 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
(a) Depreciation on Tangible Assets	3,680.24	3,537.19
(b) Depreciation on Intangible Assets	65.11	72.08
Total	**3,745.35**	**3,609.27**

Notes on Consolidated Financial Statement

Note 1.35 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021		Year Ended 31.03.2020	
Consumption of stores and spares part		8,815.25		10,303.71
Power and Fuel		5,515.63		7,167.10
Rent		569.25		535.98
Repairs to buildings		497.86		524.77
Repairs to machinery		364.30		454.16
Repairs to others		111.56		131.34
Insurance		491.89		601.00
Rates and Taxes excluding taxes on Income		411.42		452.42
Freight,Packing and Transport		1,284.00		1,212.39
Erection Expenses		5,687.60		6,767.09
Drawings and Designs		1.01		2.33
Royalty & Knowhow		24.01		60.72
Research & Development		129.54		106.25
Selling Agents Commission		62.32		13.81
Selling Expenses		134.61		294.76
Director's Sitting Fees		23.35		25.40
Director's Commission		12.41		13.61
Payments to the Auditor		-		-
As Auditor	22.00		21.20	
For Tax Audit	4.75		4.50	
For Quarterly Review	3.60		3.60	
For Fees for Other Services (incl for issuing various certificates)	5.11		8.78	
As Cost Auditor	1.85		1.85	
For Reimbursement of out of poket expenses	5.01	42.32	4.64	44.57
Donation		1.04		200.70
CSR Expenses*		11.61		62.96
Miscellaneous Expenses		2,555.95		3,413.57
Sundry Debit Balance Adjusted		37.54		1.14
Capital WIP Written Off		378.48		-
Allowance for bad & doubtful debts		330.91		394.66
Bad Debt/Impairment /Loss of unbilled Revenue	8,817.50		2,681.07	
Less: Allowance for bad & doubtful debts	(8,766.32)	51.18	(2,582.63)	98.44
Net (gain)/loss on foreign currency transaction		(394.15)		(465.06)
(Profit)/ Loss on sale of PPE (Net)		7.57		-
Provision & Excess Liabilities Written Back		0.94		-
Total		**27,159.40**		**32,417.82**

***Note on CSR Expense:**

i) Gross amount required to be spent by the Company during the year: ₹ 7.31 Lakhs

ii) Amount spent in cash during the year on

Particulars	In Cash	Total
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	11.61	11.61
Total	**11.61**	11.61

Notes on Consolidated Financial Statement

Note 1.36 Other Comprehensive Income

(₹ in Lakhs)

	Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
(A)	**Items that will not be reclassified to profit or loss**		
(i)	Remeasurements of the defined benefit plans	23.19	17.60
(ii)	Equity Instruments through Other Comprehensive Income;	2,123.60	(1,191.09)
(iii)	Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	2.22	(1.48)
		2,149.01	**(1,174.97)**
(B)	**Items that will be reclassified to profit or loss**		
(i)	Exchange differences in translating the financial statements of a foreign operation	166.76	(212.38)
	Total	**166.76**	**(212.38)**

Note 1.37 Related Party Disclosure

(a) Name of the related parties and relationship as per Ind AS 24, where transaction exists.

	Relationship	Parties where control Exist 2020-21	Parties where control Exist 2019-20
A.	Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman	Mr. Saroj Kumar Poddar Executive Chairman
		-	Mr. Sandeep Fuller, Managing Director (Resigned w.e.f. 31st March, 2020)
		Mr. Indrajit Mookerjee, Managing Director (Redesignated w.e.f: 02nd April, 2020)	Mr. Indrajit Mookerjee, Non-Executive Director
		Mr. A. K. Vijay, Executive Director (Finance) & CFO	Mr. A. K. Vijay, Executive Director (Finance) & CFO
		Mr. D. H. Kela Executive Director & CEO (SF)	Mr. D. H. Kela Executive Director & CEO (SF)
		Mr. Ashish Kr. Gupta, Deputy Managing Director (Appointed w.e.f: 17th November,2020)	-
		-	Mr. G. C. Agarwal, ED & CEO (HED) (Resigned w.e.f. 31st March, 2020)
		Mr. Ravi Varma Company Secretary	Mr. Ravi Varma Company Secretary (Appointed w.e.f: 14th December, 2019)
		Mr. A. C. Chakrabortti, Independent Director	Mr. A. C. Chakrabortti, Independent Director
		Mr. D. R. Kaarthikeyan, Independent Director	Mr. D. R. Kaarthikeyan, Independent Director
		Ms. Mridula Jhunjhunwala, Independent Director (Ceased w.e.f 19th March, 2021)	Ms. Mridula Jhunjhunwala, Independent Director
		Mr. Sunil Mitra, Independent Director	Mr. Sunil Mitra, Independent Director
		Mr. Utsav Parekh, Independent Director	Mr. Utsav Parekh, Independent Director
		Mr. Virendra Sinha, Independent Director (Appointed w.e.f: 17th Feb, 2021)	-

