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 on change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to 'Texmaco Rail & Engineering Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on April 23, 2010. For further details regarding changes in the name and registered office of our Company, see "*General Information*" on page 46

Registered and Corporate Office: Belgharia, Kolkata – 700 056, West Bengal, India; **Telephone**: +91-33-25691500
Contact Person: Ravi Varma, Company Secretary and Compliance Officer; **Telephone:** +033 2569 1500; **E-mail:** ravi.varma@texmaco.in
Website: www.texmaco.in; **Corporate Identity Number:** L29261WB1998PLC087404

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

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF TEXMACO RAIL & ENGINEERING LIMITED ("OUR COMPANY" OR "THE ISSUER") ONLY

ISSUE OF UP TO 7,15,26,643 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 23 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 22 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UPTO ₹ 16,451.13 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 (TWO) EQUITY SHARES FOR EVERY 7 (SEVEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS, ON OCTOBER 22, 2021 ("RECORD DATE") (THE "ISSUE"). FOR DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 265.

Assuming full subscription

WILFUL DEFAULTERS

Neither our Company, nor the Promoters, nor any of the Directors have been or are categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or a consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors shall rely on their own examination of the Company and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" beginning on page 20 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). Our Company has received "*in-principle*" approval for listing the Equity Shares to be Allotted pursuant to the Issue from BSE and NSE each, pursuant to their letters dated October 6, 2021 and October 5, 2021, respectively. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025 **Telephone:** +91 22 6807 7100 **Fax**: +91 22 6807 7803 **E-mail**: trel.rights@icicisecurities.com **Investor grievance email**: customercare@icicisecurities.com **Website**: www.icicisecurities.com **Contact Person**: Sameer Purohit / Akhil Mohod **SEBI Registration No.**: INM000011179	**SKP Securities Limited** Chatterjee International Centre, 33A, Jawaharlal Nehru Road, Level – 21 Kolkata – 700 071 West Bengal **Telephone:** +91 3340077000 **Fax**: +91 334007 7007 **E-mail**: contact@skpsecurities.com **Investor grievance email**: grievance.cell@skpsecurities.com **Website**: www.skpsecurities.com **Contact Person**: Anup Kumar Sharma **SEBI Registration No.**: INM000012670	**KFin Technologies Private Limited** Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032 Telangana, India. **Telephone**: +91 40 6716 2222 **Fax**: +91 40 2343 1551 **Toll free number**: 1800 309 4001 **Website**: www.kfintech.com **Email ID**: texmaco.rights@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Contact Person**: M. Muralikrishna **SEBI Registration No.**: INR000000221

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
November 1, 2021	November 8, 2021	November 15, 2021

[*] Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

[#] Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the respective rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits" and "Financial Statements" beginning on pages 61 and 114, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
Company or our Company or the Company or the Issuer	Texmaco Rail & Engineering Limited, a company incorporated in India under the Companies Act, 1956, having its registered office at Belgharia, Kolkata – 700056, West Bengal, India
We or our or us	Texmaco Rail & Engineering Limited together with its Subsidiaries and Joint Ventures on a consolidated basis, unless otherwise specified or the context otherwise requires
AGM	Annual General Meeting
Articles of Association	The articles of association of our Company, as amended
Associate	Texmaco Defence Systems Private Limited
Audited Consolidated Financial Statements or Financial Statements	The audited consolidated financial statements of our Company for the year ended March 31, 2021, (along with comparatives for the year ended March 31, 2020) prepared in accordance with Ind AS, which comprises the consolidated statement of assets and liabilities as at March 31, 2021 and March 31, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the statement of changes in equity for the year ended March 31, 2021 and March 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon
Auditor or Statutory Auditor	The current statutory auditors of our Company, M/s. L. B. Jha & Co., Chartered Accountants
Board of Directors / Board	Board of directors of our Company or a duly constituted committee thereof
Chairman	The chairman of our Company namely Saroj Kumar Poddar. For details, see "*Our Management*" on page 107
Chief Financial Officer	Chief financial officer of our Company. For details, see "*Our Management*" on page 107
Deputy Managing Director	The deputy managing director of our Company namely Anish Kumar Gupta
Director(s)	Any or all the director(s) of our Company, as may be appointed from time to time
Equity Shares	Equity Shares of face value of ₹ 1 each of our Company
Executive Director(s)	Executive director(s) of our Company, unless otherwise specified.
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Independent Director(s)	A non-executive and independent director of our Company who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations
Unaudited Consolidated Financial Results	Limited review unaudited consolidated financial results of our Company for the three-month period ended June 30, 2021 (including the comparative

Term	Description
	financial information), read along with the notes thereto and the report thereon.
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 ₹844.42 lakhs (being 0.50% of the turnover of our Company, in terms of the Audited Consolidated Financial Statements)
Joint Ventures	Wabtec Texmaco Rail Private Limited and Touax Texmaco Railcar Leasing Private Limited
Managing Director	The managing director of our Company namely Indrajit Mookerjee
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended
Non-Executive Non-Independent Director	Non-executive non-independent director of our Company. For details, see "*Our Management*" on page 107
Promoter(s)	The Promoters of our Company, namely, Texmaco Infrastructure & Holdings Limited and 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 – 700056, West Bengal, India
Registrar of Companies / RoC	The Registrar of Companies, West Bengal at Kolkata
Shareholders	Holder(s) of Equity Shares from, time to time
Subsidiaries	The subsidiaries of our Company, as on the date of this Letter of Offer, namely: (a) Belur Engineering Private Limited; (b) Texmaco Engineering Udyog Private Limited; (c) Texmaco Rail Electrification Limited; (d) Texmaco Rail System Private Limited; and (e) Texmaco Transtrak Private Limited

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of SEBI ICDR Regulations and Companies Act, 2013
Allot / Allotment / Allotted	Allotment of Equity Shares pursuant to the Issue
Allotment Account Bank	Bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account(s) will be opened, in this case being, IndusInd Bank
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Applications Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment will be made pursuant to the Issue
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and / or Renouncee(s) who is entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available under the R-WAP facility (instituted only for

Term	Description
	resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts) to subscribe to the Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable at the time of Application, i.e., ₹ 23 per Equity Share in respect of the Equity Shares applied for in this Issue
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper application by the Applicant, if applicable, for blocking the amount mentioned in the Application Form or the plain paper application
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker to the Issue Agreement	Agreement dated October 1, 2021 amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker to the Issue for collection of the Application Money from Applicants making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants and providing such other facilities and services as specified in the agreement
Banker(s) to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Bank and the Refund Bank to the Issue
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicant(s) in consultation with the Designated Stock Exchange under this Issue, and which is described in "*Terms of the Issue – Basis of Allotment*" beginning on page 292
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholders	Holder(s) of the Equity Shares of our Company as on the Record Date
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
I-sec	ICICI Securities Limited

Term	Description
Issue	Issue of up to 7,15,26,643 Equity Shares of face value of ₹1 each of the Company, for cash at a price of ₹ 23 per Equity Share (including a premium of ₹ 22 per Equity Share) aggregating upto ₹ 16,451.13 lakhs (assuming full subscription), on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 2 (Two) Equity Shares for every 7 (Seven) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date.
Issue Agreement	Agreement dated October 20, 2021 entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	Monday, November 15, 2021
Issue Opening Date	Monday, November 1, 2021
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 23 per Equity Share
Issue Proceeds / Gross Proceeds	Gross proceeds of this Issue.
Issue Size	Amount aggregating upto ₹ 16,415.13 lakhs (assuming full subscription)
Lead Managers	ICICI Securities Limited and SKP Securities Limited
Letter of Offer	This letter of offer dated October 20, 2021, filed with the Stock Exchanges and with SEBI.
Listing Agreement	Equity listing agreement entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Monitoring Agency	IndusInd Bank Limited
Monitoring Agency Agreement	Agreement dated October 1, 2021 entered into between our Company and the Monitoring Agency
Multiple Application Forms	More than one Application form submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlements available in their demat account. However supplementary applications in relation to additional Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application
Net Proceeds	Gross proceeds of the Issue less Issue related expenses. For further details, see "*Objects of the Issue*" beginning on page 55
Non-ASBA Investor	Investors other than ASBA Investors, who apply in the Issue otherwise than through the ASBA process
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by an Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by an Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Monday, November 8, 2021
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for the Equity Shares in the Issue, being Friday, October 22, 2021
Refund Bank	The Banker(s) to the Issue with whom the Refund Accounts will be opened, in this case being IndusInd Bank Limited
Registrar to the Issue / Registrar	KFIN Technologies Private Limited
Registrar Agreement	Agreement dated October 4, 2021 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders

Term	Description
Renunciation Period	The period during which the Investors can renounce or transfer or sell their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Monday, November 8, 2021 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being 2 Equity Shares for every 7 Equity Shares held by the Eligible Equity Shareholder on the Record Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and on the website of our Company
R-WAP	Registrar's web based application platform accessible at https://rights.kfintech.com instituted as an optional mechanism in accordance with the R-WAP Circulars This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts
R-WAP Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference SEBI/HO/CFD/DIL2/CIR/P/ 2021/552 dated April 22, 2021 and SEBI circular bearing reference SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021
SCSB(s)	Self-certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the R-WAP Circulars
SKP	SKP Securities Limited
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional and General Terms

Term	Description
Central Government	Central Government of India
Companies Act	The Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder.
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder.
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
FCNR Account	Foreign Currency Non-Resident Account
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 / FY / Fiscal	Period of 12 months ended March 31 of that particular year
Government	Central Government and / or the State Government, as applicable
Income-tax Act	Income-tax Act, 1961
India	Republic of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Worth	The aggregate of the paid-up equity share capital and other equity (includes other comprehensive income)
Non-Resident / NR	Persons resident outside India, as defined in the FEMA
Regulation S	Regulation S under the Securities Act
Rupees / Rs. / INR / ₹	The lawful currency 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
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SAST Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
Securities Act	U.S. Securities Act of 1933, as amended, including the rules and regulations promulgated thereunder
U.S. / USA / United States	United States of America, including the territories or possessions thereof, any state of the United States and the District of Columbia
Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

Conventional and General Abbreviations

Term	Description
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting standards issued by the ICAI
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CCI	Competition Commission of India

Term	Description
CIN	Corporate identity number
Covid-19	A public health emergency of international concern as declared by the WHO on January 30, 2020 and a pandemic on March 11, 2020
DP / Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository participant identification
EBITDA	Earnings before interest, taxes depreciation and amortisation
EPS	Earnings per share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FVCI(s)	Foreign venture capital investors, as defined in and registered under SEBI FVCI Regulations
FPI(s)	Foreign portfolio investors as defined under SEBI FPI Regulations
GDP	Gross domestic product
GST	Goods and services tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles followed in India
ISIN	International Securities Identification Number
IT	Information Technology
I.T Act	Income-tax Act, 1961
KMP	Key management personnel or key managerial personnel
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
MoF	Ministry of Finance, Government of India
NEFT	National Electronic Fund Transfer
NRE Account	Non-resident external account
NRI	Non-resident Indian, as defined in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
PAN	Permanent account number
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
VCF(s)	Venture capital funds, as defined in and registered under SEBI VCF Regulations
WHO	World Health Organisation

Technical / Industry Related Terms

Term	Description
ACEMU	AC Electrical Multiple Unit
AFTO	Automobiles Freight Train Operator Scheme

Term	Description
AAR	Association of American Railroads
ATP	Automatic Train Protection
ATVM	Automatic Ticket Vending Machines
AWS	Auxiliary Warning System
BE	Budget Estimates
BG	Broad Gauge Track
BLC	Low Platform Container Flat Wagon
Bn	Billion
BPAC	Block Proving Axle Counter
BU	Billion Units
CLW	Chittaranjan Locomotive Works
CMS	Cast Manganese Steel
CORE	Central Organisation For Railways Electrification
CSR	Corporate Social Responsibility
CR	Central Railway
CRIS	Centre For Railway Information Systems
CST	Chhatrapati Shivaji Terminus
CNC	Computer Numerical Control
CTC	Centralized Traffic Control
CUG	Common User Group
CWR	Continuous Welded Rails
Civil Code	Code of Civil Procedure, 1908
DEMU	Diesel Electric Multiple Unit
DFC	Dedicated Freight Corridor
DFCCIL	Dedicated Freight Corridor Corporation Of India Limited
DHMU	Diesel–Hydraulic Multiple Unit
DLW	Diesel Locomotive Work
DMUs	Diesel Multiple Units
DMW	Diesel Loco Modernisation Works
DSDC	Double Stack Dwarf Container
EI	Electronic Interlocking
EMUs	Electric Multiple Units
ERP	Enterprise Resource Planning
EPC	Rail Engineering Procurement Construction
ETCS2	European Train Control System-2
ETCS-L1	European Train Control System
EOT	Electric Overhead Travelling
FDI	Foreign Direct Investment
FOIS	Freight Operation Information System
GHG	Green House Gases
GPWIS	General Purpose Wagon Investment Scheme
GSM-R	Global System Of Mobile Communication – Railways
GTKMs	Gross Tonnes Kilometres
H.E.	Hydro Electricity
HCW	High Capacity Wagons
HE	Hydro Electricity
HP	Horse Power
IBS	Intermediate Block Signalling
ICDs	Inland Container Depots
IR	Indian Railway
IEPF	Investor Education Protection Fund
IRFC	Indian Railway Finance Corp.
ISO	International Orginization For Standardization
JNPT	Jawaharlal Nehru Port Trust
KGs	Kilograms
Km	Kilometer
KMPH	Kilometres Per Hour

Term	Description
KMs	Kilometers
KRCL	Kokan Railway Corporation Limited
KV	Kilovolt
LHB	Linke Hofmann Busch
LTTC	Long Term Tariff Contract
LWIS	Liberalized Wagon Investment Scheme
LWR	Long Welded Rails
MAT	Minimum Alternate Tax
MEMUs	Mainline Electric Multiple Units
MG	Medium Gauge Track
Mn	Millions
M. T. P. A	Metric tons per annum
MoR	Ministry of Railways
MMTS	Multi Modal Transport System
MPLS	Multi-Protocol Level Switching
MSMEs	Micro, Small & Medium Enterprises
MTRC	Mobile Train Radio Communication
MU	Million Unit
MW	Megawatts
NG	Narrow Gauge Track
NGN	Next Generation Network
NGOs	Non-Governmental Organisations
NHSRCL	National High-Speed Rail Corporation Limited
NTKMs	Net Tonne Kilometres
OCVs	Other Coaching Vehicles
OFC	Optical Fibre Cable
OHE	Over Head Equipment
PA	Public Address
PCVs	Passenger Carrying Vehicles
PFT	Private Freight Terminals
PI	Panel Interlocking
POL	Petroleum, Oil And Lubricants
PPP	Public Private Partnership
PRS	Computerised Passenger Reservation System
PSUs	Public Sector Undertaking
RDSO	Research Design And Standards Organisation
RKM	Route Kilometre
RKMs	Route Kilometers
RRI	Route Relay Interlocking
SFTO	Special Freight Train Operator
SPAD	Signal Passing At Danger
SPW	Special Purpose Wagons
STT	Securities Transaction Tax
TCAS	Train Collision Avoidance System
TEUs	Twenty-Foot Equivalent Units
TMS	Train Management System
TPWS	Train Protection Warning System
TRCM	Trash Rack Cleaning Machines
U.P.	Uttar Pradesh
UPI	Unified Payments Interface
USD	United States Dollar
UTS	Unreserved Ticketing System
VHF	Very High Frequency
WAP 5	High Speed Electric Locomotives
WAP 7	Wide/Broad Gauge Ac Electric Passenger, Class 7
WLS	Wagon Leasing Scheme
WR	Western Railway

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

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Industry Overview*" and "*Financial Information*" on pages 61, 64 and 114, respectively of this Letter of Offer, shall have the meanings given to such terms in these respective sections.

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions. For details, see "*Restrictions on Purchases and Resales*" beginning on page 303.

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI ICDR Regulations, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to send the Letter of Offer / Abridged Letter of Offer, Application Form and other applicable Issue materials, shall not be mailed the Letter of Offer / Abridged Letter of Offer, Application Form and other applicable Issue materials.

Further, this Letter of Offer will be provided to those who make a request in this regard. In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch, on a reasonable efforts basis, the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Managers, the Stock Exchanges and on R-WAP.

Our Company, the Lead Managers and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, this Letter of Offer, the Abridged Letter of Offer, the Application Form (including by way of electronic means) or the Rights Entitlement Letter or any offering materials or advertisements in connection with the Issue may not be distributed or received in any jurisdiction outside India and the Rights Entitlements and the Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form (including by way of electronic means) or any Issue materials or advertisements in connection with the Issue will not constitute an offer, invitation to or solicitation by anyone in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form (including by way of electronic means) or any Issue materials or advertisements in connection with the Issue must be treated as sent for information only and should not be acted upon for subscription to Equity Shares or the Rights Entitlements and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter in, or into, any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or purchase or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter.

Any person who makes an application to acquire the Rights Entitlements or the Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that they are authorised to acquire the Rights Entitlements or the Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Other Regulatory and Statutory Disclosures – Selling Restrictions*" and "*Restrictions on Purchase and Resales*" on pages 261 and 303, respectively.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. Our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale/ offer of the Equity Shares and/ or the Rights Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of the Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers or its affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Rights Entitlements or the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED 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. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATION S**") AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR THE RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OF ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, ANY DOCUMENTS RELATING TO THE ISSUE SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to the e-mail addresses of the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission**,** any other federal or state securities commission in the United States, the securities authorities of any non-United States jurisdiction or any other U.S. or non-U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in certain other jurisdictions.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

Page Numbers

Unless stated otherwise, all reference to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

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. The terms "Fiscal", "FY" or "Financial Year", refer to the 12 month period ending March 31 of that particular year.

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

We have prepared our Audited Consolidated Financial Statements in accordance with Ind AS and Unaudited Consolidated Financial Results in accordance with Ind AS 34 prescribed under the Section 133 of the Companies Act, 2013. The Unaudited Consolidated Financial Results have been subjected to limited review by our Statutory Auditors and they have issued a review report, based on their review conducted in accordance with Standard on Review Engagement (SRE) 2410 issued by the ICAI. The Audited Consolidated Financial Statements should be read along with the report issued thereon, and the Unaudited Consolidated Financial Results should be read along with the review report issued thereon. Our Unaudited Consolidated Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period.

There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. Prospective Investors are advised to consult their advisors before making any investment decision.

For details of the Audited Consolidated Financial Statements for the financial year ended March 31, 2021 and the Unaudited Consolidated Financial Statements for the quarter ended June 30, 2021, please refer to the section titled "*Financial Statements*" beginning on page 114.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Market and Industry Data

Unless stated otherwise, statistical information, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information, including industry and government sources.

Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed, and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information.

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

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

The extent to which the market and industry data used in this Letter of Offer is meaningful is dependent on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 20. Accordingly, investors should not place undue reliance on this information.

Currency of Presentation

All references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India.

All references to "*U.S.$*", "*U.S. Dollar*", "*USD*" or "*U.S. Dollars*" are to United States Dollars, the official currency of the United States of America.

In this Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in 'lakhs'. The amounts derived from financial statements included herein are represented in 'lakhs', as presented in the Audited Financial Statements and the Unaudited Financial Results. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Exchange Rates

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

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

(Amount in ₹, unless otherwise specified)

Currency	**As at**		
	June 30, 2021	**March 31, 2021**	**March 31, 2020**
1US$	**74.35**	**73.50**	**75.39**

Source: www.fbil.org.in

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer 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', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek to', '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.

The forward-looking statements appear in a number of places throughout this Letter of Offer and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Letter of Offer, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net 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 our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- our ability to travel, interact with potential customers, pursue partnerships and other business transactions;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- our strategic projects/ proposed products becoming delayed;
- our inability to access debt and equity capital on acceptable terms, or at all;
- delays in orders or delivery of orders, which may negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 20, 64, 93 and 225, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it 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 Letter of Offer or the respective dates indicated in this Letter of Offer, and neither our Company nor the Lead Managers 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 Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "*Risk Factors*", "*Objects of the Issue*", "*Industry Overview*", "*Our Business*", "*Financial Statements*", "*Outstanding Litigation and Defaults*", "*Terms of the Issue*" on pages 20, 55, 64, 93, 114, 249, 265, respectively.

Summary of primary business

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

Objects of the Issue

Our Company intends to utilize the proceeds from the Issue towards funding of the following objects:

(*in ₹ lakhs*)

Particulars	Amount which will be financed from Net Proceeds	Estimated utilisation of Net Proceeds in Fiscal 2022
Part repayment or prepayment of ICDs and unsecured loans	11,500.00	11,500.00
Funding working capital requirements of our Company	3,000.00	3,000.00
General corporate purpose*	1,629.18	1,629.18
Total	**16,129.18**	**16,129.18**

** The amount shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Issue*" beginning on page 55.

Intention and extent of participation by Promoters and Promoter Group

Our Promoter and Promoter Group have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoter or any other member(s) of the Promoter Group, each as may be applicable. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The above subscription of Equity Shares shall be made to the extent that it does not result in any obligation on our Promoters and Promoter Group to give an open offer in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, the SEBI ICDR Regulations and other applicable laws. Further, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

Outstanding litigation and defaults

A summary of outstanding litigation proceedings as on the date of this Letter of Offer as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Types of Proceedings	Number of Cases	Amount (in ₹ lakhs)*
Litigation against our Company		
Criminal proceedings	-	-
Actions by statutory or regulatory authorities	1	-
Other pending material litigation	2	3,665.08
Direct and indirect tax proceedings	85	19,060.50
Total	**86**	**22,725.58**
Litigation by our Company		
Criminal proceedings	1	-
Other pending material litigation	1	782.41
Total	-	782.41
Litigation against our Subsidiaries		
Criminal proceedings	-	-
Actions by statutory or regulatory authorities	-	-
Other pending material litigation	-	-
Direct and indirect tax proceedings	-	-
Total	-	-
Litigation by our Subsidiaries		
Criminal proceedings	-	-
Other pending material litigation	-	-
Total	-	-

**To the extent quantifiable.*

For details, please refer to the section titled "*Outstanding Litigation and Defaults*" beginning on page 249.

Risk factors

For further details, see "*Risk Factors*" beginning on page 20.

Contingent liabilities

For details of our contingent liabilities as per Ind AS 37 for Fiscal 2021, see "*Financial Statements*" beginning on page 114.