	Relationship	Parties where control Exist 2020-21	Parties where control Exist 2019-20
		Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021)	-
		-	Mr. V. K. Sharma, Independent Director (Resigned w.e.f: 29th June, 2020)
		Mr. Akshay Poddar, Non – Executive Director	Mr. Akshay Poddar, Non – Executive Director
B.	Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)
		Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)	Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)
		Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)	Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)
C.	Joint Ventures	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)
		Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)	Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)
		Kalindee Cobra JV	Kalindee Cobra JV
		Kalindee Kapoor Railcon JV	Kalindee Kapoor Railcon JV
		Kalindee Karthik JV	Kalindee Karthik JV
		Kalindee VNC JV	Kalindee VNC JV
		Kalindee IF&LS JV	Kalindee IF&LS JV
		GMR TPL KRNL JV	GMR TPL KRNL JV
		Kalindee Rahee JV	Kalindee Rahee JV
		Kalindee URC JV	Kalindee URC JV
		JMC – GPT – Vijaywargi – Bright Power JV	JMC – GPT – Vijaywargi – Bright Power JV
		JMC – Vijaywargi – Bright Power JV	JMC – Vijaywargi – Bright Power JV
		Bright – Vijaywargi JV	Bright – Vijaywargi JV
		Bright – Kalindee JV	-
		Bright – Texmaco JV	-
		ISC Projects- Texmaco JV	-
		Kalindee ASIS JV	-
		Tata Projects – Kalindee JV	Tata Projects – Kalindee JV
		Texmaco Rahee JV	TexmacoRahee JV
D.	Group Company where Transaction Exists.	Duke Commerce Ltd.	Duke Commerce Ltd.
		Adventz Securities Enterprises Ltd.	Adventz Securities Enterprises Ltd.
		Zuari Global Ltd.	Zuari Global Ltd.
		New Eros Tradecom Ltd.	New Eros Tradecom Ltd.
		Master Exchange & Finance Ltd.	Master Exchange & Finance Ltd.
		Adventz Investments Co. Pvt. Ltd.	Adventz Investments Co. Pvt. Ltd.
		Adventz Finance Pvt. Ltd.	Adventz Finance Pvt. Ltd.
		Eureka Traders Pvt. Ltd.	Eureka Traders Pvt. Ltd.
		Abhishek Holdings Pvt. Ltd.	Abhishek Holdings Pvt. Ltd.
		Greenland Trading Pvt. Ltd.	Greenland Trading Pvt. Ltd.
		Indrakshi Trading Company Pvt. Ltd.	Indrakshi Trading Company Pvt. Ltd.
		Zuari Management Services Ltd.	Zuari Management Services Ltd.
		High Quality Steels Ltd.	High Quality Steels Ltd.
		Lionel India Ltd.	Lionel India Ltd.
		Lionel Edwards Ltd.	Lionel Edwards Ltd.
		Texmaco Infrastructure & Holdings Ltd.	Texmaco Infrastructure & Holdings Ltd.
		Zuari Investments Ltd.	Zuari Investments Ltd.
		Zuari Sugar and Power Ltd.	-
		Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.
		Magnacon Electricals India Ltd.	Magnacon Electricals India Ltd.
		The Pench Valley Coal Company Ltd.	-