Related party transactions

For details of our related party transactions entered into by our Company during Fiscal 2021, as per Ind AS 24, see "*Financial Statements*" beginning on page 114.

Details of Equity Shares issued for consideration other than cash in last one year

No Equity Shares have been issued by our Company for consideration other than cash during the period of one year immediately preceding the date of filing of this Letter of Offer.

SECTION II - RISK FACTORS

This offering and an investment in equity shares involve a high degree of risk. This section describes the risks that we currently believe may materially affect our business and operations. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Letter of Offer and the other information contained in this Letter of Offer, before making any investment decision relating to the Equity Shares. Prospective investors should read this section in conjunction with the sections 'Our Business', 'Forward Looking Statements', 'Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations', as well as other financial and statistical information contained in this Letter of Offer. The occurrence of any of the following events, or the occurrence of other risks that are not currently known or are now deemed immaterial, could cause our business, results of operations, cash flows, financial condition and prospects to suffer and could cause the market price of our Equity Shares to decline or fall significantly and you may lose all or part of your investment.

This Letter of Offer also contains forward-looking statements that involve risks, estimates, assumptions and uncertainties. Our actual results may differ materially from the anticipated results in the forward-looking statements as a consequence of certain factors including the considerations described below and elsewhere in this Letter of Offer.

The risks and uncertainties described below are not the only ones relevant to us. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could subsequently turn out to be material. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, financial condition and results of operations. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences of an investment in the Issue.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless the context otherwise requires, references in this section "we", "us", "our" or "our Company" are to Texmaco Rail & Engineering Limited on a consolidated basis.

INTERNAL RISKS

1. Our business is dependent on our manufacturing facility, 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 facility 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 based out of six manufacturing facilities at five locations in Agarpara, Belgharia, Sodepur and Panihati located at the outskirts of Kolkata, West Bengal and in Urla near Raipur, Chhattisgarh. Our manufacturing operations and consequently our business is dependent upon our ability to manage the manufacturing facility, 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 facility, 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 with 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 you 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 regular 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.

2. ***The COVID-19 pandemic, other natural disaster and resulting deterioration of general economic conditions has adversely impacted our business and results of operations and the extent to which it will continue to do so will depend on future developments, which are difficult to predict.***

On January 30, 2020, the World Health Organisation declared the novel coronavirus ("**COVID-19**") outbreak a Public Health Emergency of International Concern and on March 11, 2020, it was declared a pandemic. Between January 30, 2020 and the date of this Letter of Offer, the COVID-19 pandemic has spread to many other countries, with a large number of reported cases and related deaths. India has emerged as one of the countries with highest confirmed cases of infection. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and from time to time, closure of non-essential businesses. The Government of India had announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. With the decrease in number of COVID-19 cases, the lockdown was slowly eased in a phased wise manner during the end of 2020 and early 2021. Certain countries have reinstated lockdown conditions due to a "second wave" of the COVID-19 outbreak. With gradual increase in number of COVID-19 cases from February 2021 and steep increase from March 2021, various States in India have reinstated lockdown conditions or imposed additional restrictions. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Although, there has been a decline in the COVID-19 cases in July-August 2021 and various States in India have lifted the lockdowns and other such restrictions, the resurgence of the virus or a variant of the virus that causes a rapid increase in cases and deaths, if measures taken by governments fail or if vaccinations are not administered as planned, may cause significant economic disruption in India and in the rest of the world.

The rapid spread of COVID-19 and the global health concerns relating to this outbreak have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. The COVID-19 pandemic and government actions to contain it have weighed heavily on global and national economic conditions, have significantly increased economic uncertainty, and have reduced economic activity. The extent of the resulting impact on our business and results of operations will depend, among other things, on the duration and severity of the pandemic, the nature and scope of government actions to contain it, and the potential impact on global and national economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates, energy availability and costs (including fuel surcharges). Governments around the world have taken steps to mitigate some of the more severe anticipated economic effects, but there can be no assurance that such steps will be effective or achieve their desired results in a timely fashion. The COVID-19 pandemic and related volatility in financial markets and deterioration of national and global economic conditions could affect our business and operations in a variety of ways.

On account of the lockdown, our operations were significantly disrupted and we had to temporarily cease our production activities by shutting down our plants located at Agarpara, Belgharia, Sodepur and Panihati in the outskirts of Kolkata, West Bengal and the other unit at Urla. Further, West Bengal also suffered another serious setback in the form of super cyclone 'Amphan' which caused widespread destruction of life & property specially in the state of West Bengal. As a result, the operations received setback with severe damage to buildings and to some of the equipment which bore the brunt of the impact. Accordingly, our results of operations were adversely impacted. During this period, we adopted cost control measures aimed at monitoring fixed costs, improving productivity and rationalizing employee cost. In addition, the spread of COVID- 19 has caused us to modify our business practices and implement significant proactive measures to protect the health and safety of our employees, and we may take further actions as may be required by government authorities or as we determine appropriate under the circumstances. There is no certainty that such measures will be sufficient to mitigate the risks posed by the pandemic.

The scale of the pandemic and the extent to which the local and global community has been impacted, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, differed significantly from our historical rates, and our future operating results may fall below expectations. The impact of the pandemic on our business, operations and future financial performance include, but are not limited to the following:

- our ability to travel, interact with potential customers, pursue partnerships and other business transactions;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations;
- our strategic projects/ proposed products becoming delayed;
- our inability to access debt and equity capital on acceptable terms, or at all;
- delays in orders or delivery of orders, which may negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether.

3. 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 and steel plates, mild steel and cast iron scrap, pig iron, and tundish. Raw material cost is the highest operating expenditure that we incur as a business and for Fiscal 2021, our cost of raw materials comprised of 38.76% of our total revenue from operations 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. 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 any 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 results of operations and reputation.

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

We are dependent on certain key customers in the automotive sector. Our top five customers accounted for 42.01% and 51.47% of our revenues from sale of products on a consolidated basis for Fiscals 2021 and 2020. For further details of the contribution of each of our top five customers to our revenues from sale of products for fiscals 2020 and 2021, see "Management's Discussion and Analysis– Significant factors affecting our financial condition and result of operations – Purchasing patterns of our principal customers".

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

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

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

5. ***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, which accounted for ₹ 25,836.10 lakhs (or 14.19%) and ₹ 40,851.30 lakhs (or 20.34%) of our revenue from operations for the financial years ended March 31, 2021 and March 31, 2020, respectively. In addition, , approximately 20,383.00 lakhs of our Company's order book as at June 30, 2021, consisted of orders from the Indian Railways.

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

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

In some of our rail EPC contracts, the rails and sleepers are supplied by Indian Railways or by our client, in respect of which we depend on MoR or our clients for allotment of rails and sleepers for laying of track for new line, gauge conversion and doubling projects. Any delay on their part 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.

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

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

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

8. ***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.

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

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

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

10. 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 COVID-19 pandemic, 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.

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

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

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

12. ***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.

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

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

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

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

14. ***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 unit, commissioning certificates and safety certificates from the state electricity board, registration certificates issued under various labor 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 having application number 659392 for onsite emergency plan with factory layout at our Urla unit was rejected, while certain licenses such as the licence to store compressed gas in cylinders and license for storage of liquid oxygen gas in pressure vessels for our Urla unit are in the name of the erstwhile owners, i.e., Simplex Castings Ltd and have not been transferred to our Company. 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.

15. 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 for repayment or prepayment of inter corporate deposits and unsecured loans, funding working capital requirements and general corporate purposes. 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. 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.

16. 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.

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

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

18. 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.

19. 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, 2021, and 2020, our aggregate contingent liabilities, were ₹ 1,14,094.82 lakhs and ₹1,45,052.88 lakhs, respectively. The details of our contingent liabilities, as per Ind AS 37, which have not been provided for by us as at March 31, 2021 and March 31, 2020, as per our financial statements are as follows:

(in ₹ lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Corporate / Guarantees given Banks in the normal course of business	93,931.43	1,24,815.12
Bonds issued to custom department	92.20	92.20
Claims under dispute (Excise, Service Tax, Income Tax and others)	20,071.19	20,145.56
Total	**1,14,094.82**	**1,45,052.88**

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"* beginning on page 114. 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.

20. 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 March 31, 2021, we had a total of 2,403 permanent employees and 2,795 temporary/contractual/casual workers. We are exposed to the risk of strikes and other industrial actions from our workmen. 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.

21. 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 2,743 contract labourers per day for the month ended March 2021. 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 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.

22. 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.

23. 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 Statements*" on page 114.

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

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

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

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

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

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

26. ***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.

27. ***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 and group mediclaim. We currently do not have any insurance for all industrial risks and public liability. As at March 31, 2021, our total insurance coverage on our fixed assets was ₹ 74,144.20 lakhs and the value of our fixed assets was ₹ 41,008.72 lakhs post depreciation.

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.

28. ***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 June 30, 2021, we had total outstanding borrowings of ₹ 76,265.25 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; and/or (c) 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.

29. 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. 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.

30. 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. During Fiscal 2021, our revenue from exports, was ₹ 10,255.24 lakhs and revenue from exports as a percentage of total revenue was 5.98%. Further, during Fiscal 2021, the cost of raw material import as a percentage of overall raw material cost was 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 Fiscal 2021, our net foreign currency denominated sales (sale in foreign currency less expenses in foreign currency) amounted to ₹ 7501.59lakhs.

31. Our business is dependent on our ability to adopt new technology and respond to new and enhanced products he 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.

32. 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**.** 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.

33. 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 Fiscal 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, 2020, 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.

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

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

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

35. 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. 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 "*Outstanding Litigation and Defaults*" on page 249. There cannot be any assurance that these legal proceedings will be decided in our favour. 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.

36. 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 June 30, 2021, our Promoters and Promoter Group hold 56.55% 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 42. 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.

37. Certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. There can be no assurance that our Directors will exercise their rights as Shareholders to the benefit and best interest of our Company. For further details, see "*Financials Statement – Note 1.41 Related Party Disclosure*" and "*Our Management*" beginning on pages 157 and 107, respectively.

38. ***A failure of our internal controls over financial reporting may have an adverse effect on our business and results of operations.***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report its financial results accurately and in a timely manner, or to detect and prevent fraud.

39. ***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. 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.

EXTERNAL RISKS

RISKS RELATING TO INVESTMENT IN INDIA

40. ***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.***

A company based in India may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditions prescribed in the FEMA Rules. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with the Consolidated FDI Policy dated October 15, 2020, Government of India, investments 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. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, shareholders who seek to convert the Indian 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 the RBI or any other government agency can be obtained on any particular terms or at all.

41. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in our sector, subject to satisfaction of certain conditions.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

42. Most of our revenue is derived from business in India and a decline in economic growth or political instability or changes in the Government in India could adversely affect our business.

We derive most of our revenue from our operations in India and so the performance and the growth of our business are dependent on the performance of the Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. 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. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the 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 GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

43. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, the United States and elsewhere in the world in recent years has affected the Indian economy in the past. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could also have a negative effect on the Indian economy. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

44. 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.

45. 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.

46. 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.

47. Natural disasters 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 recent 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.

48. 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.

49. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time.

Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, may range up to 34.94%. The central or state government may vary the corporate income tax in the future. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could materially and adversely affect our business, financial condition and results of operations.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. GST has increased administrative compliance for companies, which is a consequence of increased registration and form filing requirements. As the taxation system is relatively new and could be subject to further amendments in the short term for the purposes of streamlining compliance, the consequential effects on us cannot be determined as of now and there can be no assurance that such effects would not adversely affect our business and future financial performance.

50. 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.

51. 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.

Any adverse revisions to India's credit ratings by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. For example, Fitch Ratings has recently revised the outlook on India's sovereign ratings from stable to negative, while Moody's Investors Services has downgraded foreign currency and local currency long term issuer ratings to BAA3. 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.

RISKS RELATING TO OUR EQUITY SHARES AND THIS ISSUE

52. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is Monday, November 8, 2021), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

53. Investors will not have the option of getting the Allotment of Equity Shares in physical form.

In accordance with SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialised form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. For details, see "*Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 284 of the Letter of Offer.

54. The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see "*Terms of the Issue*" on page 265.

55. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

56. No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

57. There is no public market for the Equity Shares or Equity Shares outside India.

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India We cannot assure you that the face value of the Equity Shares will correspond to the price at which the Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Equity Shares and Equity Shares and restrict your ability to sell them.

58. We will not distribute this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter to certain categories of overseas shareholders.

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Further, this Letter of Offer will be provided, to those who make a request in this regard. In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Managers, the Stock Exchange and on R-WAP. Other than as indicated above, the Issue materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. We have requested all the overseas Eligible Equity Shareholders to provide an address in India and their e-mail addresses for the purposes of distribution of the Issue materials. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

59. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, 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 our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

60. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue – Procedure for Application through R-WAP*" on page 278. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Investors should also note that only certain banks provide a net banking facility by way of which payments can be made on the R-WAP platform. In the event that your bank does not provide such facility, you will have to use an UPI ID to make a payment. Further, R-WAP is a relatively new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on the part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

61. SEBI has recently streamlined the process of rights issues. You should follow the instructions carefully, as stated in relevant SEBI circulars, and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 265.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) demat suspense escrow account (namely, "**TEXMACO RAIL RE SUSPENSE ESCROW DEMAT ACCOUNT**" and "**TEXMACO RAIL RIGHTS UNCLAIMED SUSPENSE DEMAT ACCOUNT**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares and Rights Entitlements.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018, on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("**STT**") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax such long-term capital gains exceeding ₹1,00,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt unrealized capital gains earned up to January 31, 2018, on such Equity Shares. 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 our Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares Rights Entitlements.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019; however, these amendments will come into effect from July 1, 2020. The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

65. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

66. You may not receive the Equity Shares that you subscribe in this Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you may be Allotted in this Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approvals in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in such Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

67. 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 offering 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.

68. Overseas shareholders may not be able to participate in our Company's future rights offerings or certain other equity issues.

If the Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, the Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders.

For instance, the Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless:

- registration statement is in effect in respect of the offer and sale of such rights and the underlying securities represented by such rights; or
- the offering and sale of such rights (including the underlying securities represented by such rights) to such holders are exempt from the registration requirements of the Securities Act.

The Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

69. Your ability to acquire and sell the Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction except India. As such, our Equity Shares have not and will not be registered under the Securities Act, any state securities laws of the United States or the law of any jurisdiction other than India. Further, your ability to acquire Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see "*Notice to Investors*" and "*Other Regulatory and Statutory Disclosures – Selling Restrictions*" and "*Restrictions on Purchases and Resales*" on pages 11, 261 and 303, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with applicable law.

SECTION III - INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on May 15, 2021, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and the Rights Entitlement, have been approved by a resolution passed by the Capital Issue Committee on October 9, 2021.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled "*Terms of the Issue*" beginning on page 265.

Equity Shares being offered by our Company	Up to 7,15,26,643 Equity Shares
Record Date	Friday, October 22, 2021
Rights Entitlement for Equity Shares	2 (Two) Equity Shares for every 7 (Seven) Equity Shares held on the Record Date
Issue Price	₹ 23 per Equity Share (including a premium of ₹ 22 per Equity Share)
Issue Size	Aggregating upto ₹ 16,451.13 lakhs (assuming full subscription)
Face Value per Equity Share	₹1
Dividend	Such dividend, in proportion to the amount paid-up on the Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law.
Equity Shares subscribed and paid-up and outstanding prior to the Issue	25,03,43,252 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Equity Shares) and having made fully paid-up	Up to 32,18,69,895 Equity Shares
Terms of the Issue	Please refer to the section titled "*Terms of the Issue*" beginning on page 265 of this Letter of Offer.
Use of the proceeds of the Issue	Please refer to the section titled "*Objects of the Issue*" beginning on page 55 of this Letter of Offer.
Security Codes for our Equity Shares	ISIN: INE 621L01012 NSE: TEXRAIL BSE: 533326
ISIN for Rights Entitlements	INE621L20012

Terms of payment

The full amount is payable on Application.

GENERAL INFORMATION

The Company was originally incorporated on June 25, 1998 under the Companies Act, 1956 as 'Texmaco Machines Private Limited'. The name of our Company was changed to 'Texmaco Machines Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on March 3, 2010. Further, the name of our Company was subsequently changed to 'Texmaco Rail & Engineering Limited' pursuant to a fresh certificate of incorporation consequent on change of name issued by the Registrar of Companies, West Bengal on April 23, 2010.

Corporate Identification Number: L29261WB1998PLC087404
Registration Number: 087404

Registered and Corporate Office of our Company

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

Texmaco Rail & Engineering Limited
Belgharia
Kolkata – 700 056
West Bengal
Telephone: +91-33-25691500
E-mail: texrail_cs@texmaco.in
Website: www.texmaco.in

Address of the Registrar of Companies

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

Registrar of Companies, West Bengal at Kolkata
Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C.B. Road
Kolkata – 700 020
West Bengal
Telephone: + 033 2287 7390

There has been no change in the registered office of our Company since incorporation.

Board of Directors

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

Name	DIN	Address
Saroj Kumar Poddar *Executive Chairman*	00008654	Poddar Niket, 2 Gurusaday Road, Ballygunge, Kolkata, West Bengal – 700 019
Indrajit Mookerjee *Managing Director*	01419627	7/1A, Sunny Park, Apartment no B202, Ballygunge, Kolkata 700 019
Ashish Kumar Gupta *Executive Director designated as Deputy Managing Director*	07808012	BL-T-5. 3rd Floor, FL-0303, 783 Anandapur Madurdaha, Anandapur, E.K.T, Kolkata, West Bengal-700107
Ashok Kumar Vijay *Executive Director designated as CFO*	01103278	Queens Mansion, Russell Street, Middleton Row S.O Middleton Row, Kolkata, West Bengal– 700 071
Damodar Hazarimal Kela *Executive Director*	01050842	86, Ballygunge Place, Ballygunge, Kolkata, West Bengal - 700019
Akshay Poddar *Non-Executive & Non-Independent Director*	00008686	Poddar Niket, 2 Gurusaday Road, Kolkatta G.P.O, Kolkatta G.P. Kolkata, West Bengal- 700 019
Amal Chandra Chakrabortti *Independent Director*	00015622	22/2A, Gorachand Road, Entally, Entally Circus Avenue, Kolkata – 700 014.

Name	DIN	Address
Utsav Parekh *Independent Director*	00027642	2/3, Sarat Bose Road PO Elgin Road Kolkata - 700 020
Sunil Mitra *Independent Director*	00113473	Chirantan 2nd Floor, 241, Shantipally, Behind Acropolis Mall, Rajdanga, Kolkata E. K. T Kolkata – 700 107.
Kaarthikeyan Devarayapuram Ramasamy *Independent Director*	00327907	102, G/F Anand Lok, August Kranti Marg, Andrewsganj, S.O. South Delhi, New Delhi – 110 049.
Rusha Mitra *Independent Director*	08402204	P-97 Kalindi Housing Estate, Lake town, North 24 Parganas, West Bengal- 700089
Virendra Sinha *Independent Director*	03113274	Flat No-1/4/B, 59 Pramathesh Barua Sarani, Ballygunge, Kolkata, Ballygunge, West Bengal-700019

For brief profiles and further details in respect of our Directors, see "*Our Management*" on page 107.

Company Secretary and Compliance Officer

Ravi Varma is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Ravi Varma
Texmaco Rail & Engineering Limited
Belgharia
Kolkata – 700 056
West Bengal
Telephone: + 033 2569 1500
Email: ravi.varma@texmaco.in

Investor Grievances

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

Lead Managers to the Issue

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai – 400025
Telephone: +91 22 6807 7100
Fax: +91 22 6807 7803
E-mail: trel.rights@icicisecurities.com
Investor grievance email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Sameer Purohit / Akhil Mohod
SEBI Registration No.: INM000011179

SKP Securities Limited
Chatterjee International Centre,
33A, Jawaharlal Nehru Road, Level – 21
Kolkata – 700 071
West Bengal
Telephone: +91 33 4007 7000
E-mail: contact@skpsecurities.com
Investor grievance email: grievance.cell@skpsecurities.com
Website: www.skpsecurities.com
Contact Person: Anup Kumar Sharma
SEBI Registration No.: INM000012670

Legal Counsel to the Issue

Khaitan & Co
One World Centre
10th and 13th Floor, Tower 1C

841, Senapati Bapat Marg
Mumbai - 400 013
Maharashtra
Telephone: +91 22 6636 5000
Fax: +91 22 6636 5050

International Legal Counsel to the Issue

Dentons US LLP
2000 McKinney Avenue
Suite 1900
Dallas, Texas 75201-1858
United States
Telephone: +1 214 259 0952

Statutory Auditors of our Company

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

Registrar to the Issue

KFin Technologies Private Limited
Selenium, Tower B,
Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India.
Telephone: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll free number: 1800 309 4001
Website: www.kfintech.com
Email ID: texmaco.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M. Muralikrishna
SEBI Registration No.: INR000000221

Banker to the Issue / Refund Banker

IndusInd Bank Limited
PNA House, 4th Floor
Plot No. 57 & 57/1,
Road No. 17, Near SRL,
MIDC Andheri,
Mumbai - 400093
Tel.: +91-022-61069318 / 93920 / 9389 & 9920209335
Email: nseclg@indusind.com
Website: www.indusind.com
Contact Person: Kaushik Chatterjee

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Activities	Day & Date
Last Date for credit of Rights Entitlement	Friday, October 29, 2021
Issue Opening Date	**Monday, November 1, 2021**
Last date for On Market Renunciation of Rights Entitlement#	Monday, November 8, 2021
Issue Closing Date*	**Monday, November 15, 2021**
Finalization of Basis of Allotment (on or about)	Monday, November 22, 2021
Date of Allotment (on or about)	Tuesday, November 23, 2021
Date of credit (on or about)	Wednesday, November 24, 2021
Date of listing (on or about)	Thursday, November 25, 2021

\# *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

* *Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Managers.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Issue not later than two Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, November 10, 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.,* Friday, November 12, 2021.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and the Lead Managers or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see "*Terms of the Issue - Process of making an Application in the Issue*" on page 266.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar, www.kfintech.com after keying in their respective details along with other security control measures implemented thereat. For further details, see "*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 267.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements the will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for the Equity Shares offered under the Issue.

Statement of responsibility of the Lead Managers

ICICI Securities Limited and SKP Securities are the Lead Managers to the Issue. The details of responsibilities of the Lead Managers are as follows:

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such type of instrument, number of instruments to be issued, etc.	Lead Managers	I-Sec

S. No.	Activity	Responsibility	Coordination
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI	Lead Managers	I-Sec
3.	Assist in drafting, design and distribution of the Abridged Letter of Offer, Application Form, Rights Entitlement Letter, memorandum containing salient features of the Letter of Offer, etc.	Lead Managers	I-Sec
4.	Selection of various agencies connected with Issue, such as Registrar to the Issue, Escrow Bank/ Banker(s) to the Issue, Monitoring Agency, printers, advertising agencies, etc., as may be applicable and finalisation of the respective agreements	Lead Managers	I-Sec
5.	Liaising with the Stock Exchanges for obtaining their respective in-principle approvals and completion of prescribed formalities with the Stock Exchanges and SEBI.	Lead Managers	I-Sec
6.	Assist in drafting and approval of all statutory advertisements	Lead Managers	I-Sec
7.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.	Lead Managers	I-Sec
8.	Formulating and coordination of international marketing strategy	Lead Managers	I-Sec
9.	Formulation and coordination of domestic institutional marketing strategy	Lead Managers	SKP
10.	Co-ordination with Stock Exchanges and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit	Lead Managers	I-Sec
11.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia: • Formulating marketing strategies; • Finalising collection centres; and Follow-up on distribution of publicity and Offer material including application form, letter of offer	Lead Managers	I-Sec
12.	Post-issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Company about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the issue, bankers to the issue, SCSBs, etc., coordination of underwriting arrangement, and coordination for filing of media compliance report and release of 1% security deposit, if any	Lead Managers	I-Sec

Credit Rating

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

Debenture Trustee

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

Monitoring Agency

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

IndusInd Bank Limited
PNA House, 4th Floor
Plot No. 57 & 57/1,
Road No. 17, Near SRL,
MIDC Andheri,
Mumbai - 400093
Tel.: +91-022-61069318 / 93920 / 9389 & 9920209335
Email: nseclg@indusind.com
Website: www.indusind.com
Contact Person: Kaushik Chatterjee

Appraising Entity

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

Experts

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

Our Company has received written consent dated October 20, 2021 from the Statutory Auditors namely, M/s. L. B. Jha & Co., Chartered Accountants, to include their name in this Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as the statutory auditors, and in respect of the reports issued by them with respect to the Audited Financial Statements and the Unaudited Financial Results, and the Statement of Possible Special Direct Tax Benefits included in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Underwriting

This Issue is not underwritten.

Filing of this Letter of Offer

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, the Lead Managers will simultaneously while filing this Letter of Offer with the Stock Exchanges, do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, the Lead Managers will submit a copy of this Letter of Offer to the email address: cfddil@sebi.gov.in.

Minimum Subscription

As the object of the Issue does not involve financing of capital expenditure and our Promoter, together with members of the Promoter Group have vide letters dated October 20, 2021 confirmed their intention to subscribe to their Rights Entitlement in the Issue and not renounce their Rights Entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

CAPITAL STRUCTURE

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

(In ₹ except share price data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORIZED 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 OFFER**		
	25,03,43,252 Equity Shares of face value ₹ 1 each	25,03,43,252	-
C	**PRESENT OFFER IN TERMS OF THIS LETTER OF OFFER**		
	Issue of up to 7,15,26,643 Equity Shares for cash at a price of ₹ 23 per Equity Share (including a premium of ₹ 22 per Equity Share) (1)	7,15,26,643	1,64,51,12,789(2)
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	Up to 32,18,69,895 Equity Shares, each at a premium of ₹ 22 per Equity Share, i.e., at a price of ₹ 23 per Equity Share	32,18,69,895	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	475,79,86,000	-
	After the Offer(2)(3)	6,33,15,72,146	-

(1) *The Issue has been authorized by a resolution of our Board dated May 15, 2021. The terms of the Issue including the Record Date and Rights Entitlement , have been approved by a resolution passed by our Capital Issue Committee at its meeting held on October 9, 2021.*

(2) *Assuming full subscription for and Allotment of the Equity Shares.*

(3) *Subject to finalisation of the Basis of Allotment and not adjusting for the expenses of the Issue.*

Notes to the Capital Structure

1. **Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:**

   (i) The shareholding pattern of our Company as on June 30, 2021, can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/texmaco-rail--engineering-ltd/texrail/533326/shareholding-pattern/ and the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=TEXRAIL&tabIndex=equity.

   (ii) The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2021, can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/texmaco-rail--engineering-ltd/texrail/533326/shareholding-pattern/ and the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=TEXRAIL&tabIndex=equity.

   (iii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=533326&qtrid=110.00&QtrName=June%202021 and the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=TEXRAIL&tabIndex=equity.

2. **Details of outstanding instruments**

   Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer:

Employee stock option schemes

Our Company has formulated Employee Stock Option Scheme 2018 ("**ESOP 2018**"), pursuant to a special resolution passed by the shareholders of our Company on September 4, 2018. The purpose of the ESOP 2018 is rewarding the employees including the Directors for their continuous hard work, dedication and support, which has led the Company on the growth path.

The following table sets forth details in respect of the ESOP Schemes as on June 30, 2021:

Particulars	Number of Options
Total number of Options	22,00,000
Total number of Options granted	Nil
Options Vested	Nil
Options Exercised	Nil
Options lapsed or forfeited or cancelled	Nil
Total number of options outstanding	Nil

3. Except as stated below, our Promoters and members of our Promoter Group have not acquired / transferred any securities in the one year preceding the date of filing of this Letter of Offer:

Name of the Promoter /member of the Promoter Group	Date of allotment / transfer	No. of Equity Shares allotted / transferred	Price per Equity Share (in ₹)	Reason of allotment / transfer
Texmaco Infrastructure & Holdings Limited	September 4, 2020	39,00,000	28.90	Inter-se transfer of shares between the promoter / promoter group to Texmaco Infrastructure & Holdings Limited
Adventz Finance Private Limited	December 4, 2020	1,50,000	27.51	Acquisition of shares by Adventz Finance Private Limited through the open market.
Jyotsna Poddar	December 10, 2020	35,710	Consideration other than cash	Inter se transfer of shares pursuant to dissolution of Jyotsna Poddar Family Trust from Jyotsna Poddar as Trustee to Jyotsna Poddar as beneficiary of Trust
Puja Poddar	December 15, 2020	89,280	Consideration other than cash	Inter se transfer of shares pursuant to dissolution of S.K. Poddar Family Trust to Puja Poddar as beneficiary of Trust
Saroj Kumar Poddar	February 23, 2021	1,61,29,031	31.00	Allotment to Saroj Kumar Poddar on preferential basis against conversion of loans into Equity Shares
Adventz Finance Private Limited	February 23, 2021	93,54,839	31.00	Allotment to Adventz Finance Private Limited on preferential basis against conversion of loans into Equity Shares

4. **Intention and extent of participation by our Promoter and Promoter Group**

Our Promoter and Promoter Group have confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoter or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoter or any other member(s) of the Promoter Group, each as may be applicable. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Equity Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The above subscription of Equity Shares shall be made to the extent that it does not result in any obligation on our Promoters and Promoter Group to give an open offer in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, the SEBI ICDR Regulations and other applicable laws. Further, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 33.13.

6. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.

7. All Equity Shares are fully paid-up as on the date of this Letter of Offer and the Equity Shares Allotted pursuant to the Issue shall be fully paid-up. For details on the terms of this Issue, see "*Terms of the Issue*" beginning on page 265.

8. **Details of the Equity Shareholders holding more than 1% of the issued and paid-up equity share capital**

The table below sets forth details of Equity Shareholders holding more than 1% of the issued and paid-up equity share capital of our Company, as on October 15, 2021:

Sr No	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1	Texmaco Infrastructure & Holdings Limited	5,85,00,000	23.37
2	Zuari Investments Limited	2,50,63,900	10.01
3	Adventz Finance Private Limited	1,79,82,239	7.18
4	Saroj Kumar Poddar	1,72,26,061	6.88
5	HDFC Trustee Company Ltd. A/C HDFC Balanced Advant	92,08,301	3.68
6	Duke Commerce Limited	75,14,000	3.00
7	Nippon Life India Trustee Ltd-A/C Nippon India SMA	67,65,047	2.70
8	Jupiter India Fund	65,95,121	2.63
9	Udyavar Vittal Kamath	44,81,355	1.79
10	Zuari Global Limited	40,35,000	1.61
11	Adventz Securities Enterprises Limited	38,09,140	1.52
12	Adventz Investment Company Private Limited	30,35,710	1.21
13	Saroj Kumar Poddar	29,50,000	1.18
14	HDFC Trustee Company Ltd- HDFC Equity Saving Fund	27,88,454	1.11

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects (collectively referred to as "**Objects**"):

1. Repayment or prepayment of inter corporate deposit ("**ICD**") and unsecured loans;
2. Funding working capital requirements of our Company; and
3. General corporate purposes

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

Net Proceeds

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

(in ₹ lakhs)

Particulars	Estimated amount
Gross Proceeds from the Issue*	16,451.13
(Less) Issue related expenses	321.95
Net Proceeds	**16,129.18**

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

Utilization of Net Proceeds and schedule of implementation and deployment

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(in ₹ lakhs)

Particulars	Amount which will be financed from Net Proceeds	Estimated utilisation of Net Proceeds in Fiscal 2022
Part repayment or prepayment of ICDs and unsecured loans	11,500.00	11,500.00
Funding working capital requirements of our Company	3,000.00	3,000.00
General corporate purpose *	1,629.18	1,629.18
Total	**16,129.18**	**16,129.18**

** The amount shall not exceed 25% of the Gross Proceeds.*

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, taxes and duties, working capital margin and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, the actual utilisation towards (a) Repayment or prepayment of ICDs and unsecured loans; and (b) the balance will be used towards 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 towards meeting the Objects, 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. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned objects.

The funding requirements mentioned above and the estimated deployment schedule mentioned below, are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, or interest rate fluctuations or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, 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.*" beginning on page 27. We intend to finance the Objects of the Issue from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Details of the Objects of the Issue

1. **Part repayment or prepayment of ICDs and unsecured loans**

Our Company has availed ICDs and unsecured loans from our Promoter and Promoter Group namely Zuari Investments Limited and Saroj Kumar Poddar amounting to ₹ 10,000 lakhs and ₹ 1,500 lakhs respectively to meet our business needs from time to time. As on the date of this Letter of Offer, the total outstanding amount of the ICDs and unsecured loans (fund based) availed by our Company is ₹ 25,409.50 lakhs. The nature of such ICDs and unsecured loans availed by our Company is of short term and are repayable on due date as per the tenure agreed between the parties. The rate of interest for (i) the ICDs from Zuari Investment Limited was received in three tranches the rate of interest for the tranche 1 was 15% for tranche 2 and 3 is 16% and (ii) the unsecured loans from Saroj Kumar Poddar is 13.50% each. The ICDs and unsecured loans were availed by our Company for our business requirements**.**

As per the certificate dated October 20, 2021, issued by L. B. Jha & Co., Chartered Accountants, the ICD and unsecured loans taken by our Company have been utilised for the purposes for which it was availed.

Our Company proposes to repay or prepay ICD and unsecured loans up to ₹ 11,500 lakhs from the Net Proceeds.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate ICDs amount may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail ICDs and unsecured loans. In such cases or in case any of the above ICD or unsecured loans are paid or further ICDs or unsecured loans are availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards prepayment of such additional indebtedness.

Our Promoter and Promoter Group namely Zuari Investments Limited and Saroj Kumar Poddar have *vide* their respective letters both dated October 20, 2021, have confirmed that the unsecured ICDs and loans provided by it shall be adjusted towards subscription for their entitlement in this Issue and towards additional subscription, if any, to the aggregate amount of ₹ 11,500 lakhs.

2. **Funding working capital requirements of our Company**

Our business is working capital intensive and our Company avails working capital facilities in the ordinary course of business from various lenders. As at June 30, 2021, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities of the Company are ₹73,695.29 lakhs and ₹ 99,853.68 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 July 1, 2021, the unexecuted Order Book of our Company was at ₹3,33,387.00 lakhs. For further details of our Order Book, see "*Our Business*" on page 93.

Basis for estimation of working capital requirement

The details of our Company's composition of net current assets or working capital as at March 31, 2021, March 2020, March 2019 and source of funding the same are as set out in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
I.	**Current Assets**			
1.	Inventories	30,929.65	53,707.04	45,005.92
a)	Raw material	14,884.78	2,0817.37	21,438.83
b)	Work-in-progress	14,581.23	27,792.32	21,869.00

Sr. No.	Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
c)	Finished goods	1,463.64	5,097.35	1,698.09
2.	Trade receivables	61,148.82	64,450.00	81,545.82
3.	Cash and bank balances	10,530.16	8,360.94	4,713.39
4.	Loans and advances	1,877.52	1,470.69	541.80
5.	Other current assets	98,614.80	98,795.39	84,022.80
	Total Current Assets (A)	2,03,100.95	2,26,784.06	21,5829.73
II.	**Current Liabilities**			
1.	Trade payable	43,016.86	55,416.13	55,649.43
2.	Other current liabilities and provisions	90,796.31	1,06,616.13	73,449.07
	Total Current Liabilities (B)	1,33,813.17	1,62,032.26	1,29,098.50
III.	**Total Working Capital Requirements**			
	Total Current Assets (A) less Total Current Liabilities (B)	69,287.78	6,4751.80	86,731.23
IV.	**Funding Pattern**			
1.	Working capital funding from banks	49,125.04	55,210.53	49,452.15
2.	Internal accruals/ other sources	20,162.74	9,541.27	37,279.08

Our Company expects that the funding pattern for working capital requirements for Fiscal 2022 will comprise working capital facilities, internal accruals and the Net Proceeds. On the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, as provided in the Company's business plan approved by the board of directors of the Company in its meeting dated October 20, 2021 the Company's expected working capital requirements as at March 31, 2022 and proposed funding of such working capital requirements are as set out in the table below:

(in ₹ lakhs)

Sr. No.	Particulars	For the Fiscal 2022
I.	**Current Assets**	
1	Inventories	
(a)	Raw material	20,350
(b)	Work-in-progress	14,581
(c)	Finished goods	1,462
2	Trade receivables	47,526
3	Cash and bank balances	13,044
4	Loans and advances	
5	Other current assets	74,637
	Total Current Assets (A)	**1,71,600**
II.	**Current Liabilities**	
1	Trade payable	41,435
2	Other current liabilities and provisions	86,505
3	Short-term provisions	
	Total Current Liabilities (B)	**1,27,940**
III.	**Total Working Capital Requirements**	
	Total Current Assets (A) less Total Current Liabilities (B)	43,660
IV.	**Funding pattern**	
	Working capital funding from lender	36,660
	Funding from the Issue	3,000
	Internal accruals/ other sources	4,000

Assumptions for working capital requirements

Holding levels and justifications for holding period levels

Holding levels

	Particulars	For Fiscal 2021 (Actual)	For Fiscal 2020 (Actual)	For Fiscal 2019 (Actual)
1. Inventories				
(a)	Raw material	32 days	41 days	42 days
(b)	Work-in-progress	32 days	55 days	43 days
(c)	Finished goods	3 days	10 days	03 days
2.	Debtors	132 days	128 days	160 days
3.	Creditors	93 days	110 days	109 days

Inventory days

As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
67	107	88

Receivables Days

As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
132	128	160

Creditors Days

As on March 31, 2021	As on March 31, 2020	As on March 31, 2019
93	110	109

Projected holding levels

Projected holding levels	Particulars	For the Fiscal 2022
(a)	Raw material	39 days
(b)	Work-in-progress	28 days
(c)	Finished goods	3 days
1.	Debtors	92 days
2.	Creditors	80 days

Justification for holding period levels

Raw Materials	Raw Materials days are computed from Consolidated Financial Statements (consumption of materials). Our Company has assumed the holding level of raw materials as 39 days of the consumption of materials for Fiscal 2022.
Work in progress	Work in Progress days are computed from Consolidated Financial Statements (consumption of materials). Our Company has assumed the holding level of work in progress as 28 days of the consumption of materials for Fiscal 2022.
Finish Goods	Finish Goods days are computed from Consolidated Financial Statements (consumption of materials). Our Company has assumed the holding level of Finish Goods as 3 days of the consumption of materials for Fiscal 2022.
Debtors	Debtors are computed from Consolidated Financial Statements (revenue from operations). Our Company has assumed the holding level of Debtors as 92 days of the Revenue from Operations for Fiscal 2022.
Creditors	Debtors are computed from Consolidated Financial Statements (consumption of materials and materials purchase). Our Company has assumed the holding level of Debtors as 80 days of the consumption of materials and materials purchase for Fiscal 2020.

Our Company proposes to utilize ₹3000 lakhs of the Net Proceeds in the Fiscal 2022 towards our working capital requirements. The balance portion of our working capital requirement will be arranged from internal accruals and borrowings from the banks. Pursuant to the certificate dated October 20, 2021 have complied the working capital estimates and the working capital projections as approved by the Capital Issue committee pursuant to its resolution dated October 20, 2021.

3. **General Corporate Purposes**

Our Company intends to deploy balance Net Proceeds, if any, towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

General corporate purposes may include, but are not restricted to, the following:

(a) strategic initiatives;

(b) funding growth opportunities;

(c) working capital requirements:

(d) part or full debt repayment or prepayment;

(e) strengthening marketing capabilities and brand building exercises;

(f) meeting ongoing general corporate contingencies;

(g) meeting fund requirements of our Company, in the ordinary course of its business;

(h) meeting expenses incurred in the ordinary course of business; and

(i) any other purpose, as may be approved by the Board, subject to applicable law.

Means of Finance

Paragraph 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance for the project proposed to be funded from issue proceeds, excluding the amount to be raised through the Issue), is not applicable.

Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ 321.95 lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated amount (in ₹ lakhs) [1]	As a % of total estimated Issue expenses [1]	As a % of Issue size [1]
Fees payable to:			
Lead manager(s) fees	170.00	52.80	1.03
Fee to Legal counsel to the Issue and other professional service provider	84.85	26.36	0.52
Advertising and marketing expenses	6.00	1.86	0.04
Fee Payable to Regulators including Depositories, Stock Exchanges and SEBI	36.10	11.20	0.22
Printing and distribution	3.00	0.94	0.01
Registrar to the Issue	12.00	3.73	0.07
Miscellaneous	10.00	3.11	0.06
Total estimated Issue expenditure	321.95	100.00	1.95

[1] Assuming full subscription and Allotment of the Rights Entitlement. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

Interim use of Net Proceeds

Our Company, in accordance with the policies of established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration.

Bridge financing facilities and other financial arrangements

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

Monitoring of Utilisation of Funds

Our Company has appointed IndusInd Bank Limited as the Monitoring Agency for this Issue. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and the Monitoring Agency will submit its report to our Board in terms of Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilized and will indicate instances, if any, of unutilized Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchanges, including the statement indicating deviations, if any, in the use of proceeds from the Objects of the Issue stated above. Such statement of deviation shall be placed before our Audit Committee for review before its submission to Stock Exchanges. The Monitoring Agency shall submit its report to our Company, on a quarterly basis, until at least 95% of the proceeds of this Issue, excluding the proceeds raised for general corporate purposes, have been utilized.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before our Audit Committee, until such time the full money raised through this Issue has been fully utilized. The statement shall be certified by the Statutory Auditors of our Company. Our Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate.

Appraising Agency

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

Strategic or Financial Partners

Our Company does not have any financial or strategic partners to the objects of the Issue as of the date of this Letter of Offer.

Other Confirmations

Other than as disclosed above, no part of the Issue proceeds will be paid by our Company to our Promoter, our Promoter Group or our Directors.

L B Jha & Co
CHARTERED ACCOUNTANTS

B2/1, GILLANDER HOUSE
8, NETAJI SUBHAS ROAD
KOLKATA-700 001
TEL : +91-33-2242 5858/5407/4277
FAX : +91-33-2242 0650/2230 2846
E-mail : lbjha@lbjha.com
Website : www.lbjha.com

STATEMENT OF TAX BENEFIT

Date: 20.10.2021

To

The Board of Directors
Texmaco Rail & Engineering Limited
Belgharia, 24 Paragnas (North),
Kolkata 700 056
(the "**Company**")

Dear Sirs / Madams

Re: Statement of possible special tax benefits (the "Statement") available to Texmaco Rail & Engineering Limited ("the Company") and its shareholders, prepared in accordance with the requirement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations") for the proposed rights issue of equity shares of ₹1 each (the "Equity Shares") of the Company (the "Issue").

We, L B Jha & Co., Chartered Accountants, the statutory auditors of the Company, hereby confirm that the enclosed Annexure states the possible special tax benefits available to the Company and its shareholders under direct and indirect tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which are based on the business imperatives the Company may face and accordingly the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits (under both direct and indirect tax laws) and do not cover general tax benefits available to the Company or its shareholders. We are informed that the Annexure is only intended to provide general information to the investors and hence it is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his / her / their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor advising the investor to invest money based on this statement.

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

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Letter of Offer, prepared in connection with the Issue to be filed by the Company with the Securities and Exchange Board of India and the BSE Limited and the National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") and any other statutory or regulatory authorities, and in any other material used in connection with the Issue.

L. B. JHA & CO. Chartered Accountants

ALSO AT : 405 Yogeswar, M-2 Connaught Place, New Delhi - 110 001 • Tel / Fax : +91-11-4151 0952 • Tel : +91-11-4151 0956 • E-mail : lbjhadel@lbjha.com
Flat No. 311, Lok Centre Marol Maroshi Road, Andheri (E), Mumbai - 400 059 • TEL : +91-22-6515 8951/6518 3047 • Fax : +91-22-6610 3904 • E-mail : lbjhabom@lbjha.com

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the statement. This statement has been prepared solely in connection with the proposed Issue by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Yours faithfully

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

D. N. Roy
Partner
Membership No.: 300389
UDIN: 21300389AAAAKE7553

L. B. JHA & CO. Chartered Accountants

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

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.

L. B. JHA & CO. Chartered Accountants

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

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

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

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

Overview of the Indian Railway Sector

Indian Railways is commonly used mode of public transportation in the country. During 2019-20, it carried 8,086 million passengers as against 8,439 million in 2018-19. Passenger kilometres, which is calculated by multiplying the number of journeys by mean kilometric distance in case of each class was 1,051 billion as against 1,157 billion in the previous year. Passenger earnings decreased by 397.56 crore (-0.78%) in comparison with 2018-19.