Notes on Consolidated Financial Statement

(b) Related Party Transactions

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
Remuneration Paid							
- Mr. Saroj Kumar Poddar	-- (--)	-- (--)	-- (--)	-- (--)	274.37 (379.26)	274.37 (379.26)	-- (53.85)
- Mr. Sandeep Fuller (Resigned w.e.f. 31st March,2020)	-- (--)	-- (--)	-- (--)	-- (--)	-- (114.01)	-- (114.01)	-- (15.41)
- Mr. Indrajit Mookerjee (Appointed w.e.f: 02nd April, 2020)	-- (--)	-- (--)	-- (--)	-- (--)	58.90 (--)	58.90 (--)	-- (--)
- Mr. A.K. Vijay	-- (--)	-- (--)	-- (--)	-- (--)	54.80 (67.26)	54.80 (67.26)	-- (5.19)
- Mr. D. H. Kela	-- (--)	-- (--)	-- (--)	-- (--)	95.38 (126.68)	95.38 (126.68)	-- (10.53)
- Mr. Girish Chandra Agarwal (Resigned w.e.f. 31st March,2020)	-- (--)	-- (--)	-- (--)	-- (--)	-- (56.31)	-- (56.31)	-- (6.31)
- Mr. Ashish Kr. Gupta (Appointed w.e.f: 17th November,2020)	-- (--)	-- (--)	-- (--)	-- (--)	52.08 (--)	52.08 (--)	-- (--)
- Mr. Ravi Varma	-- (--)	-- (--)	-- (--)	-- (--)	22.03 (12.20)	22.03 (12.20)	-- (0.50)
- Mr. A. C. Chakrabortti (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	6.85 (7.75)	6.85 (7.75)	-- (--)
- Mr. D.R. Kaarthikeyan (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	5.85 (5.45)	5.85 (5.45)	-- (--)
- Ms. Mridula Jhunjhunwala (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	6.53 (7.50)	6.53 (7.50)	-- (--)
- Mr. Sunil Mitra (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	5.75 (7.05)	5.75 (7.05)	-- (--)
- Mr. Utsav Parekh (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.00 (3.85)	4.00 (3.85)	-- (--)
- Mr. Akshay Poddar (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	5.00 (4.35)	5.00 (4.35)	-- (--)
- Mr. V. K. Sharma (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.90)	-- (0.90)	-- (--)
- Ms. Rusha Mitra (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	0.89 (--)	0.89 (--)	-- (--)
- Mr. Virendra Sinha (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	0.89 (--)	0.89 (--)	-- (--)
- Mr. Indrajit Mookerjee (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	0.01 (2.17)	0.01 (2.17)	-- (--)
Investment							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	-- (--)	-- (--)	-- (--)	466.83 (450.00)	-- (--)	466.83 (450.00)	4931.82 (4464.99)
- Texmaco Infrastructure & Holdings Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1644.87 (727.27)
- Wabtec Texmaco Rail Pvt. Ltd	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	328.17 (328.17)
Loans & Advances Given							
- Bright-Vijaywargi-JV	-- (--)	-- (--)	-- (--)	48.41 (234.90)	-- (--)	48.41 (234.90)	106.10 (149.40)
- Bright- Kalindee-JV	-- (--)	-- (--)	-- (--)	44.97 (--)	-- (--)	44.97 (--)	(23.65) (15.26)
- Bright- Texmaco-JV	-- (--)	-- (--)	-- (--)	124.48 (--)	-- (--)	124.48 (--)	(140.60) (-92.25)
Loans & Advances Received/Repaid							
- Adventz Finance Pvt. Ltd. ##	-2080.00 (4100.00)	-- (--)	-- (--)	-- (--)	-- (--)	-2080.00 (4100.00)	3120.00 (5200.00)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
- Adventz Securities Enterprises Ltd.	375.00 (-150.00)	-- (--)	-- (--)	-- (--)	-- (--)	375.00 (-150.00)	1075.00 (700.00)
- Magnacon Electricals India Ltd.	-800.00 (800.00)	-- (--)	-- (--)	-- (--)	-- (--)	-800.00 (800.00)	-- (800.00)
- Zuari Management Services Ltd.	3600.00 (--)	-- (--)	-- (--)	-- (--)	-- (--)	3600.00 (--)	3600.00 (--)
- Zuari Investments Limited	9000.00 (--)	-- (--)	-- (--)	-- (--)	-- (--)	9000.00 (--)	9000.00 (--)
- Zuari Sugar and Power Ltd.	1150.00 (--)	-- (--)	-- (--)	-- (--)	-- (--)	1150.00 (--)	1150.00 (--)
- Mr. Saroj Kumar Poddar**	-- (--)	-- (--)	-- (--)	-- (--)	1500.00 (--)	1500.00 (--)	1500.00 (--)
- Pench Valley Coal Company Ltd.	20.00 (--)	-- (--)	-- (--)	-- (--)	-- (--)	20.00 (--)	20.00 (--)
Dividend Paid							
- Mr.Saroj Kumar Poddar	-- (--)	-- (--)	-- (--)	-- (--)	4.15 (12.06)	4.15 (12.06)	-- (--)
- Ms Jyotsna Poddar	0.07 (0.25)	-- (--)	-- (--)	-- (--)	-- (--)	0.07 (0.25)	-- (--)
- Ms. Puja Poddar	0.03 (0.10)	-- (--)	-- (--)	-- (--)	-- (--)	0.03 (0.10)	-- (--)
- Mr. Akshay Poddar	-- (--)	-- (--)	-- (--)	-- (--)	0.01 (0.05)	0.01 (0.05)	-- (--)
- Ms. Shradha Agarwal	0.01 (0.05)	-- (--)	-- (--)	-- (--)	-- (--)	0.01 (0.05)	-- (--)
- Abhishek Holdings Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
- Adventz Securities Enterprises Ltd.	3.81 (13.33)	-- (--)	-- (--)	-- (--)	-- (--)	3.81 (13.33)	-- (--)
- Adventz Finance Pvt. Ltd.	8.48 (29.32)	-- (--)	-- (--)	-- (--)	-- (--)	8.48 (29.32)	-- (--)