With its more than 167-year-old history, IR is a state-owned public utility of the Government of India under the Ministry of Railways.

As a national common carrier transporting passenger and goods over its vast network, Indian Railways has always played a key role in India's social and economic development. It is a cheap and affordable means of transportation for millions of passengers. As a carrier of bulk freight viz. ores and minerals, iron and steel, cement, mineral oils, food grains and fertilizers, containerized cargo etc., the importance of Indian Railways for agriculture, industry and the common man is well recognized. Indian Railways carried 22.15 million passengers and 3.32 million tonnes of freight each day during the financial year 2019-20.

In the year 2019-20 the following assets were acquired and task accomplished.

S. No	Particulars		2019-20
1	Locomotives	(Nos.)	828
2	Wagons (BLC+ Private Wagons)	(Nos.)	15,447
3	Coaches including	(Nos.)	7,557
4	(i) EMUs	(Nos.)	339
5	(ii) MEMUs	(Nos.)	638
6	(iii) DMUs	(Nos.)	54
7	Route Kilometers of track electrified	(Kms.)	4,378
8	New lines constructed	(Kms.)	359.71
9	Double/Multiple lines provided	(Kms.)	1,458.22
10	Track renewals (both primary and secondary renewal)	(Kms.)	4,500
11	Gauge Conversion to Broad Gauge (BG) from Medium Gauge (MG) /Narrow Gauge (NG)	(Kms.)	408.5

(*Source: Railway Year Book 2019-20)*

The Plan allocation (Revised Estimates) and Actual Net Expenditure for 2019-20 compared with 2018-19, were as follows:

Particulars (INR Crore)		2018-19		2019-20	
#.	**Plan Head**	**Allocation (R.E.)**	**Actual Net Expenditure**	**Allocation (R.E.)**	**Actual Net Expenditure**
Civil Engineering					
1	New Lines (Construction)	@25,315.39	9,395.53	@@22,974.26	µ12,683.17
2	Gauge Conversion	#3,486.56	4,055.00	##3,129.27	4,140.15
3	Doubling	$17,254.19	15,168.33	$$23,777.58	22,385.67
4	Traffic Facilities- Yard Remodeling and Others	%2,522.10	1,146.70	%%1,941.71	1,626.22
5	Road Safety Works - Level Crossings	742.61	678.45	546.44	570.54
6	Road Safety Works - Road Over/Under Bridges	&6,637.28	3,522.22	&&4,718.88	3,520.92
7	Track Renewals	8,471.63	8,241.66	7,068.87	7,802.63
8	Bridge Works	509.05	528.27	751.83	777.50
9	Staff Quarters	274.79	283.39	516.84	480.92
10	Amenities for Staff	271.20	223.24	-	ØØ
11	New Lines (const.)– Dividend free Projects	β1,150.00	1,879.87	β β 3,300.00	Ø
	Total	**66,634.80**	**45,122.66**	**68,725.68**	**53,987.72**
Mechanical					
1	Rolling Stock	^32,079.11	28,108.17	^^42,670.58	37,101.78
2	Leased Assets–Payment of Capital Component	9,112.92	9,111.51	10,557.53	10,462.21
3	Machinery and Plant	441.86	436.34	430.92	448.11
4	Workshops including Production Units	£1,748.92	2,006.60	££2,121.02	2,119.12
	Total	**43,382.81**	**39,662.62**	**55,780.05**	**50,131.22**
Electrical Engineering					
1	Electrification Projects	?7,016.50	5,931.32	? ?7,593.55	7,124.63
2	Other Electrical Works including Traction Distribution Works	*1,558.80	600.85	**603.61	¥481.30
	Total	**8,575.30**	**6,532.17**	**8,197.16**	**7,605.93**
Signal and Telecommunication					
	S and T Works	1,256.24	1,537.02	1,374.70	1,620.69
Others					
1	Computerization	227.97	174.37	423.45	282.81
2	Railway Research	18.76	23.68	43.58	26.80
3	User's Amenities	Ω 5,910.71	1,585.76	ΩΩ 2,583.39	1,902.90
4	Investment in PSUs/JV/SPV etc. (Govt. and Non-Govt.)	11,251.00	12,678.36	16,634.98	16,924.88
6	Other Specified Works	261.98	288.16	708.94	455.73
7	Training/HRD	89.97	56.43	102.55	85.73
8	Inventories	250.00	270.32	200.00	915.50
9	M.T.Ps.	997.98	1,163.97	1577.50	1,515.18
	Total	**19,008.37**	**16,241.05**	**22,274.39**	**22,109.54**
	Grand Total	**®1,38,857.52***	**©1,09,095.52**	**1,56,351.98**	**† 1,35,455.10**

*revised'

Revised Estimates

@ Includes ₹385 crore under EBR(IF) and ₹16,930 crore under EBR(PPP). It also includes ₹2,788 crore for National Project and Projects of National importance.

@@ Includes ₹2,900.50 crore for National Project and ₹544 crore for project of National Importance. It also includes₹599.26 crore under EBR(IF) and ₹14,506 Crore under EBR(IF).

#Includes ₹1,736.60 crore under EBR (IF) and ₹310 crore for National Projects.

Includes ₹6 crore for National Projects. It also includes ₹849.10 crore under EBR (IF).

$ Includes ₹1,046 crore under EBR (Bond) and ₹15,782.31 crore under EBR (IF).
$$ Includes ₹1,407 crore under EBR(IRFC) and ₹21,746.14 crore under EBR(IF).
% Includes ₹25.81 crore under EBR (IF) and ₹1,570 crore under EBR (PPP).
%% Includes ₹618.57 crore under EBR (IF) and ₹254.82 crore under EBR(PPP).
& Includes ₹2,000 crore under EBR (PPP).
&& Includes ₹1,022.51 crore under EBR (PPP).
B Provision for Udhampur Srinagar- Baramulla National Project.
β β Provision for Udhampur Srinagar- Baramulla National Project.
^ Includes ₹2,6482.96 crore under EBR (Bond) and ₹2,000 crore under EBR (PPP).
^^ Includes ₹32,624 crore under EBR (IRFC) and ₹1,071 crore under EBR.
£ Includes ₹61.91 crore under EBR (IF).
££ Includes ₹24.38 crore under EBR(IF) and ₹100 crore under EBR(PPP)
? Includes ₹7,026.44 crore under EBR (IF).
? ? Includes ₹7,602.55 crore under EBR (IF).
*Includes ₹1,000 crore under EBR (PPP).
** Includes ₹120 crore under EBR (PPP).
Ω Includes ₹3,500 crore under EBR (PPP).
Ω Ω Includes ₹702 crore under EBR(PPP).
Actual Net Expenditure (2018-19 and 2019-20)
© Excluding actual expenditure of ₹24,281.14 crores under EBR(PPP) during 2018-19.
† Excluding actual expenditure of ₹12,609.38 crores under EBR(PPP) during 2019-20.
µ Includes ₹3,098.42 crores reported by Railways under new lines (const)- dividend free projects now merged with new lines(const.).
ØØ Staff Quarters and Amenities for Staff merged and reclassified as staff welfare.
Ø merged with Item No.1 i.e. New Line(const).
¥ Reclassified as other Electrical works including TRD
(Source: Railway Year Book 2019-20)

Key Statistics —Indian Railways

As on March 31	1950-51	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Capital-at-charge (INR in crore)	827	1,521	3,330	6,096	16,126	43,052	1,43,221	1,61,448	1,83,488	2,08,844	2,42,117	2,75,135	3,02,458	3,24,726	3,48,602	3,74,922
Total Investment (INR in crore)	**855**	**1,869**	**4,099**	**7,448**	**22,201**	**63,341**	**2,31,615**	**2,57,958**	**2,89,375**	**3,24,662**	**3,68,758**	**4,19,124**	**4,71,776**	**5,17,324**	**5,73,642**	**6,40,408**
Route kilometres																
Electrified	388	748	3,706	5,345	9,968	14,856	19,607	20,275	20,884	21,614	22,224	23,555	25,367	29,376	67,415	67,956
Total	**53,596**	**56,247**	**59,790**	**61,240**	**62,367**	**63,028**	**64,460**	**64,600**	**65,436**	**65,808**	**66,030**	**66,687**	**67,368**	**68,442**	**34,319**	**39,329**
Running Track kms																
Electrified	937	1,752	7,447	10,474	18,954	27,937	36,007	38,669	38,524	39,661	41,038	43,357	48,239	52,926	59,142	67,452
Total	**59,315**	**63,602**	**71,669**	**75,860**	**78,607**	**81,865**	**87,114**	**89,801**	**89,236**	**89,919**	**90,803**	**92,081**	**93,902**	**94,735**	**95,981**	**99,235**
Total Locomotives	8,209	10,624	11,158	10,908	8,417	7,566	9,213	9,549	9,956	10,499	10,773	11,122	11,461	11,764	12,147	12,729
Total Coaching stock	**19,628**	**28,439**	**35,145**	**38,333**	**38,511**	**42,657**	**59,635**	**61,899**	**63,878**	**66,392**	**68,558**	**70,085**	**70,984**	**71,825**	**74,003**	**76,608**
Wagons	2,05,596	3,07,907	3,83,990	4,00,946	3,46,102	2,22,193	2,29,997	2,39,321	2,44,818	2,52,833	2,54,018	2,51,295	2,77,992	2,79,308	2,89,175	2,93,077
No. of passengers originating (in millions)	1,284	1,594	2,431	3,613	3,858	4,833	7,651	8,224	8,421	8,397	8,224	8,107	8,116	8,286	8,439	8,086
Freight Traffic– Tonnes originating (in millions):	73	120	168	196	318	474	922	969	1,008	1,052	1,095	1,102	1,106	1,160	1,222	1,208

(Source: Summary Sheet – Annual Report 2019-20)

The Network

Indian Railways (IR) is one of the world's largest rail networks with 67,956 Route Kilometers of route lengths as on 31.03.2020. Out of 67,956 RKMs, BG constitutes 63,949 RKMs (94.10%), MG 2,402 RKMs (3.54%) and NG 1,809 RKMs (2.36%). The growth of its Route length, Running and Track Kms since independence is as follows:

Year	Route Kms.	Running Track Kms.	Total Track Kms.
1950-51	53,596	59,315	77,609
1960-61	56,247	63,602	83,706
1970-71	59,790	71,669	98,546
1980-81	61,240	75,860	1,04,480
1990-91	62,367	78,607	1,08,858
2000-01	63,028	81,865	1,08,706
2010-11	64,173	87,114	1,14,037
2016-17	66,918	93,902	1,21,407
2017-18	66,935	94,270	1,22,873
2018-19	67,415	95,981	1,23,542
2019-20	67,956	99,235	1,26,366

(Source: Railway Year Book 2019-20)

New Lines

During 2019-20, 359.71 Kms. of new lines have been completed on the following sections:

Railway	Section	Km.
Eastern	Hansdiha -Prayahat	15.3
East Central	Islampur -Nateswar	21
	Ghoswar - Vaishali	30
	Sheikhpura-Sarajamalpur	12.5
East Coast	Nayagarh Town-Mahipur	12
	Talcher - Sunakhani	20
	Haridaspur-Kendrapara	43
Northern	Virbhadra -Yog Nagari Rishikesh	5.7
North Frontier	Belonia-Sabroom	39
North Western	Thaiyat Hamira-Sanu	58
South Central	New Pidiguralla - Savalyapuram	45.85
	Vellikallu-Chirlopalli	14.86
South East Central	Kharsia- Korichapper	42.5
	Total	**359.71**

(Source: Railway Year Book 2019-20)

Track and Bridges

As on 31.3.2020, the Indian Railways had	(in Kms.)
(i) Route length	67,956
(ii) Running Track length	99,235
(iii) Total Trackage	1,26,366
The following works were carried out during 2019-20	
(i) Track renewal	4,500
(ii) Construction of New Line	359.71
(iii) Gauge conversion from MG/NG to BG	408.50
(iv) Track conversion from single to double line	1,458.22

As on 01.04.2020, IR has 1,50,390 Bridges out of which 702 are important, 12,256 are major and 1,37,432 are minor Bridges. During the year 2019-20, 1,367 Bridges are Strengthened/Rehabilitated /Rebuilt to enhance safety of train operation

(Source: Railway Year Book 2019-20)

Gauge Conversion

During 2019-20, 408.49 Kms of track was converted from MG/NG to BG as detailed below:

Railway	Section	Km.
East Central	Garahbaruari -Saraigarh	25
	Mandanmishra - Jhanjharpur	9
	Garhbaruari - Supau	11
North Eastern	Lakhimpur - Mailani	61.29
	Pilibhit -Bisalpur	38
North Western	Dahar-Ka-Balaji (Jaipur) Ringus	56.5
	Himmat Nagar-Raighadh	24
	Udaipur-Kharwa Chanda	26
Southern	Madurai-Usilampatti	37
South East Central	Nainpur - Lamta	36
Western	Mahesana - Vadnagar	34
	Mathela - Nimar Kheri	50.7
Total		**408.49**

(Source: Railway Year Book 2019-20)

Doubling:

During 2019-20, 1,458.22 Kms of double/multiple lines track were completed as detailed below:

Railway	Section	Km
Central	Chitoda-Sonegaon	13
	Shenoli-Bhavaninagar Takari	14
	Daund Chord Line	1.03
	Kopargaon-Yeola	13.52
	Buti-Bori-Sindi	19
	Pune -Phursungi - Alandi	23.22
	Wadsinge - Bhalwani	34.72
	Savalgi -Kalaburagi(Gulbarga)	13
	Boroti -Dudhani -Kulali	23.49
Eastern	Azimganj-Lalbag Court	7.2
	Lailakhmamalkha-Kahalgaon	16
	Sujnipara -Nimtita	6.72
	Debipur-Rasulpur	12.85
	Nimtita-Dhulianganga	9.92
	Mile-5B-N/Alipur	1.67
	Lal bagcourt-Khagraghat Road	7.4
	Kankinara -Naihati 4th line	2.65
East Central	Bhagwanpur -Ghoswar	14.5
	Billi - Chopan	6
	Bachhwara-Mohiuddin Nagar	20
	Manpur -Wazirganj	19
	Gondwali - Mahadiya	7.5
	Mohiuddin Nagar -Shahpur Patoree	13
	Samastipur-Kishanpur	10
	Karnauti-Bakhtiyarpur	19
	Biratoli-Mahuamilan ROR	9
	Bhurkunda-Patratu	8
	Meralgram - Ramana	12
	Dudhinagar-Jharokhas	7

Railway	Section	Km
	Gomia -Dumri Bihar	7
East Coast	Kapilas Road-Salegaon	4.3
	Mallividu-L.Kota	7.42
	Suku -Paliba	7.6
	Khaliapali-Loisinga	11.15
	Deogaon Road -Saintala	17.22
	Saintala -Badmal	8.89
	Kesinga -Rupra Road	16.17
	Khariar Road-Nawapara-Lakhna	26.94
	Komakhan - Khariar Road	9.28
Northern	Khatauli-Muzaffarnagar	22
	Allahabad-Prayag	6
	Laksar -Ikkar	17
	Lohta-Manduadih Chord Line	3.2
	Muzaffarnagar - Deoband	24
	Tughlakabad -Palwal 4th line	13.26
	Delhi-Tilak Bridge	7
	Shrirajnagar-Kundanganj	15.27
	Amethi -Gauri Ganj	15.4
North Central	PTSC- Nandkhas	19.1
	Sarsoki-Usargaon	17.59
North Eastern	Chhapra Gramin-Khairah Byepass	10.7
	Manduadih-Hardattpur	6.15
	Hardatpur Kachhwa Road	21.93
Northeast Frontier	Lumding-Habaipur	25.05
	New Bongaigaon- Majgaon	8.55
North Western	Daurai- Mangaliyaws	19
	Bangurgram-Sendra	24
	Dhigawara-Bandikui	33
	Abu Road-Maval	9.51
	Bhimana-Abu Road	16.77
Southern	Ambalappuzha-Haripad	18
South Central	Kalluru-Garladinne	11
	Guntakal-Gulapalayamu	11.04
	Kalluru-Khadarpet	8.08
	Maltekd -Mugat	10.5
	Mirkhal-Limbgaon	31
	Perecherla-Satulur	24
	Pendekallu -Dhone	27.44
	Maula Ali ‘C’ Cabin-Ghatkesar	23.87
	Akividu-Bhimavaram	17
	Moturu-Akividu	40.33
South-Eastern	Andul-Baltikuri	7.25
	Mohishila-Kalipahari	2.86
	Bisra -Jaraikela	14.6
South East Central	Robertson-Kirodimal Nagar	18.2
	Belpahar-Brajraj Nagar	9
	Lajkura-Belpahar	5
	Jamga-Belpahar 3rd line	32.6
South Western	Tumakuru-Gubbi	18
	Mulvad -Jumnal	13
	Ghatprabha-Chickodi	16
	Davangere-Harihar	13
	Kardi-Banasandra	11
	Alnavar-Devarayi	20.73
	Hubballi byepass	20.6

Railway	Section	Km
	Binkadakatti-Harlapur	23.17
Western	Unjha yard	3
	Sabarmati-Kalol	24
	Chamaraj-Digsar	7.86
	Shambhupura-Nimbahera	14.61
	Bhildi-Jasali	11.1
	Jasal-Diyodar	17.32
	Samakhiyali-Lakadiya	10.44
West Central	Saugor-Nariaoli	19
	Jhukehi chord line	2
	Sontalai-Bagratawa Patch	7
	Katangi Khurd-Salhana	18.07
	Ashoknagar-Pilighat	25
	Sogariya-Bhonra	28.29
	Itarsi-Powarkherda	8.06
Total		**1,458.22**

(Source: Railway Year Book 2019-20)

Passenger Business

Indian Railways is commonly used mode of public transportation in the country. During 2019-20, it carried 8,086 million passengers as against 8,439 million in 2018-19. Passenger kilometers, which is calculated by multiplying the number of journeys by mean kilometric distance in case of each class was 1,051 billion as against 1,157 billion in the previous year. Passenger earnings decreased by 397.56 crore (- 0.78%) in comparison with 2018-19.

Number of Passengers Originating

(In Million)	Suburban (All classes)	Non-suburban					Grand Total (in millions)
		Upper class	Mail/ Exp.#	Ordinary	Total	Total Non-suburban	
1950-51	412	25	52	795	847	872	1,284
1960-61	680	15	96	803	899	914	1,594
1970-71	1,219	16	155	1,041	1,196	1,212	2,431
1980-81	2,000	11	260	1,342	1,602	1,613	3,613
1990-91	2,259	19	357	1,223	1,580	1,599	3,858
2000-01	2,861	40	472	1,460	1,932	1,972	4,833
2010-11	4,061	100	1,046	2,444	3,490	3,590	7,651
2017-18	4,665	159	1,390	2,072	3,462	3,621	8,286
2018-19	4,784	179	1,499	1,977	3,476	3,655	8,439
2019-20	4,597	186	1,452	1,851	3,303	3,489	8,086

Also includes Sleeper Class.

Passenger Kilometers

Year	Suburban (All classes)	Non-suburban					Grand Total (in millions)
		Upper class	Mail/ Exp.#	Ordinary	Total	Total Non-suburban	
1950-51	6,551	3,790	12,537	43,639	56,176	59,966	66,517
1960-61	11,770	3,454	22,251	40,190	62,441	65,895	77,665
1970-71	22,984	4,394	37,856	52,886	90,742	95,136	1,18,120
1980-81	41,086	5,140	86,712	75,620	1,62,332	1,67,472	2,08,558
1990-91	59,578	8,712	1,38,054	89,300	2,27,354	2,36,066	2,95,644
2000-01	88,872	26,315	2,22,568	1,19,267	3,41,835	3,68,150	4,57,022
2010-11	1,37,127	62,203	5,00,631	2,78,547	7,79,178	8,41,381	9,78,508
2017-18	1,49,465	1,14,248	6,45,462	2,68,524	9,13,986	10,28,234	11,77,699
2018-19	1,46,678	1,26,641	6,64,503	2,19,352	8,83,855	10,10,496	11,57,174
2019-20	1,37,130	1,31,696	6,53,336	1,28,576	7,81,912	9,13,608	10,50,738

Also includes Sleeper Class.

(Source: Railway Year Book 2019-20)

Freight Operation

Revenue earning freight traffic handled during 2019-20 was 1,208.41 million tonnes. NTKMs earned during the year were 708 billion. Total loading and freight output inclusive of non-revenue traffic were 1,212.22 million tonnes and 708 billion NTKMs respectively.

Freight Train Kilometers and Wagon Kilometers

Year	Freight train kms.		Wagon kilometres@ (in terms of 4- wheelers)	
	Total (Million)	Per running track km per day	Total (Million)	Percentage of loaded to total
1950-51	112	5.2	4,370	70.7
1960-61	161	6.9	7,507	70.5
1970-71	202	7.7	10,999	69.7
1980-81	199	7.2	12,165	69.5
1990-91	245	8.5	19,230	65.5
2000-01	261	8.7	27,654	60.9
2010-11	368	11.6	17,749	66.5
2017-18	396	11.5	18,461	64.4
2018-19	415	11.8	19,364	64.9
2019-20	397	11.0	18,846	62.5

Freight Structure

There was no increase in freight in 2019-20. However, various initiatives were taken during this period which includes Round-trip based charging of ultra-short lead (0-50Km) Container traffic, Large scale de-notification of commodities from notified commodities i.e. lower rates available for transportation of these commodities when transported on container, withdrawal of Busy Season Charge, withdrawal of supplementary charge for Mini Rake/Two point booking, Distance relaxation for Mini rake operation has been increased to 1500 km and for two point combinations up to 500km, reduction in levy of Terminal Access charge etc.

Freight Marketing

Development of Private Freight Terminals (PFT) through private investment:

Private Freight Terminal (PFT) policy - Private Freight Terminal (PFT) facilitates rapid development of a network of freight terminals with private investment. The focus of the policy is to provide efficient and cost effective logistics services with warehousing solution to end users. So far, proposals for development of 117 PFTs have been received, out of which 67 PFTs have already been notified/commissioned and operationalized. During the year 2019-20, 5 PFTs have been commissioned.

Procurement of rakes for freight traffic by inviting private investment:

(i) General Purpose Wagon Investment Scheme (GPWIS)

The scheme allows investment by End users, Public Sector Undertaking (PSUs), Port Owners, Logistics Providers and Mine Owners in General Purpose Wagons. The scheme permits eligible parties to invest in minimum of one rake of general purpose wagons for movement in any of the approved circuit(s) to carry any commodity.