- Adventz Investments Co. Pvt. Ltd.	3.04 (10.62)	-- (--)	-- (--)	-- (--)	-- (--)	3.04 (10.62)	-- (--)
- Duke Commerce Ltd.	7.51 (26.30)	-- (--)	-- (--)	-- (--)	-- (--)	7.51 (26.30)	-- (--)
- Eureka Traders Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
- Greenland Trading Pvt. Ltd.	0.04 (0.12)	-- (--)	-- (--)	-- (--)	-- (--)	0.04 (0.12)	-- (--)
- Master Exchange & Finance Ltd.	0.02 (0.05)	-- (--)	-- (--)	-- (--)	-- (--)	0.02 (0.05)	-- (--)
- New Eros Tradecom Ltd.	0.74 (2.58)	-- (--)	-- (--)	-- (--)	-- (--)	0.74 (2.58)	-- (--)
- Indrakshi Trading Company Pvt. Ltd.	0.03 (0.11)	-- (--)	-- (--)	-- (--)	-- (--)	0.03 (0.11)	-- (--)
- Texmaco Infrastructure & Holdings Ltd.	58.50 (191.10)	-- (--)	-- (--)	-- (--)	-- (--)	58.50 (191.10)	-- (--)
- Zuari Investments Ltd.	25.06 (101.37)	-- (--)	-- (--)	-- (--)	-- (--)	25.06 (101.37)	-- (--)
- Zuari Global Ltd.	4.04 (14.12)	-- (--)	-- (--)	-- (--)	-- (--)	4.04 (14.12)	-- (--)
- Mr. D. H. Kela	-- (--)	-- (--)	-- (--)	-- (--)	0.03 (0.11)	0.03 (0.11)	-- (--)
- Mr. Sandeep Fuller (Resigned w.e.f. 31st March,2020)	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.18)	-- (0.18)	-- (--)
- Mr. A.K. Vijay	-- (--)	-- (--)	-- (--)	-- (--)	0.05 (0.18)	0.05 (0.18)	-- (--)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
- Mr. Ravi Varma	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
- Mr. A. C. Chakrabortti	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.01)	-- (0.01)	-- (--)
Dividend Received							
- Texmaco Infrastructure & Holdings Ltd.	4.70 (4.70)	-- (--)	-- (--)	-- (--)	-- (--)	4.70 (4.70)	-- (--)
Others							
- Adventz Finance Pvt. Ltd. (Rent Paid)	15.79 (15.73)	-- (--)	-- (--)	-- (--)	-- (--)	15.79 (15.73)	-- (--)
- Adventz Finance Pvt. Ltd. (Interest Paid)	710.74 (515.23)	-- (--)	-- (--)	-- (--)	-- (--)	710.74 (515.23)	127.90 (105.10)
- Adventz Securities Enterprises Ltd. (Interest Paid)	106.97 (103.72)	-- (--)	-- (--)	-- (--)	-- (--)	106.97 (103.72)	27.12 (22.55)
- Magnacon Electricals India Ltd. (Interest Paid)	90.73 (68.11)	-- (--)	-- (--)	-- (--)	-- (--)	90.73 (68.11)	-- (68.11)
- Zuari Management Services Ltd. (Interest Paid)	438.06 (--)	-- (--)	-- (--)	-- (--)	-- (--)	438.06 (--)	405.21 (--)
- Zuari Sugar and Power Ltd. (Interest Paid)	58.68 (--)	-- (--)	-- (--)	-- (--)	-- (--)	58.68 (--)	54.28 (--)
- Zuari Investment Ltd. (Interest Paid)	29.25 (--)	-- (--)	-- (--)	-- (--)	-- (--)	29.25 (--)	27.06 (--)
- Pench Valley Coal Company Ltd (Interest Paid)	0.37 (--)	-- (--)	-- (--)	-- (--)	-- (--)	0.37 (--)	0.34 (--)
- Mr. Saroj Kumar Poddar (Interest Paid)	-- (--)	-- (--)	-- (--)	-- (--)	349.81 (--)	349.81 (--)	326.44 (--)
- High Quality Steels Ltd. (Services Received)	530.97 (492.43)	-- (--)	-- (--)	-- (--)	-- (--)	530.97 (492.43)	59.14 (--)
- Lionel India Ltd. (Services Received)	24.17 (151.64)	-- (--)	-- (--)	-- (--)	-- (--)	24.17 (151.64)	14.44 (60.36)
- Lionel Edwards Ltd. (Services Received)	-- (37.22)	-- (--)	-- (--)	-- (--)	-- (--)	-- (37.22)	-- (9.77)
- Zuari Management Services Ltd. (Services Received)	19.19 (335.27)	-- (--)	-- (--)	-- (--)	-- (--)	19.19 (335.27)	9.71 (53.87)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	-- (--)	-- (--)	-- (--)	-- (--)	0.72 (0.72)	-- (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	68.74 (68.74)	-- (--)	-- (--)	-- (--)	-- (--)	68.74 (68.74)	73.03 (114.60)
- Texmaco Infrastructure & Holdings Ltd. (Services Received)	-- (149.09)	-- (--)	-- (--)	-- (--)	-- (--)	-- (149.09)	-- (26.54)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	-- (--)	-- (--)	-- (--)	412.40 (516.35)	-- (--)	412.40 (516.35)	156.22 (330.34)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	431.95 (1590.60)	-- (--)	431.95 (1590.60)	-- (282.81)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services)	-- (--)	-- (--)	-- (--)	169.43 (209.36)	-- (--)	169.43 (209.36)	43.29 (29.20)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	2181.17 (4228.11)	-- (--)	2181.17 (4228.11)	2550.19 (112.45)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	-- (--)	3.23 (1.37)	-- (--)	3.23 (1.37)	0.48 (--)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	-- (700.56)	-- (--)	-- (700.56)	24.56 (1964.72)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	-- (--)	-- (--)	-- (--)	298.04 (301.35)	-- (--)	298.04 (301.35)	862.25 (491.71)
- Paradeep Phosphate Ltd (Rent Received)	3.59 (7.69)	-- (--)	-- (--)	-- (--)	-- (--)	3.59 (7.69)	-- (--)