During the year 2019-20, approval has been accorded for 103 rakes, out of which 25 rakes have been inducted and are in operation.

(ii) Liberalized Wagon Investment Scheme (LWIS)

The scheme allows investment by End Users (viz. producers, manufacturers and consumers of goods) in Special Purpose Wagons (SPW) and High Capacity Wagons (HCW). So far approval has been accorded for procurement of 133 rakes, out of which 54 rakes have been inducted.

During the year 2019-20, approval has been given for 49 rakes and 3 rakes have been inducted.

(iii) Special Freight Train Operator (SFTO)

The scheme allows investment in procurement of Special Purpose Wagons (SPW) and High Capacity Wagons (HCW) for transportation of non-traditional commodities like Molasses, Fly ash, Edible oil, Caustic Soda, Chemical, Petrochemicals, Alumina and Bulk Cement etc. So far approval has been accorded for procurement of 37 rakes, out of which 16 rakes have been inducted.

During the year 2019-20, approval has been given for 9 rakes and 4 rakes have been inducted

(iv) Automobiles Freight Train Operator Scheme (AFTO)

The scheme permits procurement and operation of Special Purpose rakes by private parties in transportation of automobile sector. So far approval has been accorded for procurement of 59 rakes, out of which 27 rakes have been inducted.

During the year 2019-20, 08 rakes have been inducted.

(v) Liberalized Special Freight Train Operator Scheme (LSFTO):

A liberalized Special Freight Train Operator Scheme has been launched on 16.3.2020, which incorporates positive features of both LWIS and SFTO Policies. The liberalized scheme allows investment in procurement of Special Purpose Wagons (SPW) and High Capacity Wagons (HCW) for transportation of non-traditional commodities like Molasses, Fly ash, Edible oil, Caustic Soda, Chemical, Petrochemicals, Alumina and Bulk Cement etc. Investment under the LSFTO Policy can be done by End Users (viz. producers, manufacturers and consumers of goods), Transport and Logistic company, Port and Land Terminal Operators, Warehousing Companies, Container Train Operators and Wagon Leasing Companies.

(vi) Wagon Leasing Scheme (WLS)

This Scheme introduced the concept of leasing of railway wagons on IR. The scheme aims at induction of rakes through PPP route with the private sector for High Capacity Wagons, Special Purpose Wagons and wagons for container movement. Wagon Leasing Companies can lease wagons under AFTO, GPWIS, SFTO, LWIS, LSFTO schemes and also to Container Train Operators.

Safety

There were 54 consequential train accidents in the year 2019-20 as compared to 59 accidents during 2018-19. Accident per million train Kms, an important index of safety, on IR remained at the same level of 0.05 in the year 2019-20 as compared to previous financial year 2018-19.

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

Year*	Collision	Derail-ments	Level Crossing Accidents	Fire in trains	Misc. Accidents	Total	Accident Per Million Train Kms.
2015-16	3	64	35	0	4	106	0.1
2016-17	5	77	20	1	0	103	0.09
2017-18	3	53	13	3	0	72	0.06
2018-19	0	46	6	6	1	59	0.05
2019-20	5	40	1	7	1	54	0.05

* Excludes KRCL

Causes of Train Accidents:

Out of 54 consequential train accidents which occurred on IR during 2019-20, 49 were due to human failure. These include 44 accidents due to the failure of railway staff and 5 were due to persons other than Railway staff. 4 accidents were due to Equipment failure and 1 accident was due to Incidental factor. Final cause of one accident is under investigation.

Measures to Improve Safety

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

- **Periodical Safety Audits:** Periodical Safety Audits of different divisions by multi-disciplinary teams of Zonal Railways as well as Inter-Railway Safety Inspections were conducted on regular basis. During the year 2019-20, 85 Internal Safety Audits and 31 Inter-Railway Safety Inspections were carried out.

- **Training facilities:** Refresher training imparted to Non-Gazetted staff during 2019-20 is 1,69,061.

Measures to avoid collision

To enhance efficiency and safety in train operations, Modern Signalling Systems comprising of Panel Interlocking/Route Relay interlocking/Electronic Interlocking (PI/RRI/EI) with Multi Aspect Colour Light Signals are being progressively provided. So for 6,018 stations (covering about 96% of interlocked Broad Gauge stations) on Indian Railways have been provided with such systems, replacing the obsolete Multi Cabin Mechanical Signalling System, thus optimising operational cost involved in its operation as well as enhancing safety by reducing human intervention. During 2019-20, 12 Major Stations namely, Tilak Bridge, Faridabad, Ballabgarh, Madurai, Bhilai Marshaling, Jabalpur, Chakradharpur, Jaipur, Abu Road, Tundla, Danapur and Patratu have been provided with Route Relay Interlocking (RRI)/ Electronic Interlocking (EI). Panel Interlocking has been provided at 55 stations and Electronic Interlocking at 350 stations, have been provided during the financial year 2019-20.

To avoid collisions, technological aids are briefly enumerated below:

- **Complete Track Circuiting:** To ensure track occupation verification, Track Circuiting has been completed at about 34597 locations up to 31.03.2020 covering ‘A’, ‘B’, ‘C’, ‘D Special’ and ‘E Special’ route. Total 6,147 stations have been provided with complete track circuiting.

- **Block Proving Axle Counter (BPAC):** To enhance safety, automatic verification of complete arrival of train at a station, Block Proving Axle Counter (BPAC) is being provided at stations having centralized operation of points and signals. As on 31.03.2020, Block Proving by Axle Counters (BPAC) has been provided on 5,663 block sections.

- **Intermediate Block Signalling:** Provision of Intermediate Block Signalling (IBS) has proved very useful in enhancing line capacity without extra recurring revenue expenditure in form of manpower and amenities required while developing and operating a block station. As on 31.03.2020, Intermediate Block Signalling has been provided in 602 block sections on Indian Railways.

- **Automatic Block Signalling:** For augmenting Line Capacity and reducing headway on existing High Density Routes on Indian Railways, Signalling provides a low cost solution by provision of Automatic Block Signalling. As on 31.03.2020, Automatic Block Signalling has been provided on 3,309 Route Km.

- **Train Collision Avoidance System (TCAS):** Train Collision Avoidance System (TCAS) has been developed by RDSO and three Indian manufacturers. Successful trials have been completed on 250 Route Km. Works are in progress on 1200 Route km of section on South Central Railway. It has now been decided to adopt TCAS as National ATP for implementation on Indian Railways. It shall be provided on High Density Network (HDN) and freight dense Highly Utilized Network (HUN) routes on priority in next 4-5 years. TCAS has been approved for speed up to 160 kmph. TCAS is also being upgraded to work with Automatic Signalling and Central Traffic Control (CTC) System, thus objectives of line capacity enhancement can also be met.

- **Centralized Traffic Control (CTC) in Indian Railways**: It is a computer based system which facilitates control and management of multiple Signalling installations covering a number of stations from a single location. It also provides a real time simulation of railway traffic centrally helping in real time traffic planning for punctual train operations. Controllers can manage train movements directly from CTC centre on real time basis. Centralized Traffic Control (CTC) covering 250 Route km of Double line section with 29 stations on Aligarh - Kanpur Route has been operationalised. Further works of CTCs on about 7000 Route Km covering all Zonal Railways are sanctioned and entire HDN Routes covering Golden Quadrilateral and Golden Diagonals shall be provided with CTC.

- **Train Management System (TMS):** Provides real-time status of train positions, all train movements and a complete view of the section covered on a giant screen provided in the divisional control centre. Punctuality reports, rake and crew links, train graphs, and unusual occurrence reports are generated in the control office. The overall display panel, known as the 'Mimic Indication Panel', is designed to present detailed status of the system at a glance. It is expected that with commissioning of TMS/CTC projects, our controllers shall be able to efficiently manage train operations. Besides providing real time train running information in the control offices, passengers shall also be provided with accurate arrival/departure information at stations through automatic working of the Passenger information System at Stations.

- This system has been provided on Suburban sections of Mumbai on Western and Central Railways and Howrah of Eastern Railway. Similar System shall also be provided at Khurda Road in East Cost Railway, Delhi in Northern Railway, Sealdah in Eastern Railway, Kharagpur in South Eastern Railway and Chennai in Southern Railway.

- **Interlocking of Level Crossing Gates**: Indian Railways have provided interlocking with Signals at 11,639 Level Crossing Gates as on 31.03.2020, to enhance the safety at Level Crossings.

- **Sliding Boom at Level Crossing Gate**: Provision of Interlocked Sliding Boom has become very effective in minimizing disruption to train services when Level Crossing Gates get damaged by road vehicles especially in suburban areas. With provision of Sliding Boom Interlocking, Signalling System continues to function normally with minimum effect on train operation. 5092 Nos. of busy interlocked gates have been provided with Sliding Booms as on 31.03.2020 in addition to lifting barriers and further busy gates are also being progressively covered.

(Source: Railway Year Book 2019-20)

Electrification

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

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

By March'2020, electrification on Indian Railways has been extended to 39,329 RKMs out of the total rail network of 67,956 RKMs. This constitutes 57.87% of the total Railway Network. On this electrified route, 67.3% of freight traffic and 59.6% of Passenger traffic is hauled with fuel cost on electric traction being merely 38.4% of the total traction fuel cost on Indian Railways. Further, Indian Railways has planned to electrify balance BG rail routes by 2021-22 to achieve 100% electrification of BG rail routes except some spur routes.

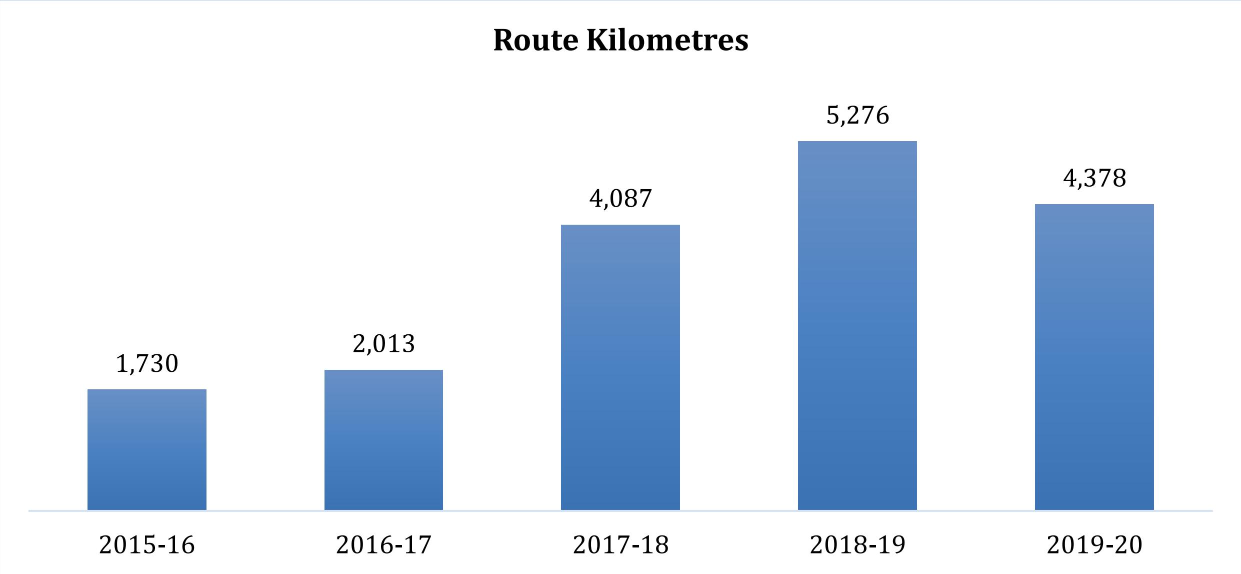
With the progressive electrification, metro cities of Delhi, Mumbai, Kolkata and Chennai have already been interconnected with electric traction. Mumbai Chennai route is also electrified except Bhigvan-Gulbarga, on which electrification work is in progress and targeted for completion by end of 2020-21.

Progress of Railway Electrification

Year	Cumulative Electrified(RKM)
1951	388
1961	748
1971	3,706
1981	5,345
1991	9,968
2001	14,856
2011	19,607
2018	29.228
2019	34,319
2020	**39,329**

During year 2019-20, 4,378 RKM has been electrified

Annual Railway Electrification



(Source: Railway Year Book 2019-20)

Signal and Telecom

Signalling

To increase efficiency and to enhance safety in train operations, Modern Signalling Systems comprising of Panel Interlocking/Route Relay interlocking/Electronic Interlocking (PI/RRI/EI) with Multi Aspect Colour Light Signals are being progressively provided. So for 6018 stations (covering about 96% of interlocked Broad Gauge stations) on Indian Railways have been provided with such systems, replacing the obsolete Multi Cabin Mechanical Signalling System, thus optimizing operational cost involved in its operation as well as enhancing safety by reducing human intervention. During 2019-20,12 Major Stations namely, Tilak Bridge, Faridabad, Ballabgarh, Madurai, Bhilai Marshaling, Jabalpur, Chakradharpur, Jaipur, Abu Road, Tundla, Danapur and Patratu have been provided with Route Relay Interlocking (RRI)/ Electronic Interlocking (EI). Panel Interlocking has been provided at 55 stations and Electronic Interlocking at 350 stations, have been provided during the financial year 2019-20

Growth of deployment of Signalling on Indian Railways:

Item	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Panel Interlocking (Stations)	4,107	4,155	4,130	4,052	3,863
Route Relay Interlocking (Stations)	281	281	282	228	228
Electronic Interlocking (Stations)	1,005	1,148	1,358	1,606	1,927
PI/RRI/EI (Stations)	5,393	5,584	5,770	5,886	6,018
Block Proving Axle Counter (Block sections)	4,640	4,976	5,058	5,363	5,663
Automatic Signalling (Route Kms)	2,752	2,866	2,901	3,039	3,309
Intermediate Block Signalling (Block sections)	489	501	532	574	602
Interlocked level Crossing Gates (Nos.)	10,776	10,826	11,006	11,375	11,639

Self-Sufficiency

Signalling Workshop: Railway Signalling installations use a number of specialized equipment for smooth and safe running of trains. With upgradation in technology and shift towards electrical/electronic system of signalling, the demand for these equipments has gone up. To attain self-sufficiency in meeting increase demands

North Eastern Railway, Howrah on Eastern Railway, Byculla on Central Railway, Sabarmati on Western Railway, Ajmer on North Western Railway, Kharagpur on South Eastern Railway and Ghaziabad on Northern Railway have been manufacturing items like Electric Point Machines, Token less Block Instrument, Double Line Block

Instruments, Axle Counters, various types of Relays, etc. The out-turn achieved by these S&T workshops during 2015-16 to 2019-20 are as under:

Year Wise out Turn Signal and Telecommunication Workshop:

Year	Out Turn in Lakhs
2015-16	22,098.30
2016-17	22,513.21
2017-18	25,749.21
2018-19	29,669.70
2019-20	**32,385.90**

(Source: Railway Year Book 2019-20)

Telecommunication

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

As on March 2020, Indian Railways has about 59,105 Route Kilometers of Optical Fibre Cable (OFC) that is carrying Gigabits of traffic. Railways Control Communication which is quintessential for train operation and control is also being transferred to OFC system. This OFC network is also contributing significantly in building National Knowledge Network through RailTel. It is also planning to provide Broadband connectivity to Panchayats through this OFC network.

Railways have planned Wi-Fi facility to be provided at all stations excluding Halt Stations for internet facility to passengers which will aid in “Digital India” initiatives of Govt. of India. Wi-Fi internet facility at 5,819 stations has been provided till 31.10.2020. Work is in progress at remaining stations by M/s Tata Trust without incurring any expenditure by Ministry of Railways. Wi-Fi system has also been provided at Railway Offices and 80 Divisional and Zonal Hospitals over IR.

To enhance the security of passengers and premises and to work as a strong deterrent to crime in station premises particularly those against women and children, IR has planned to provide Video Surveillance System at 6,124 (A1, A, B, C, D and E category) stations on Indian Railways. Video Surveillance (CCTV) System has been provided at 627 stations till 31.08.2020. In addition, CCTV also provided at Railway Offices and 80 Divisional and Zonal Hospitals over Indian Railways.

Indian Railways have also rolled out Global System of Mobile Communication–Railways (GSM-R) based Mobile Train Radio Communication (MTRC). MTRC has already been provided on 3,445 Route Kms. Now Railways have decided to go for Long Term Evolution (LTE) System based MTRC to fulfill the data and voice needs

Indian Railways has its own satellite hub that is being utilized for connecting remote locations for Freight Operation Information System (FOIS), Unreserved Ticketing System (UTS) and Disaster Management System as well as for other critical communication needs. Besides IR network uses 16,880 data circuits that power its various data and voice networks across the country.

Railways have also established their Multi-Protocol Level Switching (MPLS) based Next Generation Network (NGN) for voice traffic. This Next Generation Network (NGN) has been used to interconnect more than 100 exchanges of Railways carrying the administrative voice traffic. Common User Group (CUG) mobile phones have also been hired to enable communication while on move to enhance safety, reliability and productivity. IR is also using 1.54 lakh VHF walkie-talkies sets to ensure safety and enhance reliability

Telecom also plays a major role in ensuring passenger comfort. For the convenience of passengers, Train Information Boards have been provided at 1,137 stations, Public Address (PA) Systems at 4,508 stations and Coach Guidance System at 648.

Implementation of e-Office application over Indian Railways as a part of digital initiative and to go paperless in the office working which would ultimately improve transparency and efficiency in the system, is also under implementation over Indian Railways. Till 30.09.2020, 106 location including all zonal and divisional headquarters have been connected through e-Office over Indian Railways.

(Source: Railway Year Book 2019-20)

Rolling Stock

Locomotives

The size of IR's fleet of locomotive stock as on 31st March, 2020 consisted of 39 steam, 5,898 diesel and 6,792 electric locomotives. The number of locomotives, traction-wise, along with their average tractive effort is as follows:

Year	Number of locomotives				Tractive effort per loco (in kgs.)	
	Steam	Diesel	Electric	Total	B.G.	M.G.
1950-51	8,120	17	72	8,209	12,801	7,497
1960-61	10,312	181	131	10,624	14,733	8,201
1970-71	9,387	1,169	602	11,158	17,303	9,607
1980-81	7,469	2,403	1,036	10,908	19,848	10,429
1990-91	2,915	3,759	1,743	8,417	24,088	12,438
2000-01	54	4,702	2,810	7,566	29,203	18,537
2010-11	43	5,137	4,033	9,213	34,380	18,304
2017-18	39	6,086	5,639	11,764	38,166	16,879
2018-19	39	6,049	6,059	12,147	*38,537	16,226
2019-20	39	5,898	6,792	12,729	39,037	16,454

* revised

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

Year	Broad Gauge		Metre Gauge	
	Diesel	Electric	Diesel	Electric
2016-17	37,633	37,995	18,948	-
2017-18	38,244	38,086	18,960	-
2018-19	*38,621	38,455	18,967	-
2019-20	38,777	39,257	18,963	-

*revised

Coach upkeep

1,184 old coaches were given mid-life rehabilitation which brought substantial improvement in the condition of flooring, toilets and other passenger amenities.

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

Year	Passenger Coaches						Other Coaching Vehicles (Number+)
	EMU Coaches		Conventional Coaches		DMU/DHMU		
	Number	Capacity $	Number @	Seating capacity	Number	Seating capacity	
1950-51	460	87,986	13,109	8,54,678	-	-	6,059
1960-61	846	1,50,854	20,178	12,80,797	-	-	7,415
1970-71	1,750	3,40,541	24,676	15,05,047	-	-	8,719
1980-81	2,625	5,00,607	27,478	16,95,127	-	-	8,230
1990-91	3,142	6,09,042	28,701	18,64,136	-	-	6,668
2000-01	4,526	8,59,701	33,258	23,72,729	142	13,884	4,731
2010-11	7,292	13,64,948	45,082	32,54,555	761	74,097	6,500
2017-18	9,556	17,48,490	54,080	39,57,263	1,690	1,67,185	6,537
2018-19	10,439	18,85,610	55,258	*40,41,235	*1,883	*1,65,524	6,406
2019-20	11,360	20,72,843	57,083	42,05,915	1,793	1,57,012	6,372

$ Includes standing accommodation.

@ Includes Rail Cars. + Includes luggage vans, mail vans, parcel vans, etc.

* Revised

Wagons

As on 31st March, 2020, the size of IR's wagon fleet consisted of 2,93,077 units 67,011 covered, 1,69,871 open high-sided, 17,473 open low-sided, 23,664 other types and 15,058 brake vans/departmental wagons

			Percentage of total number of wagons				
Year	**Total wagons on line (In units)**	**Covered**	**Open high sided**	**Open low sided**	**Other types**	**Depart-mental**	**Total**
1950-51	2,05,596	58.9	25.5	3.4	7.2	5.0	100
1960-61	3,07,907	57.3	25.5	2.5	10.6	4.1	100
1970-71	3,83,990	53.4	25.6	1.8	13.0	4.2	100
1980-81	4,00,946	53.3	28.3	3.2	11.8	3.4	100
1990-91	3,46,102	49.1	29.6	3.6	14.4	3.3	100
2000-01	2,22,193	34.1	41.0	3.6	17.5	3.8	100
2010-11	2,29,987	26.6	52.8	3.1	12.0	5.6	100
2017-18	2,79,311	23.7	56.8	5.7	8.4	5.4	100
2018-19	2,89,175	23.4	57.1	5.9	8.5	5.1	100
2019-20	2,93,077	22.8	58.0	6.0	8.1	5.1	100

Carrying capacity per wagon on broad gauge and metre gauge are indicated below:

	All Gauge		Broad Gauge		Metre Gauge	
Year	**Total number of wagons $ (000)**	**Total capacity (Million tonnes)**	**Number $ (000)**	**Average capacity (Tonnes)**	**Number $ (000)**	**Average capacity (Tonnes)**
1950-51	195	4.14	149	22.6	43	17.1
1960-61	295	6.3	207	23.1	83	18.0
1970-71	368	9.35	271	27.8	91	19.1
1980-81	387	11.14	299	30.6	83	23.0
1990-91	335	11.5	276	36.9	55	22.9
2000-01	214	10.19	199	48.7	14	34.4
2010-11	217	12.18	213	56.6	4	33.0
2017-18	264	16.28	263	61.7	1.1	31.7
2018-19	275	16.95	274	61.9	1.0	31.6
2019-20	278	17.44	277	62.8	1.0	32.2

$ Excludes departmental service wagons and brake vans

Some of the major types of wagons plying on Indian Railway as on 31.3.2020 are shown below:

Types of Wagons fleet (BG)		
Types of Wagon	**Units available**	**Brief description**
BOXNHS	19341	Bogie open wagon, air brake, high speed.
BOXNS	4304	Bogie open wagon, air brake, high speed.
BOXNLW	2298	Bogie open wagon, air brake, light weight.
BOXNCR	365	Bogie open wagon, air brake, made of corrosion resistant IRS M : 44 steel.
BOXNHA	755	Bogie open, air brake wagon of 22 t axle load with high side walls (higher than BOXN), designed for transportation of coal.
BOXNHL	66727	Bogie open air brake, stainless steel wagon
BOX' N'	35297	High - sided bogie open wagon with cast steel bogie, high tensile couplers, Cartridge Tapered Roller Bearings (CTRB), air brake, etc. for movement of bulk commodities like coal, iron ore etc.
BOY	1174	Standard Gondola wagon, air brake, to carry minerals / iron ore with an axle load of 22.9 t.
BCN / BCNA	41896	Bogie covered wagon, air brake fully riveted / welded construction for transportation of bagged cement, food grains, fertilizers, etc.
BCNAHS/BCNHS	8980	Bogie covered, air brake, all welded and riveted construction with High Speed bogie CASNUB – 22 HS BOGIE.
BCNHL	18823	Bogie covered, air brake, micro – alloy (stainless steel wagon)
BRN	1357	Bogie Rail wagon Heavy, air brake.
BRNA/HS	5751	Bogie Rail wagon Heavy, air brake, High Speed bogie, riveted cum welded construction

Types of Wagons fleet (BG)		
Types of Wagon	**Units available**	**Brief description**
BRHNEHS	1560	Bogie Rail wagon, air brake, high speed CASNUB BOGIE for engineering department.
BFNS	1195	Bogie Flat, air brake wagon, high speed for transportation of H.R. coils, plates, sheets and billets loading.
BOST/HS	9812	Longer BOXNHS, air brake, wagon for finished steel products.
BOBR/N/HS	15337	Bogie open rapid discharge air brake wagon for coal
BOBYN	5941	Bogie Hopper, air brake, bottom discharge wagon.
BOBSN	2041	Bogie open air brake, side discharge wagon for iron ore.
BTPN	11651	Bogie Tank wagon, air brake, for liquid consignments like petrol, naptha, ATF and other petroleum products
BTPFLN	804	Bogie Tank wagon, air brake, with frameless body.
BTPGLN	338	Bogie Tank wagon, air brake, for carrying Liquified Petroleum Gas.
BLCA/BLCB/BLCAM	19047	Low Platform Container Flat wagon, 840 mm wheel diameter, AAR'E' type entre buffer coupler and slack less draw bar system (privately owned)
BLLA/BLLB(Group)	1634	Container Flat wagon, same as BLCA / BLCB, but with a Longer Platform of 45ft.(privately owned)

(Source: Railway Year Book 2019-20)

Increasing production of LHB coaches:

Ministry of Railways has decided for large scale proliferation of LHB coaches which are technologically superior with features like Anti climbing arrangement, Air suspension (Secondary) with failure indication system and less corrosive shell. These coaches have better riding and aesthetics as compared to the conventional ICF coaches. The Production units of Indian Railways are now producing only LHB coaches from April 2018 onwards.

The production of LHB coaches are continually increased during the years: 1,469 LHB coaches in 2016-17, 2,480 LHB coaches in 2017-18 and 4,429 LHB coaches in 2018-19, and 6,277 LHB coaches in 2019-20.

Traction

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

Percentage of Train Kms. by types of traction

	Passenger				Freight		
Year	**Steam**	**Diesel@**	**ElectricLoco$**	**EMU**	**Steam**	**Diesel**	**Electric**
1950-51	93	-	2	5	99	-	1
1960-61	91	-	2	7	94	5	1
1970-71	77	7	7	9	46	39	15
1980-81	49	25	14	12	18	62	20
1990-91	21.8	42.4	22.6	13.2	3	60.6	34.4
2000-01	-	56.2	31.2	12.7	-	43.5	56.5
2010-11	-	49.4	36.6	13.9	-	37.5	62.7
2017-18	-	44.2	41.4	14.4	-	38.7	61.3
2018-19	-	46.3	42.1	11.6	-	*37.2	*62.8
2019-20	-	43.0	45.4	11.6	-	35.3	64.7

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

Electric Traction

Highest-ever Electric loco production:

CLW has turned out 431 three-phase electric loco in year 2019- 20 which is the rarest feat achieved by CLW and this performance has been unprecedented in the history of CLW. A cumulative production of 784 electric locomotives has been achieved during 2019-20 utilizing the capacity of CLW, DLW and DMW.

Operation of trains with WAP-5/WAP-7 locomotive in push-pull mode:

In order to increase average speed of passenger trains, IR has successfully introduced Push-pull operation (one locomotive in front of rake and one rake in rear of rake with all controls from front locomotive) in train no. 22221/22 between Mumbai – Delhi (CSMT – NZM) over Central Railway Route. With the Push-Pull arrangement in this train, attaching/detaching of banker locomotive at ghat section between Kasara – Igatpuri is no more required. Average speed of train has also been enhanced and journey time has been curtailed by about 90 minutes. New Delhi-Mumbai and New Delhi-Kolkata Rajdhani trains are planned to be converted in Push Pull scheme. This will result in saving of 60-90 minutes in travel time.

Manufacturing of High Horse Power (9000 hp) Freight locomotives:

Enhancement of average speed of freight trains is one of the Mission of Indian Railways. At present Horse Power to Trailing Load ratio of freight trains is less than one which is just adequate. Thus average speed of freight trains on IR is only 23.2 kmph (ASS 2018-19) even after deployment of multi locomotives in heavy freighters. To the solution, IR has taken initiative and developed High Horse Power Freight electric locomotives (9000 HP) in-house successfully. The upgradation is 'Make in India' initiative and only with the incremental increase in initial cost of locomotive. Two such locomotives have been turned out from CLW and are under extensive field trials.

New Era of Green Technology- HOG power supply:

Around 700 locomotives have been provided with Hotel Load Converter and around 500 pair of trains are being converted for HOG scheme up to Feb 2020. All Passenger (WAP7) locos turned out by CLW are fitted with Hotel Load Converters. The main benefits of this system are supply of pollution free and cheaper power from OHE as compared to End on Generation (EOG) system besides other advantages like reduction of carbon emission, noise level and consumption of fossil fuels helping in protecting the environment. There is a saving of around ₹1.5 lakhs per day per pair of rake by using HOG supply.

Crew Voice/Video recording system (CVVRS):

Provision of Crew Voice and Video Recording system (CVVR), similar to provision of black box in aeroplanes is being tried on electric locomotives for recording of cab voice and video and track side through microphones and cameras. Recording of crew communications and crew interactions that occurred immediately prior to the accident will provide assistance to identify and address the operational and human factors issues within a proactive safety management system. Procurement of 5000 and 500 CVVRs are being procured through CLW and DMW respectively. Subsequently it will be provided in all locomotives as a regular measure.

Up-gradation of WAP-5 locomotive from 5400 hp to 6000 hp:

The entire fleet of WAP-5 locomotives has been upgraded from 5400 HP to 6000 HP by modifying the Vehicle Control software. This has not only increased the power on-wheel but also the acceleration reserve. Above up-gradation has been carried out indigenously. All WAP5 locomotives turned out from CLW are of 6000 HP.

Real Time Train Information System (RTIS):

For availability of actual train information in public domain, a GPS based 'Real Time Train Information System' (RTIS) has been developed and is being installed on electric locomotives. Total 2700 locomotives have been provided with RTIS so far.

(Source: Railway Year Book 2019-20)

Dedicated Freight Corridor

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

The existing trunk routes of Howrah-Delhi on the Eastern Corridor and Mumbai-Delhi on the Western Corridor were highly saturated, line capacity utilization varying between 115% to 150%. Railways lost the share in freight traffic from 83% in 1950-51 to 35% in 2011-12.

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

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

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

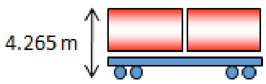
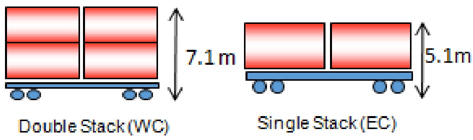
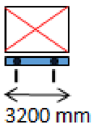
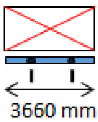
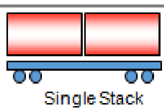
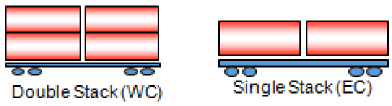
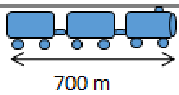
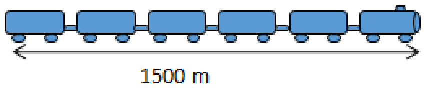
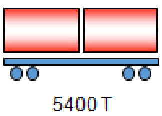
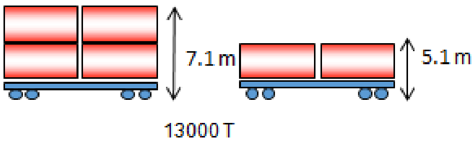
(Source: https://www.dfccil.com/home)

Design Features

Dedicated Freight Corridors are proposed to adopt world class and state-of-the-art technology. Significant improvement is proposed to be made in the existing carrying capacity by modifying basic design features. The permanent way will be constructed with significantly higher design features that will enable it to withstand heavier loads at higher speeds. Simultaneously, in order to optimize productive use of the right of way, dimensions of the rolling stock is proposed to be enlarged. Both these improvements will allow longer and heavier trains to ply on the Dedicated Freight Corridors. 25 tn axle load wagons are expeceted to run on DFC. This will significantly increase throughput on IR.

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

<u>Upgraded Dimensions of DFC</u>:

Feature	Existing on IR	On DFC
Moving Dimensions		
Height		
Width		
Container Stack		
Train Length		
Train Load		

Upgraded Design Features of DFC

Feature	Existing on IR	On DFC
Heavier Axle load		
Axle Load	22.9 T/25T	25/T (Track Structure), Bridges & Formation Designed for 32.5T
Track loading Density	8.67t/m	12t/m
Minimum Speed	75 Kmph	100 Kmph
Grade	Up to 1 in 100	1 in 200
Curvature	Up to 10 Degree	Up to 2.5 Degree
Traction	Electrical (25 KV)	Electrical (2x25 KV AT Feeding)
Station Spacing	7-10 Km	40 km on Double Line 10 Km on Single Line
Signalling	Absolute/Automatic with 1 Km spacing	Automatic With 2Km Spacing
Communication	Emergency Socket/Mobile Train Radio	Mobile Train Radio

Technological Firsts:

Make in India Initiative

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

Signaling and Telecommunication:

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

Civil Engineering

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

6. Blanket thickness based on quality of base soil- resulting into economy in construction.

7. Use of reinforced earth/wall- will reduce requirement of land in critical areas.

8. Long Flash butt welded panels- To avoid field joints in rails.

9. CWRILWR through points and crossings- will enhance safety by avoiding free joint and reducing impact in turnout zone.

10. GPS co-ordinates of proposed land boundary- For better management of land.

11. Friction buffer stop- to enhance the safety of trains.

Electrical System

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

2. High Rise OHE - suitable for double stack operation on flat wagons on DFCC.

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

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

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

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

7. Green Initiatives - DFCCIL is expected to offer reduction of more than 450 million ton of CO2 in first 30 years of operation leading to reduced Green House Gas (GHG) emissions in transport sector in India

Eastern Corridor

The Eastern Dedicated Freight Corridor with a route length of 1873km consists of two distinct segments: an electrified double-track segment of 1426km between Dankuni in West Bengal and Khurja in Uttar Pradesh and an electrified single-track segment of 447 km between Ludhiana (Dhandarikalan) - Khurja - Dadri in the state of Punjab, Haryana and Uttar Pradesh. Due to non - availability of space along the existing corridor particularly near important city centers and industrial townships, the alignment of the corridor takes a detour to bypass densely populated towns such as Deen Dayal Upadhyaya, Prayagraj, Kanpur, Etawah, Ferozabad, Tundla, Barhan, Hathras, Aligarh, Hapur, Meerut, Saharanpur, Ambala, Rajpura, Sirhind, Doraha and Sanehwal. Since the origin and destinations of traffic do not necessarily fall on the DFC, a number of junction arrangements have been planned to transfer traffic from the existing Indian Railway Corridor to the DFC and vice versa. These include Dankuni, Andal, Gomoh, Sonnagar, Ganjkhwaja, Deen Dayal Upadhyaya, Jeonathpur, Naini/Cheoki, Prempur, Bhaupur, Tundla, Daudkhan, Khurja, Kalanaur, Rajpura, Sirhind and Dhandarikalan. The Eastern Corridor will traverse through 6 states.

Eastern Corridor is projected to cater to a number of traffic streams-coal for the power plants in the northern region of U.P., Delhi, Haryana, Punjab and parts of Rajasthan from the Eastern coal fields, finished steel, food grains, cement, fertilizers, lime stone from Rajasthan to steel plants in the east and general goods. The total traffic in UP direction is projected to go up to 116 million tonnes in 2021-22. Similarly, in the Down direction, the traffic level has been projected to increase to 28 million tons in 2021-22. As a result, the incremental traffic since 2005-2006, works out to a whopping 92 million tons. A significant part of this increase would get diverted to the Dedicated Freight Corridor. The following table depicts the distance traversed through each state.

Eastern DFC	
State	KMs
Punjab	88
Haryana	72
Uttar Pradesh	1076
Bihar	236
Jharkhand	199
West Bengal	202
Total	**1873**

Traffic Projections:

As per RITES project report, the traffic that would move on the Eastern DFC, excluding the base year traffic (2005-06), is projected as below

Projections On Eastern DFC (in million tons/year)

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

Western Corridor

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

Western DFC	
States	**Kms**
Haryana	177
Rajasthan	567
Gujarat	565
Maharashtra	177
Uttar Pradesh	18
Total	**1504**

However, it is entirely on a new alignment from Rewari to Dadri. The Western DFC is proposed to join Eastern Corridor at Dadri. Junction Stations between the existing railway system and the Western DFC have been provided at Vasai Road, Kosad/Gothangam, Makarpura (Vadodara), Amli Road (Sabarmati), Palanpur, Marwar Jn., Phulera, Rewari and Pirthala Road. More than 300 kms of track completed from Rewari-Madar and trains are running on trial basis.

Traffic Projections:

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

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

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

Projections on Western DFC (in million tons/year)

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

(Source: https://www.dfccil.com/home)

Power-Sector at Glance all India

Installed Capacity in respect of Renewable Energy Sources(MNRE) as on July 31st 2021

Fuel	MW	% of Total
Total Thermal	2,34,858	60.9%
Coal	2,02,805	52.6%
Lignite	6,620	1.7%
Gas	24,924	6.5%
Diesel	510	0.1%
Hydro (Renewable)	46,367	12.1%
Nuclear	6,780	1.8%
RES* (MNRE)	98,883	25.2%
Total	**3,86,888**	

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

The electricity generation target of conventional sources for the year 2021-22 has been fixed as 1356 Billion Unit (BU). i.e. growth of around 9.83% over actual conventional generation of 1234.608 BU for the previous year (2020-21). The conventional generation during 2020-21 was 1234.608 BU as compared to 1250.784 BU generated during 2019-20, representing a negative growth of about 1.29%.

Hydro-Electricity

The re-assessment studies of hydroelectric potential of the country, completed by Central Electricity Authority in 1987, have assessed the economically exploitable hydro power potential in terms of installed capacity as 148701 MW out of which 145320 MW of capacity is from schemes having capacity above 25 MW.

As on 31.03.2020, the hydroelectric schemes in operation account for only 28.15% (40913.6 MW) and those under execution for 7.84% (11393.5 MW) of the total potential in terms of installed capacity. Thus, the bulk of the potential (64.01%) remains to be developed.

In addition, 63 sites for development of Pumped Storage Schemes (PSS) with probable total installation of 96529.6 MW have been identified in the country. At present, 9 Nos. Pumped Storage Projects (above 25 MW) having total installed capacity of 4785.60 MW are constructed and 3 Pumped Storage project (1580 MW) are under construction.

50,000 MW Hydro-Electric initiative

Under the 50,000 MW Initiative, preparation of Preliminary Feasibility Reports (PFRs) for 162 hydro-electric projects spread over 16 states was taken up by CEA in the year 2003-04 as nodal agency with CPSUs/State agencies as Consultants. The role of CEA included overall coordination, facilitating collection of data, and quality control by vetting conceptual planning, assessment of power benefits and selection of projects parameters, evacuation of power and monitoring of works. NHPC Ltd., WAPCOS, NEEPCO, SJVN Ltd. And number of State Power Utilities were associated in preparation of these Preliminary Feasibility Reports. All the 162 Nos. of PFRs were completed in Sept., 2004 for all these projects with an installation of 47,930 MW.

Out of 162 schemes (47930 MW), DPRs in respect of 37 schemes (20435 MW) have already been prepared. Out of these 37 schemes, 1 scheme (105 MW) has been commissioned while 8 schemes (1968 MW) are under construction in the country. A total of 15 schemes (8251 MW) have been concurred by CEA while 3 schemes (510 MW) are under examination in CEA/CWC. A total of 7 schemes (2935 MW) are under Survey and Investigation (S&I) for preparation of DPRs while DPR in respect of remaining 118 schemes (24560 MW) is yet to be prepared due to various issues.

Hydel Generation Performance during year 2019-20

The region wise summary of Hydel Generation performance in the country is as follow:

Region	Generation(BU)		Deviation(+/-)
	Target	Actual	%
Northern	71.51	80.55	12.64%
Western	12.20	17.81	45.98%
Southern	27.12	31.75	17.07%
Eastern	19.24	20.82	8.31%
N-Eastern	6.85	4.82	-29.63%
All India	**136.93**	**155.76**	**13.75%**

Against target of 136.93 BU, the actual energy generation during the year 2019-20 was 155.76 BU, which was 13.75% more than the target.

The re-assessment studies of hydroelectric potential of the country, completed by Central Electricity Authority in 1987, have assessed the economically exploitable hydro power potential in terms of installed capacity as 148701 MW out of which 145320 MW of capacity is from schemes having capacity above 25 MW.

Renovation and Modernisation of Hydro Electric Projects

Renovation and Modernisation, Uprating and Life Extension (RMU&LE) of the existing old hydro electric power projects is considered a cost effective option to ensure optimization of resources, efficient operations, better availability also to augment (uprating) capacity addition in the country.

Recognizing the benefits of R&M of hydroelectric power projects, Govt. of India set up a National Committee in 1987 and a Standing Committee in 1998 and thereafter had identified the projects/ schemes to be taken up for implementation under R&M. The National Perspective Plan document for R&M of hydroelectric power projects in the country was also prepared in CEA during the year 2000. The status of various projects/schemes already identified for implementation/completion till the end of XI Plan, i.e. March, 2012 has been incorporated in the National Perspective Plan.

I. Hydro R&M schemes completed up to XII Plan

S No	Plan Period	No of projects			Installed Capacity (MW)	Actual Expenditure (₹ in Crs)	Benefit (MW)
		Central Sector	State Sector	Total			
1	Up to VIII Plan Schemes	2	11	13	1282.00	127.37	429.00[39.00(U) +54.00LE+ 336.00(Res.)]
2	IX Plan Schemes	8	12	20	4892.10	570.16	1093.03[339.00(U)+423.00(LE) +331.03(Res.)]
3	X Plan Schemes	5	27	32	4446.60	1029.24	829.08[123.40(U)+ 701.25 (LE) +4.43(Res.)]
4	XI Plan Schemes	4	14	18	5841.20	294.84	735 [12 (U) + 708(LE) +15 (Res.)]
5	XII Plan Schemes	2	19	21	4149.60	1115.97	549.40 [58 (U)+ 476.40(LE)+15(Res.)]
	Total	**21**	**83**	**104**	**20611.50**	**3137.58**	**3635.51[571.40 (U)+ 2362.65 (LE)+701.46 (Res.)]**

LE - Life Extension, Res. – Restoration, U – Uprating

II. Programme of R&M works during 2017-22

S No	Category	No of projects			Capacity (MW) Covered under R&M&LE	Estimated Cost (₹ in Crs.)	Benefit (MW)
		Central Sector	State Sector	Total			
1	Programmed	8	38	46	9197.45	5822.36	4527.35[4391.65(LE)+ 135.7(U]
2	Completed	3	1	4	858.40	143.60 (Actual Cost)	132.40 [118.4 (LE)+14 (U)]
3	Under Implementation	4	24	28	5791.10	3724.34	2152.52 [2042.30(LE) +109.70 (U)]
4	Under Tendering	1	10	11	1273.75	1574.04	968.75 [956.75(LE) +12 (U)]
5	Under DPR Preparation/ Finalisation/ Approval	0	3	3	1274.20	341.47	1274.20 (LE)

Steel Castings

The Indian foundry industry manufacturers metal cast components for applications in Auto, Tractor, Railways, Machine tools, Sanitary, Pipe Fittings, Defence, Aerospace, Earth Moving, Textile, Cement, Electrical, Power machinery, Pumps / Valves, Wind turbine generators etc. Foundry Industry has a turnover of approx. USD 19 billion with export approx. USD 3.1 billion.

However, Grey iron castings have the major share i.e. approx 68% of total castings produced.

There are approx 4600 units out of which 90% can be classified as MSMEs.

Approx 1500 units are having International Quality Accreditation. Several large foundries are modern and globally competitive. Many foundries use cupolas using LAM Coke. However, these are gradually shifting to Induction Melting. There is growing awareness about environment and many foundries are switching over to induction furnaces and some units in Agra are changing over to cokeless cupolas.

Major Foundry Clusters:

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

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

Manpower:

The total Manpower in Foundry Sector is approx. 500,000 Directly and 150,00,00 indirectly. The foundry sector is highly labour intensive and currently generates employment for 2 Millions directly and indirectly mainly from socially and economically weaker sections of society. It has potential to generate additional employment of 2 Million in next 10 years.