Notes on Consolidated Financial Statement

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	2796.59 (5536.84)	-- (--)	2796.59 (5536.84)	528.30 (1570.70)
- Bright-Vijaywargi JV (Mobilization Advance Received)	-- (--)	-- (--)	-- (--)	-- (637.82)	-- (--)	-- (637.82)	-- (196.88)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	123.85 (--)	-- (--)	123.85 (--)	122.21 (120.52)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	49.74 (--)	-- (--)	49.74 (--)	308.40 (264.39)
- Bright-Kalindee JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	744.47 (633.52)	-- (--)	744.47 (633.52)	239.38 (230.72)
- Bright-Texmaco JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	3518.28 (10747.90)	-- (--)	3518.28 (10747.90)	750.14 (1486.99)
- ISC Projects -Texmaco JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	1948.70 (--)	-- (--)	1948.70 (--)	356.46 (--)
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1.15 (1.15)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	2.45 (2.45)
- Kalindee Cobra JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	1431.00 (1244.80)	-- (--)	1431.00 (1244.80)	573.41 (870.44)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	1.44 (0.60)	-- (--)	1.44 (0.60)	-- (--)
- Kalindee IL & FS JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	19.64 (685.33)	-- (--)	19.64 (685.33)	1346.48 (2406.91)
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	90.47 (2282.72)	-- (--)	90.47 (2282.72)	316.04 (2279.31)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	1.71 (12.66)	-- (--)	1.71 (12.66)	-- (--)
- Kalindee Karthik JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	112.64 (-4.78)	-- (--)	112.64 (-4.78)	529.31 (401.46)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	28.02 (1386.49)	-- (--)	28.02 (1386.49)	905.79 (2364.64)
- Kalindee URC JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	212.25 (363.69)	-- (--)	212.25 (363.69)	181.43 (223.35)
- Kalindee URC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	-- (2.81)	-- (--)	-- (2.81)	-- (--)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	32.89 (178.79)	-- (--)	32.89 (178.79)	1681.28 (1604.02)
- GMR TPL KRNL JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	849.28 (170.43)	-- (--)	849.28 (170.43)	878.34 (1270.02)
- Tata Projects- Kalindee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	553.49 (529.95)	-- (--)	553.49 (529.95)	465.30 (112.88)
- Texmaco-Rahee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	691.05 (378.25)	-- (--)	691.05 (378.25)	67.24 (67.24)
- Texmaco-Asis JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	12.05 (--)	-- (--)	12.05 (--)	-- (--)
Corporate Guarantee Given							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (--)	-- (--)	-- (--)	958.48 (--)	-- (--)	958.48 (--)	2664.87 (1706.39)
Corporate Guarantee Received							
- Texmaco Infrastructure & Holdings Ltd. (Against Cash Credit facility)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (5000.00)

Note: Figures in brackets are for previous financial year.

** Loan (ICD) received from Shri Saroj Kumar Poddar during the year amounts to ₹ 6500.00 Lakh out of which ₹ 5000.00 Lakh is converted to Equity Share Capital by way of Preferential Allotment.

Loan (ICD) received from Adventz Finance Pvt. Ltd. during the year amounts to ₹ 1720.00 Lakh out of which ₹ 2900.00 Lakh is converted to Equity Share Capital by way of Preferential Allotment. Loan Repaid ₹ 900.00 during the year.

Notes on Consolidated Financial Statement

Note 1.38 Earning Per Share – The Numerator And Denominator Used To Calculate Basic/ Diluted Earning Per Share

Particulars		2020-21	2019-20
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	1,415.83	(6,483.02)
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	22,74,42,678	22,48,57,832
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	22,74,42,678	22,48,57,832
(A) Basic Earning per share (face value of ₹ 1/- each)	₹	0.62	(2.88)
(B) Diluted Earning per share (face value of ₹ 1/- each)	₹	0.62	(2.88)

Note No. 1.39 Principles of Consolidation

a) The consolidated financial statements include results of the subsidiaries of Texmaco Rail & Engineering Limited., consolidated in accordance with Ind AS 110' Consolidated Financial Statements'.

Name of the Company	Country of Incorporation	% Shareholding
Belur Engineering Pvt. Ltd.	India	100%
Texmaco Transtrak Pvt. Ltd.	India	51%
Texmaco Rail Systems Pvt. Ltd.	India	67.11%
Texmaco SA (PTY) Ltd.	India	N.A.
Texmaco Rail Electrification Pvt Ltd.	India	100%
Texmaco Engineering Udyog Pvt Ltd.	India	100%

b) Theses financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

All assets and liabilities have been classified as current or non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) Accounting policies applicable in consolidated financial statements

i) The Company combines the financial statements of the parent and its subsidiaries line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transaction, balance and unrealised gains on transactions between group companies are eliminated.

ii) 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.

iii) Investments in Associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post – acquisition profit or losses of the investee in profit and loss, and the company's share of other comprehensive income of the investee in other comprehensive income.

iv) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes on Consolidated Financial Statement

Note 1.40 Financial Instruments

A. Accounting classification and fair values

(₹ in Lakhs)

31st March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	3,935.36	5,650.86	**9,586.22**	3,935.36	5,650.86	-	**9,586.22**
- Loans & Advances	-	-	568.36	**568.36**	-	-	568.36	**568.36**
- Bank Balances	-	-	1,025.16	**1,025.16**	-	-	1,025.16	**1,025.16**
- Others	-	-	178.53	**178.53**	-	-	178.53	**178.53**
Financial Assets (Short Term)								
- Investments	3,546.91	-	-	**3,546.91**	3,546.91	-	-	**3,546.91**
- Trade Receivable	-	-	61,148.82	**61,148.82**	-	-	61,148.82	**61,148.82**
- Cash and cash equivalents	-	-	2,260.14	**2,260.14**	-	-	2,260.14	**2,260.14**
- Bank Balances & Others	-	-	8,270.02	**8,270.02**	-	-	8,270.02	**8,270.02**
- Loans & Advances	-	-	1,877.52	**1,877.52**	-	-	1,877.52	**1,877.52**
Total	**3,546.91**	**3,935.36**	**80,979.41**	**88,461.68**	**7,482.27**	**5,650.86**	**75,328.55**	**88,461.68**
Financial liabilities (Long Term)								
- Borrowings	-	-	3,575.21	**3,575.21**	-	-	3,575.21	**3,575.21**
Financial liabilities (Short Term)								
- Borrowings	-	-	72,690.04	**72,690.04**	-	-	72,690.04	**72,690.04**
- Trade Payable	-	-	43,016.86	**43,016.86**	-	-	43,016.86	**43,016.86**
- Other Financial Liabilities	-	-	6,074.56	**6,074.56**	-	-	6,074.56	**6,074.56**
	-	-	-	**-**	-	-	-	**-**
Total	**-**	**-**	**125,356.67**	**125,356.67**	**-**	**-**	**125,356.67**	**125,356.67**