Global Scenario:

As per 54rd World casting Census published by Modern Castings USA in January 2021, Total Global Casting Production 109.05 million metric tonnes, a decrease of 3.2% as compared to the previous year. China, India and the US hold the top three spots. China reported a 1.2% decrease in Production and India the 2nd largest producer of castings in the world was a decrease in Production of 14.2%.

Role in Manufacturing Sector:

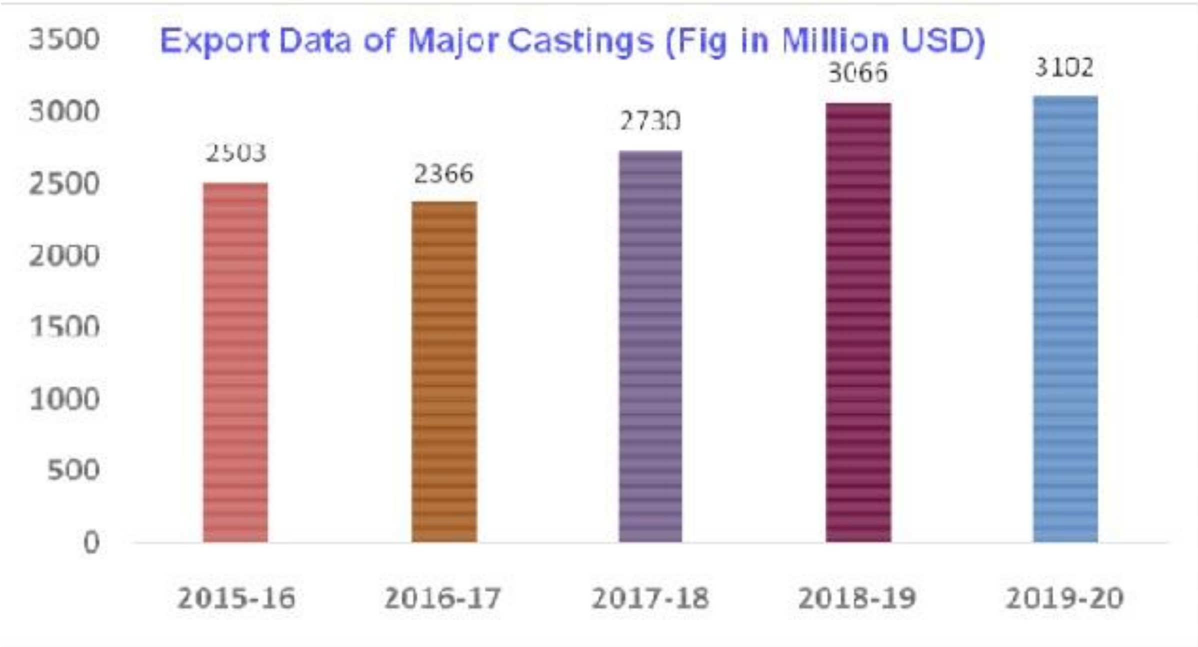
The new manufacturing policy envisages the increase in the share of manufacturing in the GDP to 25% from current 15% and to create 100 Million additional jobs in next 10 years. Since all engineering and other sectors use metal castings in their manufacturing, the role of foundry industry to support manufacturing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

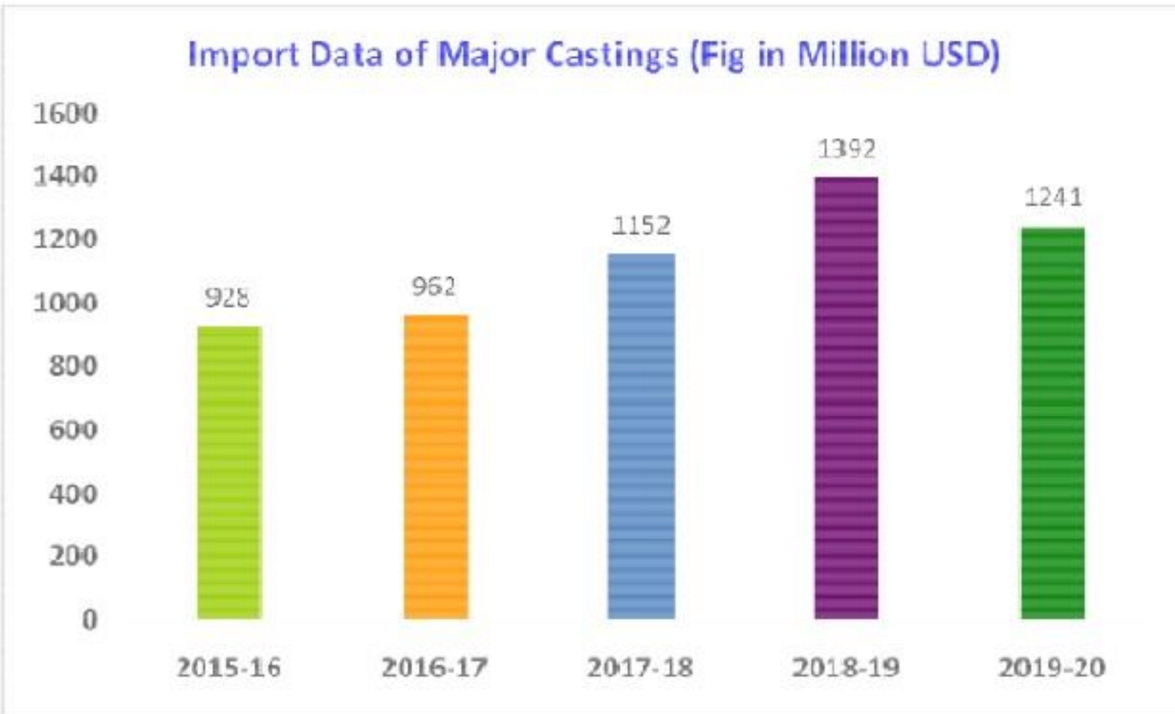
Production in Million Tonnes:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Grey C.I.	6.83	7.41	7.89	8.44	9.41	7.72
SG Iron	1.07	1.18	1.18	1.23	1.31	1.22
Malleable	0.06	0.05	0.05	0.05	0.05	0.05
Steel	0.968	0.88	1.01	1.03	1.21	1.14
Non Ferrous	1.093	1.25	1.22	1.3	1.4	1.36
TOTAL	10.021	10.77	11.35	12.05	13.38	11.49

Exports Import trends

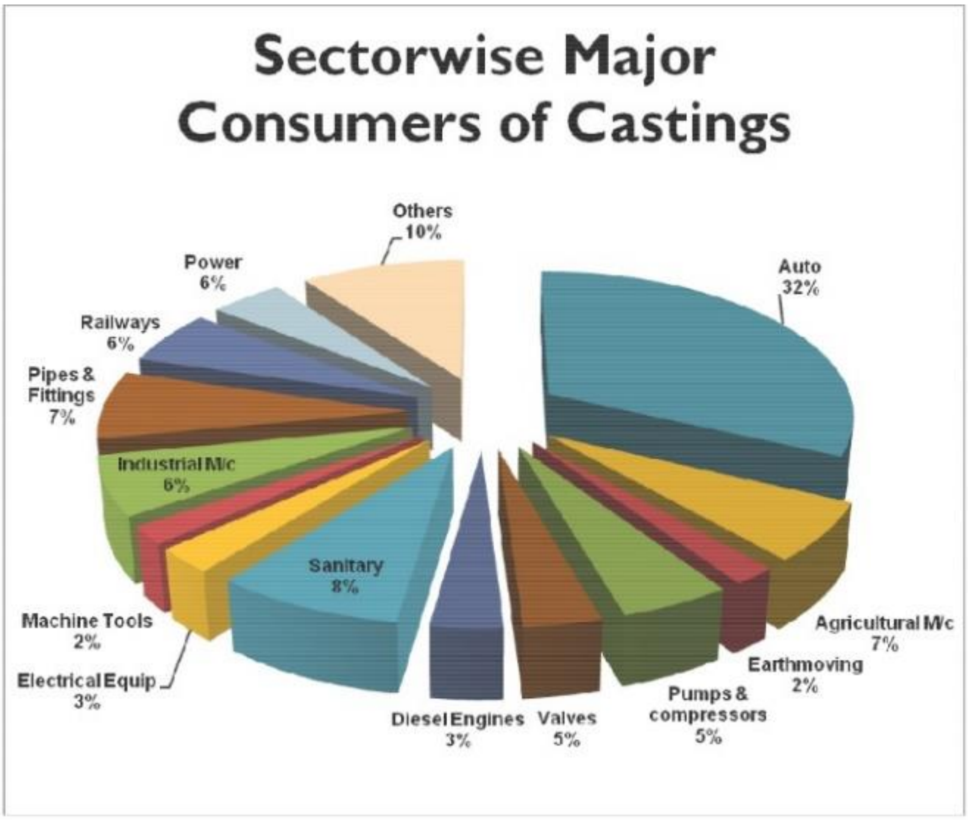
The Exports have been showing healthy trends approx 25-30% YOY till 2011-12 after that there was slow down in export. However, the current exports for FY 2019-20 are approx USD 3.1 billions.





Sectorwise Consumption of Casting

Automobile Sector is major consumers of castings, Please see the Chart Below.



(Source: Foundry Informatics Centre, The Institute of Indian Foundrymen, http://www.foundryinfo-india.org/profile_of_indian.aspx)

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 16 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 20. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from various government publications. This section should be read in conjunction with the "Industry Overview" on page 64.

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.

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

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

We have also expanded our market overseas and have exported wagons and rolling stock to various countries. We have exported Phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreadnought ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa and Sri Lanka, and tank wagons to Bangladesh, Cameroon and Sri Lanka. We have strong in-house capabilities for the design and manufacture of commodity specific special purpose wagons for core sectors such as cement, coal, alumina, ammonia, steel, container freight wagons, oil, chemicals, fertilisers, and the defence sector among others. We have been certified by the RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Over the years, we have also built strong capabilities in designing, marketing, manufacturing, erecting and commissioning of hydro- mechanical equipment and executed several hydro-mechanical projects both in India and overseas. In addition, we also manufacture steel super structure for railway bridges. We are also one of the largest suppliers of steel castings in India, with an annual production capacity of 42,000 metric tonnes of steel castings. Our steel foundry division located at Belgharia is engaged in manufacturing of railway castings such as bogies, couplers, draft gears, cast manganese steel ("**CMS**") crossings, and industrial castings such as shrouds for mining equipments, and hub castings for hydro equipment. We supply steel castings to the Indian Railways and other wagon builders in India. We are also exporting steel castings to USA, Australia, Mexico and Malaysia. We designed, manufactured, supplied, transported, erected, and commissioned the hydromechanical equipment for Stage V of the Teesta Hydroelectric Project in Sikkim. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2020.

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

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

The order book of our Company, as on June 30, 2021 stands at ₹3,33,387.00 lakhs.

The table below sets forth the composition of our Company's total revenues and profit after tax, for Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(In ₹ lakhs)

	Fiscal 2021	Fiscal 2020	Fiscal 2019
Income			
- Heavy Engineering Division	73,196.86	84,796.94	78,535.78
- Steel Foundry Division	31,962.80	34,781.42	26,879.55
- Rail EPC Division	77,782.24	82,449.14	95,102.26
Total Income	1,82,941.90	2,02,027.50	2,00,517.59
Profit after tax	1,202.26	(6,492.44)	7,541.27

The COVID-19 pandemic and related volatility in financial markets and deterioration of national and global economic conditions could affect our business and operations in a variety of ways. On account of the lockdown, due to the COVID-19 pandemic our operations were disrupted for few months and we had to temporarily cease our production activities by shutting down our plants located at Agarpara, Belgharia, Sodepur and Panihati in the outskirts of Kolkata, West Bengal and Urla, Raipur, Chhattisgarh. Further, West Bengal also suffered another serious setback in the form of super cyclone 'Amphan' which caused widespread destruction of life and property specially in and around Kolkata, North 24 Paraganas and South 24 Paraganas districts, which bore the brunt of the impact. As a result, the operations suffered another setback with severe damage to buildings and equipment. Consequently, our operational results were negatively impacted. To mitigate the impact, we adopted cost control measures to improve productivity and rationalizing employee cost. In addition, the spread of COVID- 19 caused us to modify our business practices and implement significant proactive measures to protect the health and safety of our employees, and we are taking such further actions as may be required by government authorities from time to time or as we determine appropriate under the circumstances. However, there is no certainty that such measures will be sufficient to mitigate the risks posed by the pandemic.

OUR STRENGTHS

Our principal competitive strengths are set forth below:

Total rail solution provider

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

Leading manufacturer of wagons in India

We have been in the business of manufacturing wagons through Texmaco Limited. The Ministry of Railways, Government of India has recognised us as one of the suppliers of wagons to the Indian Railways, supplying approximately 14.70%, 15.20% and 15.70% of the total wagon demand for Fiscal 2021, Fiscal 2020, and Fiscal 2019, respectively. We have been certified by RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Additionally, our wagon manufacturing facility, located at Agarpara, is the one of the largest single location wagon manufacturing facilities in India. Our Company is capable of manufacturing 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.

For Fiscal 2021, Fiscal 2020, and Fiscal 2019, our revenue from our sales of wagons, locomotive shells and rolling stock was ₹72,907.26 lakhs, ₹83,642.51 lakhs, and ₹78,093.80 lakhs, which comprised 40.03%, 41.64% and 39.13%of our total income, respectively.

Leading manufacturer of railway steel castings

Our Company is equipped with a steel foundry equipped with twin high pressure moulding production lines. Our steel foundry, inclusive of the new steel foundry division of Simplex Castings Limited acquired by us, has annual production capacity of 42,000 metric tonnes of steel castings. We have received certification as a "Class A" foundry by RDSO, Ministry of Railways. We have also been certified as an approved source for manufacturing bogies, couplers, CMS crossings and draft gears. Further, we have been certified by the Association of American Railroads ("**AAR**") for railroad castings. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for achieving the highest level of exports of steel castings in the eastern region of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2020.

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

For Fiscal 2021, Fiscal 2020, and Fiscal 2019, our revenue from our steel foundry division was ₹31,962.80. lakhs, ₹34,781.42 lakhs, and ₹26,879.55 lakhs, which comprised 17.47%, 17.22% and 13.41%of our total income, respectively.

Expertise in hydro mechanical equipment and geographical advantage

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

Our expertise in design capabilities for high head radial gates was instrumental in securing a contract for design to commissioning of hydro-mechanical equipment for Stage V of the Teesta Hydroelectric Project in Sikkim. Further, we also manufactured and supplied hydromechanical equipment and the penstock steel liner for the 114 MW Dagachhu Hydroelectric Project in Bhutan.

We believe that our geographical location of our hydro mechanical equipment in eastern India enhances our prospects in the hydro mechanical equipment business. As a majority of the Indian hydro power projects are being executed in the north eastern states of India, we believe that our proximity to the project sites gives us an edge over our competitors in the procurement of orders.

Well-equipped manufacturing facilities

We own well-equipped manufacturing facilities having the requisite technology and infrastructure to manufacture a wide range of our various product offerings. Our infrastructure facilities located at Belgharia and Agarpara 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 are the only wagon manufacturer in India, which can leverage our infrastructure facilities to manufacture eight different types of wagon 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 capabilityto deliver our products to our customers.

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

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

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

We have a well-equipped research and development centre which has been registered and recognised by the Department of Scientific and Industrial Research, Government of India. As of June 30, 2021, the centre has 14 permanent employees, as well as 4 interns on a temporary basis from various engineering institutes and is engaged in developing various new products and processes. Our research and development centre has helped our Company improve profit margins by developing new products and improving the quality of existing products.

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

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

Experienced management team with a proven track record

Our operations are led by an experienced senior management group who we believe has the professional expertise and vision to maintain our position as a leading total rail solutions provider. Our Company's senior management includes highly qualified with extensive experience in our Company's business with commercial, engineering and technical background.

Our Managing Director, Mr. Indrajit Mookerjee, is a graduate in B. Tech (Hons) degree in Chemical Engineering from the I.I.T, Kharagpur and did his master's degree in Chemical Engineering from Georgia Institute of Technology, Atlanta, USA. Our Deputy Managing Director, Mr. A. K. Gupta is a graduate in Electrical Engineering from IIT Roorkee, and also being proficient in capacity exploitation, de-bottlenecking, cost management, new business development and organization management. Our Executive Director and CEO (Steel Foundry Division), Mr. D. H. Kela has vast experience in our Company in the engineering and metallurgical industries, and our Executive Director and CFO, Mr. A. K. Vijay is a qualified Chartered Accountant and Company Secretary. Our Board is also adequately supported by a team of professional managers with varied experience.

OUR STRATEGIES

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

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

We believe that the Indian Railway is proposing to undertake significant upgradation of the existing rail network in India, including addition of new railway lines, doubling and gauge conversion of existing railway lines, as well as electrification of existing railway lines. Additionally, we also anticipate that the Indian Railways will also emphasise on the improvement of rail safety and the installation of rail safety devices on the rail network.

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

Leveraging on the capabilities of our foundry

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

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

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

Focus on strengthening exports and targeting new markets

We export wagons, hydro mechanical equipment and steel castings abroad. We have expanded our export business and earned ₹10,255.24 lakhs, ₹14,506.79 lakhs and ₹15,645.64 lakhs from exports in Fiscal 2021, Fiscal 2020 and Fiscal 2019, 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 2021, our Company exported 42.18% of the castings produced in the steel foundry.

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

Development of new 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 break systems, cushioning systems and freely suspended systems. We have also recently incorporated subsidiaries, namely, Texmaco Rail Systems Private Limited, Texmaco Rail Electrification Limited and Texmaco Engineering Udyog Private Limited in order to enhance our rail EPC business and have been commissioned by the Mumbai Metro Rail Corporation Limited to design, manufacture, supply, install, test and commission the automatic fare collection system.

Entering into manufacturing for the Indian defence sector

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

Improving working capital levels

The nature of the manufacturing 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

Freight cars, wagons and coaches

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

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

Coaches, locomotive components and assemblies

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

Hydro-Mechanical Equipment

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

Bridges and other steel structures

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

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

Our revenue from our heavy engineering division was ₹73,196.86 lakhs in Fiscal 2021, ₹84,796.94 lakhs in Fiscal 2020 and ₹78,535.78 lakhs in Fiscal 2019, comprising of 40.01%, 41.97% and 39.17% 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

Rolling stock division

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.

Hydro-mechanical equipment, bridges, and other steel structures

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

Our Products

Rolling stock division

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

Hydro-mechanical equipment

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

Bridges and other steel structures

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

Steel Foundry Division

Our steel foundry 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 June 30, 2021, our export content is approximately 40% of our Kolkata foundry production, and we aim to make the Kolkata foundry predominantly export oriented. Our another steel foundry at Urla, Raipur, apart from railway castings also specialises in hand moulded heavy castings (wherein a single piece can weigh upto 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.

The 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 ₹ 31,962.80 lakhs in Fiscal 2021, ₹ 34,781.42 lakhs in Fiscal 2020 and ₹ 26,879.55 lakhs in Fiscal 2019, comprising of 17.47%, 17.22% and 13.41% of our total income, respectively.

Raw materials

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

Manufacturing process

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

Our Products

The products of the steel foundry include:

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

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

Our rail EPC division recorded a revenue of ₹ 77,782.24 lakhs in Fiscal 2021, ₹ 82,449.14 lakhs in Fiscal 2020 and ₹ 95,102.26 lakhs in Fiscal 2019, comprising of 42.52%, 40.81% and 47.43% 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. We have expanded our export business in the last fiscal and earned ₹ 10,255.24 lakhs, ₹ 14,506.79 lakhs and ₹ 15,645.64 lakhs from our export operations in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, resulting in a significant increase in comparison to the previous years.

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 unique 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 South East Asia. We believe this will provide us with further opportunities to expand our markets in these countries.

MANUFACTURING FACILITIES

We have six manufacturing facilities 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.

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 SGSUnited Kingdom Limited Systems with the ISO 9001: 2015 and ISO 45001:2018 certification management system certification for: (a) manufacture of open, covered, hopper and tank type wagons including special purpose wagons of stainless steel and mild steel suitable for metre, standard and broad gauge lines for Indian railways and export purposes; (b) manufacture of fabricated coaches including bogies for passenger coaches; (c) design and manufacture of hydro-mechanical equipment, fabricated structures and pressure vessels; and (d) signalling items.

Belgharia: Our steel foundry division is located at the Belgharia manufacturing facility, and we manufacture railway castings, bogies, couplers, export castings (shrouds, 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.

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

Our Sodepur facility is spread across an area of 30.18 acres of land. Our Sodepur facility has been accredited by the SGS 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 SGSUnited 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 June 30, 2021, our manufacturing facilities had the following aggregate production capacities:

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

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

The following tables indicate the respective capacity utilisation of our manufacturing facilities for Fiscal 2021, Fiscal 2020, and Fiscal 2019:

(a) Agarpara

Period	Heavy engineering	Steel foundry	Rail EPC	Total (number of units)
Fiscal 2021	739 VUs	NA	NA	739 VUs
Fiscal 2020	1,200 VUs	NA	NA	1,200 VUs
Fiscal 2019	1,062 VUs	NA	NA	1,062 VUs

(b) Belgharia

Period	Heavy engineering	Steel foundry	Rail EPC	Total
Fiscal 2021	NA	10,868 MT	NA	10,868MT
Fiscal 2020	NA	18,096 MT	NA	18,096MT
Fiscal 2019	NA	18,567 MT	NA	18,567MT

(c) Sodepur

Period	Heavy engineering	Steel foundry	Rail EPC	Total
Fiscal 2021	920 VUs	NA	NA	920 VUs
	1,850 MT			1,850 MT

Fiscal 2020	993 VUs 4,184 MT	NA	NA	993 VUs 4,184MT
Fiscal 2019	827VUs 3,271 MT	NA	NA	827 VUs 3,271 MT

(d) Panihati

Period	Heavy engineering	Steel foundry	Rail EPC	Total
Fiscal 2021	1,689 MT	NA	NA	1,689MT
Fiscal 2020	3,810 MT	NA	NA	3,810MT
Fiscal 2019	2,854 MT	NA	NA	2,854MT

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 June 30, 2021, we have a dedicated team, comprising of 17 permanent employees for carrying out in-house research and development activities.