(₹ in Lakhs)

31st March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	1,811.76	4,749.60	**6,561.36**	1,811.76	4,749.60	-	**6,561.36**
- Loans & Advances	-	-	725.03	**725.03**	-	-	725.03	**725.03**
- Bank Balances	-	-	1,109.34	**1,109.34**	-	-	1,109.34	**1,109.34**
- Others	-	-	103.60	**103.60**	-	-	103.60	**103.60**
Financial Assets (Short Term)								
- Investments	3,499.62	-	-	**3,499.62**	3,499.62	-	-	**3,499.62**
- Trade Receivable	-	-	64,450.00	**64,450.00**	-	-	64,450.00	**64,450.00**
- Cash and cash equivalents	-	-	1,676.29	**1,676.29**	-	-	1,676.29	**1,676.29**
- Bank Balances & Others	-	-	6,684.65	**6,684.65**	-	-	6,684.65	**6,684.65**
- Loans & Advances	-	-	1,470.69	**1,470.69**	-	-	1,470.69	**1,470.69**
Total	**3,499.62**	**1,811.76**	**80,969.20**	**86,280.58**	**5,311.38**	**4,749.60**	**76,219.60**	**86,280.58**
Financial liabilities (Long Term)								
- Borrowings	-	-	5,269.99	**5,269.99**	-	-	5,269.99	**5,269.99**
Financial liabilities (Short Term)								
- Borrowings	-	-	69,711.48	**69,711.48**	-	-	69,711.48	**69,711.48**
- Trade Payable	-	-	55,416.13	**55,416.13**	-	-	55,416.13	**55,416.13**
- Other Financial Liabilities	-	-	5,546.64	**5,546.64**	-	-	5,546.64	**5,546.64**
Total	**-**	**-**	**135,944.24**	**135,944.24**	**-**	**-**	**135,944.24**	**135,944.24**

* The carrying value and the fair value approximates.

B. Measurement of fair values

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

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

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.

2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

Note 1.41 Tax Expense

(₹ in Lakhs)

Particulars	For the Year ended	
	31.03.2021	**31.03.2020**
a) Tax Expense		
Current Tax		
- Current tax on profits for the year	-	747.00
- Adjustments for current tax of prior periods	(21.80)	(109.89)
- Total current tax expense	(21.80)	637.11
Deferred Tax		
- Decrease/(increase) in deferred tax assets	(524.78)	(3,702.16)
- (Decrease)/increase in deferred tax liabilities	519.31	36.86
- Total deferred tax expenses/(benefit)	(5.47)	(3,665.30)
MAT credit entitlement	-	(257.46)
Tax Expense	**(27.27)**	**(3,285.65)**
b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	333.67	(10,199.81)
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	116.60	(3,564.22)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	4.19	22.00
- Disallowance of estimated expenditure to earn tax exempt income		10.83
- Others		160.74
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Weighted deduction on R&D expenses		(18.56)
- Income from Investment	(82.12)	(78.97)
- Income from rented property	(101.69)	(38.49)
- Others		(27.61)
Tax effect of other adjustment		
- Income tax for earlier years	(21.80)	(110.78)
- MAT Credit/carry forward losses adjustment & Others	57.55	359.41
Tax Expense	**(27.27)**	**(3,285.65)**

Note 1.42: Information on Segment Working is given below-

(₹ in Lakhs)

Particulars	2020-21				2019-20			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Total
	1	2	3	4 (1+2+3)	1	2	3	4 (1+2+3)
Revenue (Net of Excise Duty and Cess)								
Gross Sales	72,907.26	31,657.35	77,570.92	182,135.53	83,642.51	34,781.42	82,449.14	200,873.07
Internal-Segment Sales	(1,728.57)	(12,328.54)	-	(14,057.11)	(1,810.74)	(17,036.78)	-	(18,847.52)
Other Operating Revenue	289.60	305.45	211.32	806.37	1,154.43	-	-	1,154.43
Total	**71,468.29**	**19,634.26**	**77,782.24**	**168,884.79**	**82,986.20**	**17,744.64**	**82,449.14**	**183,179.98**
Result								
Segment Result	1,430.73	1,426.86	5,150.06	8,007.65	3,374.43	4,026.80	4,231.55	11,632.78
Others (Net of Unallocated Expenses)				997.28				421.13
Operating Profit/(Loss)				**9,004.93**				**12,053.91**
Interest Expense				(9,006.99)				(7,870.76)
Interest Income				335.73				609.01
Total Profit/(Loss) before Tax				**333.67**				**4,792.16**
Provision for Current Tax				-				(489.54)
Provision for Deferred Tax				5.47				3,665.30
Income Tax for Earliear Year				21.80				109.89
Profit/(Loss) from ordinary activities				**360.94**				**8,077.81**
Extra ordinary items				-				(14,991.97)
Net Profit/(Loss)				**360.94**				**(6,914.16)**
Other Information								
Segment Assets	88,097.47	40,593.12	122,364.07	251,054.66	97,269.56	46,204.23	135,121.26	278,595.05
Unallocated Corporate assets				13,133.13				10,060.98
Total assets				**264,187.79**				**288,656.03**
Segment liabilities	51,202.68	9,518.38	89,326.77	150,047.83	57,928.03	19,387.91	108,606.89	185,922.83
Unallocated corporate liabilities				-				-
Total Liabilities				**150,047.83**				**185,922.83**
Capital expenditure				1,500.05				7,359.71
Depreciation				3,745.35				3,609.27
Non-cash expenses other than depreciation				798.11				494.24

Note: The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

Note 1.43 Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

(₹ in lakhs)

Name of the entity	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 (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of total comprehensive income	Amount (₹ in lakhs)
Parent								
Texmaco Rail & Engineering Ltd.	100.04%	113,966.32	98.70%	1,186.63	99.90%	2,313.55	99.49%	3,500.18
Indian Subsidiaries								
Belur Engineering Pvt. Ltd.	0.03%	34.97	1.71%	20.61	-	-	0.59%	20.61
Texmaco Transtrack Pvt. Ltd.	-0.40%	(455.85)	-36.24%	(435.66)	-	-	-12.38%	(435.66)
Texmaco Rail Systems Pvt. Ltd.	-	(0.15)	-0.07%	(0.90)	-	-	-0.03%	(0.90)
Texmaco Rail Electrification Pvt. Ltd.	-	1.74	-0.02%	(0.26)	-	-	-0.01%	(0.26)
Texmaco Engineering Udyog Pvt. Ltd.	-	0.82	-0.01%	(0.18)	-	-	-0.01%	(0.18)
Texmaco SA (PTY) Ltd.	-	-	-0.01%	(0.11)	-	-	-0.01%	(0.11)
Non Controlling Interest in all subsidiaries	-0.20%	(223.41)	-17.76%	(213.57)	-	-	-6.07%	(213.57)
Joint Ventures								
Touax Texmaco Railcar Leasing Pvt. Ltd.	-	-	55.98%	673.01	-	-	19.13%	673.01
Wabtech Texmaco Rail Pvt. Ltd.	-	-	14.14%	169.98	0.10%	2.22	4.89%	172.20
Associate Companies								
Texmaco Defence Pvt. Ltd.	-	-	-0.14%	(1.68)	-	-	-0.05%	(1.68)
Consolidation Adjustment and Elimination	0.52%	592.11	-16.27%	(195.61)	-	-	-5.56%	(195.61)
Total	**100.00%**	**113,916.55**	**100.00%**	**1,202.26**	**100.00%**	**2,315.77**	**100.00%**	**3,518.03**

Notes on Consolidated Financial Statement

Other Disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Texamco Rail & Engineering Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Commitments & Contingent Liabilities	Note 1.37
Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.	Note 1.38
Employee Benefits Obligation	Note 1.44
Amount Remitted During the Year on Account of Dividend (As Certified by the Management)	Note 1.45
Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc.	Note 1.46
Value of Imports on C.I.F. Basis	Note 1.47
Analysis of Raw Material Consumed	Note 1.48
Expenditure in Foreign Currency	Note 1.51
Income in Foreign Exchange	Note 1.52
Details of Inventory of Work in Progress	Note 1.53
As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.	Note 1.54
Details of Income / Expenses disclosed on net basis	Note 1.55
Financial Risk Management Objectives and policies	Note 1.57
Covid-19 Impact	Note 1.63

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures

Note 1.44 Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

Note 1.45 Figures below ₹ 500/- have been omitted for rounding off, ₹ 500/- and above have been rounded off to the next ₹ 1000/-.

Notes referred to above form an integral part of the Financial Statements
In terms of our Report of even date attached herewith.
For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
Place: B2/1, Gillander House
8, Netaji Subhas Road
Kolkata-700 001
Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors
S. K. Poddar
A. C. Chakrabortti
Indrajit Mookerjee
A. K. Gupta
D. H. Kela
A. K. Vijay

GENERAL INFORMATION

1. Texmaco Rail & Engineering Limited was originally incorporated on June 25, 1998, under the Companies Act, 1956 as '*Texmaco Machines Private Limited*'. The name of our Company was changed to '*Texmaco Machines Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to '*Texmaco Rail & Engineering Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, West Bengal on April 23, 2010. For further details regarding changes in the name and registered office of our Company, see "*Organisational Structure of our Company"* on page 204.

2. The CIN of our Company is L29261WB1998PLC087404.

3. The Equity Shares of our Company were listed on BSE and NSE on March 3, 2011.

4. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE, each on November 21, 2023, under Regulation 28(1) of the SEBI Listing Regulations.

5. Our Registered and Corporate Office is located at Belgharia, Kolkata – 700 056, West Bengal, India

6. The website of our Company is www.texmaco.in

7. The authorised share capital of our Company is ₹ 1,97,00,00,000 comprising of 1,97,00,00,000 Equity Shares of face value of ₹ 1 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 32,52,48,270 comprising of 32,52,48,270 Equity Shares of face value of ₹ 1 each.

8. The Issue was authorised and approved by the Board pursuant to the resolution dated September 15, 2023 and by our Shareholders' pursuant to the special resolution dated October 23, 2023.

9. 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 the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

10. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office as well as our Corporate Office.

11. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

12. There has been no material change in the financial or trading position of our Company since September 30, 2023, the last date of the Unaudited Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document.

13. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see section titled "*Legal Proceedings*" on page 248.

14. The Issue will not result in a change in control of our Company.

15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

16. The Floor Price is ₹ 135.90 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by M/s. L. B. Jha & Co., Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board

resolution dated September 30, 2023, and a special resolution passed by our Shareholders by way of postal ballot on October 23, 2023 and Regulation 176(1) of 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 websites of our Company and our Subsidiaries, would be doing so at their own risk.

18. Kishor Kumar Rajgaria is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Kishor Kumar Rajgaria
Belgharia, Kolkata – 700 056
West Bengal, India
Tel: +91 33 2569 1500
E-mail: kishor.rajgaria@texmaco.in

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLMs, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees#	Percentage of the post-Issue share capital held (%)(1)(2)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

(1) *Based on beneficiary position as on [●] (adjusted for Equity Shares Allocated in the Issue).*

(2) *The post-Issue shareholding (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 Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.*

#The details of the proposed Allottees have been intentionally left blank and will be filled in before filing the Placement Document with the Stock Exchanges and issuing the Placement Document to such proposed Allottees.

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:

Authorised Signatory

Name: Indrajit Mookerjee
Designation: Executive Director and Vice Chairman

Date: November 21, 2023
Place: Kolkata

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 made 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).

For and on behalf of the Board of Directors:

____
Authorised Signatory

Name: Indrajit Mookerjee
Designation: Executive Director and Vice Chairman

Date: November 21, 2023
Place: Kolkata

I am authorized by the Capital Issue Committee of the Board, *vide* resolution dated November 21, 2023, to sign this form and declare that all the requirements of the 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 promoter 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:

Name: Indrajit Mookerjee
Designation: Executive Director and Vice Chairman

Date: November 21, 2023
Place: Kolkata

TEXMACO RAIL & ENGINEERING LIMITED

CIN: L29261WB1998PLC087404
Registered and Corporate Office:
Belgharia, Kolkata – 700 056, West Bengal, India
Telephone: +91 33 2569 1500
E-mail: texrail_cs@texmaco.in
Website: www.texmaco.in

Contact Person

Kishor Kumar Rajgaria
Designation: Company Secretary and Compliance Officer
Address: Belgharia, Kolkata – 700 056, West Bengal, India
Telephone: +91 33 2569 1500
E-mail: kishor.rajgaria@texmaco.in

Book Running Lead Managers

Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*)	**ICICI Securities Limited**	**Motilal Oswal Investment Advisors Limited**
801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025, Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

M/s. L. B. Jha & Co., Chartered Accountants
F2/2, Gillander House
Netaji Subhas Road
Kolkata- 700 001
West Bengal, India

LEGAL COUNSEL TO OUR COMPANY AS TO THE INDIAN LAW

Khaitan & Co
10th & 13th Floors, Tower 1C
One World Centre 841, Senapati Bapat Marg
Mumbai 400 013, Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

J. Sagar Associates
Vakils House,
18, Sprott Road, Ballard Estate,
Mumbai 400 001,
Maharashtra, India

As to International law

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318

ADVISORS TO THE COMPANY

SKP Securities Limited
Chatterjee International Centre
33A, Jawaharlal Nehru Road, Level – 21
Kolkata – 700 071, West Bengal, India

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.)

adventz

APPLICATION FORM

Name of Bidder: ______________________________________

Form No: ____

Date: ____________________________

(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*)
Registered and Corporate Office: Belgharia, Kolkata – 700 056, West Bengal, India; **Tel**: +91 33 2569 1500;
Contact Person: Kishor Kumar Rajgaria, Company Secretary and Compliance Officer;
Tel: +91 33 2569 1500; **E-mail**: Texrail_cs@texmaco.in; **Website**: www.texmaco.in;
CIN: L29261WB1998PLC087404
LEI: 335800JU417USDLP2O12 | **ISIN**: INE621L01012

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 1 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 ON 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 TEXMACO RAIL & ENGINEERING LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 135.90 AND 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 herein below) 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 have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state of the United States, 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 U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 228 and 237, respectively, in the accompanying preliminary placement document dated November 21, 2023 (the "PPD").

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.

To,

The Board of Directors
TEXMACO RAIL & ENGINEERING LIMITED
Registered and Corporate Office: Belgharia, Kolkata – 700 056, 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 Promoter. Further, we confirm that we do not have any right under a shareholders'

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)

** Sponsor and Manager should be Indian owned and controlled.*
***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*

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 Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited), ICICI Securities Limited and Motilal Oswal Investment Advisors Limited (collectively, 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 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 (when issued), 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; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. 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; (10) we are located outside the United States and purchasing the Equity Shares in an offshore transaction in compliance with Regulation S and the applicable laws of the jurisdictions applicable to us; (11) 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; (12) 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; (13) we satisfy any and all relevant suitability standards for investors in the 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 the Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (14) 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, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date; and (15) 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.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX. NO.**	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI 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.

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), NOVEMBER [•], 2023,	
Name of the Account	Texmaco Rail & Engineering Limited-QIP Escrow Account 2023
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	Capital Market Division, 5th Floor, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400 020, Maharashtra, India
Account Type	Escrow Account
Account Number	000405150739
LEI Number	335800JU417USDLP2012
IFSC	ICIC0000004
Tel No.	+91 22 6681 8911/23/24
E-mail	ipocmg@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 "Texmaco Rail & Engineering Limited-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.