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

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

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

MARKETING

Our marketing network is spread across the country. Most of the orders procured by our Company are through tenders floated by our major customers. We also engage with our customers to develop solutions to their requirements, to develop new designs and solutions. We also have a business development organisation for our EPC business, which is continuously engaged with our customers.

EMPLOYEES

As on June 30, 2021, we have 2,721 employees. The following table illustrates the break-up of our work force on the basis of the functions carried out by them:

Category	Number of employees
Management and staff	1,366
Workmen	1,355
TOTAL	2,721

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

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

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

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

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

INSURANCE

We maintain a range of insurance policies to cover our assets, including a standard fire and special perils policy for our manufacturing facilities situated at Agarpara, Belgharia, Sodepur, Panihati, Urla and the steel foundry division at Belgharia. The total sum insured in this regard is ₹47,586.94 lakhs as of June 30, 2021.

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 30.

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.

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 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.

We have also taken steps to establish a vocational training institute in order to aid youth from financially backward classes to become employable and improve their living conditions

OUR MANAGEMENT

Board of Directors

The Articles of Association require that subject to the provisions of the Companies Act, our Company in general meeting or the Board of Directors may at any time appoint not more than fifteen directors. As on the date of this Letter of Offer, we have 12 Directors on our Board, comprising of five Executive Directors, one Non-Executive Director and six Independent Directors. Our Board also includes one woman Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as on the date of this Letter of Offer:

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
Saroj Kumar Poddar *Designation*: Executive Chairman *Date of birth*: September 15, 1945 *Address*: Poddar Niket, 2 Gurusaday Road, Ballygunge, Kolkata, West Bengal – 700 019. *Occupation:* Industrialist *Term*: Five years with effect from September 25, 2020, i.e. until September 24, 2025 *Period of directorship*: Director since September 25, 2010 *DIN*: 00008654	76	*Indian companies* • Adventz Finance Private Limited; • Adventz Homecare Private Limited; • Chambal Fertilisers and Chemicals Limited; • Forte Furniture Products India Private Limited; • HePo India Private Limited; • Hettich India Private Limited; • Lionel India Limited; • Paradeep Phosphates Limited; • Texmaco Infrastructure & Holdings Limited; • Zuari Agro Chemicals Limited; and • Zuari Global Limited *Foreign Companies* • Calcutta Tramways Company Limited; and • Indo Maroc Phosphore S.A. (IMACID).
Indrajit Mookerjee *Designation*: Managing Director *Date of birth*: September 19, 1947 *Address*: 7/1A, Sunny Park, Apartment no B202, Ballygunge, Kolkata 700 019 *Occupation*: Service *Term*: Three years with effect from April 2, 2020 i.e. until April 1,2023 *Period of directorship*: Director since September 9, 2019 *DIN:* 01419627	74	• Pacific Consolidated Industries (PCI) Gases India Private Limited; • Calcutta Promotions; • Rai Enclave Facilities Management Pvt Ltd; • Wabtec Texmaco Rail Private Limited; and
Ashish Kumar Gupta *Designation:* Executive Director designated as Deputy Managing Director *Date of birth:* March 13, 1971 *Address:* BL-T-5. 3rd Floor, FL-0303, 783 Anandapur Madurdaha, Anandapur, E.K.T, Kolkata, West Bengal-700107 *Occupation:* Service	50	• Touax Texmaco Railcar Leasing Private Limited

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
Term: Three years with effect from November 17, 2020 until November 16, 2023 *Period of directorship:* Director since November 17, 2020 *DIN:* 07808012		
Ashok Kumar Vijay *Designation:* Executive Director designated as Chief Financial Officer *Date of birth:* July 4, 1953 *Address:* Queens Mansion, Russell Street, Middleton Row S.O Middleton Row, Kolkata, West Bengal– 700 071. *Occupation:* Service *Term:* Five years with effect from January 1, 2018 i.e until December 31, 2023 *Period of directorship:* Director since January 1, 2015 *DIN:* 01103278	68	• Magnacon Electricals India Limited; • Touax Texmaco Railcar Leasing Private Limited; • Belur Engineering Private Limited; • Texmaco Transtrak Private Limited; • Texmaco Rail Electrification Limited; and • Texmaco Engineering Udyog Private Limited
Damodar Hazarimal Kela *Designation*: Executive Director *Date of birth*: April 30, 1941 *Address*: 86, Ballygunge Place, Ballygunge, Kolkata, West Bengal - 700019. *Occupation*: Service *Term:* Five years with effect from September 25, 2016, i.e. until September 24, 2021 *Period of directorship*: Director since January 1, 2010 *DIN:* 01050842	80	• Wabtec Texmaco Rail Private Limited; and • Belur Engineering Private Limited.
Akshay Poddar *Designation*: Non – Executive Non- Independent Director *Date of birth*: July 20, 1976 *Address*: Poddar Niket, 2 Gurusaday Road, Kolkata G.P.O, Kolkata G.P. Kolkata, West Bengal- 700019. *Occupation*: Business *Term*: From September 2, 2011 and liable to retire by rotation *Period of directorship*: Director since September 2, 2011 *DIN*: 00008686	45	*Indian companies* • Hettich India PrivateLtd; • Zuari Agro Chemicals Limited; • Touax Texmaco Railcar Leasing Pvt Ltd; • Adventz HomecarePvt Ltd ; • Texmaco Infrastructure & Holdings Limited; • Indian Chamber of Commerce; • The Fertiliser Association of India; • Gobind Sugar Mills Limited; • Adventz Securities Enterprises Ltd; • Mangalore Chemicals and Fertilisers Ltd; • Lionel India Limited; • Adventz Finance Pvt Ltd; • Lionel Edwards Limited; • Adventz Investment Co Pvt Ltd; • Simon India Limited; and • Abhishek Holdings Pvt Ltd

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
		Foreign Companies • Adventz General Trading LLC; • Adventz Trading DMCC; • Felicabo Worldwide Limited; • Globalware Holdings Limited; and • Hettich Middle East DMCC.
Amal Chandra Chakrabortti *Designation:* Independent Director *Date of birth*: October 2, 1930 *Address*: 22/2A, Gorachand Road, Entally, Entally Circus Avenue, Kolkata – 700 014. *Occupation*: Professional *Term*: Three years with effect from September 4, 2019, i.e. until September 3, 2022 *Period of directorship*: Director since September 25, 2010 *DIN:* 00015622	90	• Asian Hotels (East) Limited; • Chandras' Chemical Enterprises Pvt Limited; • Gwalior Webbing Co. Pvt Limited; • East India Investment Co. Pvt. Ltd; and • Baroda Agents and Trading Co. Private Limited
Utsav Parekh *Designation:* Independent Director *Date of birth*: August 28, 1956 *Address*: 2/3, Sarat Bose Road, PO- Elgin Road Kolkata 700 020. *Occupation*: Businessman *Term*: Five years with effect from September 4, 2018, i.e. until September 3, 2023 *Period of directorship*: Director since September 4, 2018 *DIN*: 00027642	65	• Nexome Real Estates Private Limited; • Spencer's Retail Limited; • Texmaco Infrastructure & Holdings Limited; • Bengal Aerotropolis Project Limited; • SMIFS Capital Services Limited; • Xpro India Limited; • Lend Lease Company (India) Limited; • SMIFS Capital Markets Limited; • ATK Mohun Bagan Private Limited; • Indian Chamber of Commerce Calcutta; • Eveready Industries India limited; and • Progressive Star Finance Private Limited
Sunil Mitra *Designation:* Independent Director *Date of birth:* June 24, 1951 *Address:* Chirantan 2nd Floor, 241, Shantipally, Behind Acropolis Mall, Rajdanga, Kolkata E. K. T Kolkata – 700 107. *Occupation:* Retired Government Official *Term:* Five years with effect from September 4, 2019, i.e. until September 3, 2024 *Period of directorship:* Director since November 5, 2012 *DIN:* 00113473	70	• Magma HDI General Insurance Company Limited; • IPE Global Limited; • Century Plyboards (India) Limited; • Patton International Limited; • Sekura Roads Limited; • Sekura Energy Limited; • CESC Limited; and • Firstsource Solutions Limited
Kaarthikeyan Devarayapuram Ramasamy *Designation*: Independent Director *Date of birth:* October 2, 1939	81	• Texmaco Infrastructure & Holdings Limited; • Lotus Eye Hospital and Institute Limited; • Roots Auto Products Private Limited; • Life Positive Private Limited;

Name, designation, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
Address: 102, G/F Anand Lok, August Kranti Marg, Andrewsganj, S.O. South Delhi, New Delhi – 110 049. *Occupation*: Retired Government Official *Term*: Five years with effect from September 4, 2019, i.e. until September 3, 2024 *Period of directorship*: Director since September 2, 2011 *DIN*: 00327907		• Star Health and Allied Insurance Company Limited; and • Taj GVK Hotels and Resorts Limited.
Rusha Mitra *Designation:* Independent Director *Date of birth:* March 20, 1985 *Address:* P-97 Kalindi Housing Estate, Lake town, North 24 Parganas, West Bengal- 700089 *Occupation:* Business *Term:* Three years with effect from February 17, 2021 until February 16, 2024 *Period of directorship*: Director on the Board since February 17, 2021 *DIN:08402204*	36	• Harrisons Malayalam Ltd • Lux Industries Limited; • GKW Ltd. • GMMCO Ltd. • Rainbow Investments Limited • Naga Dhunseri Group Ltd • Phillips Carbon Black Ltd; and • BNK Capital Markets Ltd.
Virendra Sinha *Designation:* Independent Director *Date of birth:* July 13, 1955 *Address*: Flat No-1/4/B, 59 Pramathesh Barua Sarani, Ballygunge, Kolkata, Ballygunge, West Bengal-700019 *Occupation:* Professional *Term:* Three years with effect from February 17, 2021 until February 16, 2024 *Period of directorship*: Director on the Board since February 17, 2021 *DIN:*03113274	66	• Etrans Solutions Private Limited; and • TM International Logistics Limited

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Confirmations

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchanges, during the last five years prior to the date of this Letter of Offer, during the term of his/her directorship in such company.

Our Company has paid fines levied by BSE and NSE in respect to non-compliance in respect to Regulation 17 of the SEBI Listing Regulations (i.e. composition of the board) for the quarters ended December 31, 2020 and March 31, 2021, which was caused due to appointment of our Deputy Managing Director on November 17, 2020 which resulted into a vacancy for appointment of additional independent directors. Our Company appointed Virendra Sinha and Rusha Mitra as independent directors of our Company w.e.f. February 17, 2021 and is in compliance with the SEBI Listing Regulations.

Except as disclosed below, none of our Directors is or was a director of any listed company, which has been or was delisted from any stock exchange:

Consequent to voluntary delisting from official list of the Calcutta Stock Exchange ("**CSE**") with effect from December 12, 2019, vide CSE's letter bearing reference No. CSE/LD/14889/2019, our Company has been delisted from CSE.

Our directors, Saroj Kumar Poddar and Akshay Poddar were directors on the board of Adventz Investments & Holdings Limited.

Sr. No.	Particulars	Details	
1.	Name of the Company	Adventz Investments & Holdings Limited	
2.	Name of the stock exchange(s) on which the company was listed	Calcutta Stock Exchange	Uttar Pradesh Stock Exchange
3.	Date of delisting on stock exchanges	February 10, 2014	February 14, 2014
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary	
5.	Reasons for delisting	Adventz Investments & Holdings Limited was merged with Adventz Finance Private Limited	
6.	Whether the company has been relisted	No	
7.	Date of relisting, in the event the company is relisting	Not Applicable	
8.	Name of the stock exchange(s) on which the company was relisted	Not Applicable	
9.	Tenure of their directorships (along with relevant dates) in the company	Saroj Kumar Poddar was a Director on the board of Adventz Investments & Holdings Limited from December 18, 1995 to April 1, 2013. Akshay Poddar was a Director on the board of Adventz Investments & Holdings Limited from September 16, 2008 to April 1, 2013.	

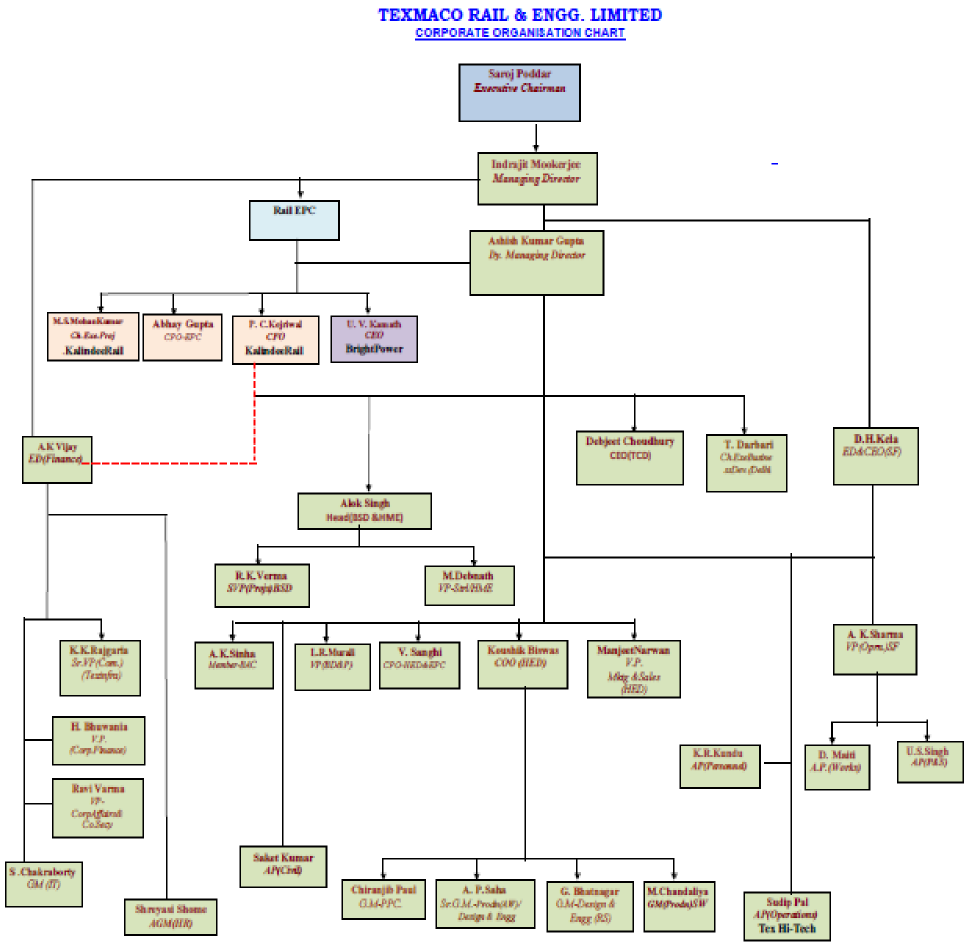
Our director, Saroj Kumar Poddar and Akshay Poddar are directors of Texmaco Infrastructure & Holdings Limited.

Sr. No.	Particulars	Details
1.	Name of the Company	Texmaco Infrastructure & Holdings Limited
2.	Name of the stock exchange(s) on which the company was listed	Calcutta Stock Exchange
3.	Date of delisting on stock exchanges	December 12, 2019
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary
5.	Reasons for delisting	Voluntary
6.	Whether the company has been relisted	No
7.	Date of relisting, in the event the company is relisting	Not Applicable
8.	Name of the stock exchange(s) on which the company was relisted	Not Applicable
9.	Tenure of their directorships (along with relevant dates) in the company	Saroj Kumar Poddar was appointed as a director on the board of directors of Texmaco Infrastructure & Holdings Limited on February 14, 1991. He is liable to retire by rotation.

Our director, Amal Chandra Chakrabortti was a director on the board of Denso India Limited.

Sr. No.	Particulars	Details
1.	Name of the Company	Denso India Limited.
2.	Name of the stock exchange(s) on which the company was listed	BSE Limited. Delhi Stock Exchange Limited (DSE) Madras Stock Exchange Limited (MSE) National Stock Exchange of India Limited (NSE)
3.	Date of delisting on stock exchanges	September 23, 2013
4.	Whether the delisting was compulsory or voluntary delisting	Voluntary
5.	Reasons for delisting	A Japanese Company, which was a majority shareholder, wanted to acquire 100% control in it.”
6.	Whether the company has been relisted	No
7.	Date of relisting, in the event the company is relisting	Not Applicable
8.	Name of the stock exchange(s) on which the company was relisted	Not Applicable
9.	Tenure of their directorships (along with relevant dates) in the company	Amal Chandra Chakrabortti was the Independent Director under the Companies Act. Date of resignation - November 9, 2013

Current organisational structure



Details of key management personnel and senior management personnel

Sr. No	Name	Designation
Key management personnel and senior management personnel		
1.	Saroj Kumar Poddar	Executive Director and Chairman
2.	Indrajit Mookerjee	Managing Director
3.	Ashish Kumar Gupta	Executive Director designated as Deputy Managing Director
4.	Damodar Hazaimal Kela	Executive Director
5.	Ashok Kumar Vijay	Executive Director
6.	Ravi Varma	Vice President (Corporate Affairs) and Company Secretary & Compliance Officer

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[The remainder of this page has been intentionally left blank]

L B Jha & Co
CHARTERED ACCOUNTANTS

B2/1, GILLANDER HOUSE
8, NETAJI SUBHAS ROAD
KOLKATA-700 001
TEL : +91-33-2242 5858/5407/4277
FAX : +91-33-2242 0650/2230 2846
E-mail : lbjha@lbjha.com
Website : www.lbjha.com

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 ended June 30, 2021, in which are incorporated the returns for the quarter ended on that date reviewed by the branch auditors of the Kalindee unit.

2. This Statement, which is the responsibility of the 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 provide 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
(Registration Number: 301088E)

L. B. JHA & CO. ★ Chartered Accountants

(D. N. Roy)
Partner
(Membership Number 300389)
UDIN: 21300389AAAAHD7670

Place : Kolkata
Date: 11th August, 2021

ALSO AT : 405 Yogeswar, M-2 Connaught Place, New Delhi - 110 001 ● Tel / Fax : +91-11-4151 0952 ● Tel : +91-11-4151 0956 ● E-mail : lbjhadel@lbjha.com
Flat No. 311, Lok Centre Marol Maroshi Road, Andheri (E), Mumbai - 400 059 ● TEL : +91-22-6515 8951/6518 3047 ● Fax : +91-22-6610 3904 ● E-mail : lbjhabom@lbjha.com

L B Jha & Co
CHARTERED ACCOUNTANTS

B2/1, GILLANDER HOUSE
8, NETAJI SUBHAS ROAD
KOLKATA-700 001
TEL : +91-33-2242 5858/5407/4277
FAX : +91-33-2242 0650/2230 2846
E-mail : lbjha@lbjha.com
Website : www.lbjha.com

LIMITED REVIEW REPORT

TO THE BOARD OF DIRECTORS OF
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 for the quarter ended June 30, 2021, in which are incorporated the returns for the quarter ended on that date reviewed by the branch auditors of the Kalindee unit, 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)	Texmaco Engineering Udyog Private Limited	Wholly Owned Subsidiary
(iii)	Texmaco Rail Electrification Limited	Wholly Owned Subsidiary
(iv)	Texmaco Rail System Private Limited	Subsidiary
(v)	Texmaco Transtrak Private Limited	Subsidiary
(vi)	Texmaco Defence Systems Private Limited	Associate
(vii)	Touax Texmaco Railcar Leasing Pvt. Ltd.	Joint Venture
(viii)	Wabtec Texmaco Rail Pvt. Ltd.	Joint Venture

L. B. JHA & CO. * Chartered Accountants *

ALSO AT : 405 Yogeswar, M-2 Connaught Place, New Delhi - 110 001 • Tel / Fax : +91-11-4151 0952 • Tel : +91-11-4151 0956 • E-mail : lbjhadel@lbjha.com
Flat No. 311, Lok Centre Marol Maroshi Road, Andheri (E), Mumbai - 400 059 • TEL : +91-22-6515 8951/6518 3047 • Fax : +91-22-6610 3904 • E-mail : lbjhabom@lbjha.com

L B Jha & Co
CHARTERED ACCOUNTANTS

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditor referred to in paragraph 6 below, 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 Indian 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. We did not review the interim financial results of one unit included in the standalone unaudited interim financial results whose results reflect total assets of Rs. 90,842.13 lakhs as at June 30, 2021 and total revenues of Rs. 9,732.28 lakhs, total net loss after tax of Rs 1,049.57 lakhs, and total comprehensive loss of Rs. 1,218.34 lakhs for the quarter ended June 30, 2021 as considered in the consolidated unaudited financial results. The interim financial results of this unit has been reviewed by the branch auditor whose report has been furnished to us, and our conclusion 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 and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matters.

7. The consolidated unaudited financial results includes the interim financial results of five subsidiaries which have not been reviewed by respective auditors, whose interim financial results reflect total assets of Rs.2,833.73 lakh as at June 30, 2021 and total revenue of Rs. 82.64 lakh, total net loss after tax of Rs. 8.61 lakhs and total comprehensive loss of Rs. 8.61 lakhs for quarter ended June 30, 2021 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs.239.49 lakh and total comprehensive income of Rs.239.49 lakhs for the quarter ended June 30, 2021 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 subjected to 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
(Registration Number: 301088E)

L. B. JHA & CO. ★ Chartered Accountants

(D. N. Roy)
Partner
(Membership Number 300389)
UDIN: 21300389AAAAHE1049

Place : Kolkata
Date: 11th August, 2021

adventz

CIN : L29261WB1998PLC087404

TEXMACO RAIL & ENGINEERING LIMITED

Statement of Unaudited Financial Results

For the quarter ended 30th, June, 2021

(Rs in Lakhs)

Sr. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter ended			Year ended	Quarter ended			Year ended
		30-Jun-2021	31-Mar-2021	30-Jun-2020	31-Mar-2021	30-Jun-2021	31-Mar-2021	30-Jun-2020	31-Mar-2021
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	**Income**								
	(a) Revenue from Operations	33,083.66	60,616.25	21,841.71	1,68,873.80	33,083.66	60,563.66	21,841.71	1,68,884.79
	(b) Other Income	575.25	1,336.29	654.82	3,177.53	490.37	1,227.66	500.01	2,503.16
	Total Income	**33,658.91**	**61,952.54**	**22,496.53**	**1,72,051.33**	**33,574.03**	**61,791.32**	**22,341.72**	**1,71,387.95**
2	**Expenses**								
	(a) Cost of Materials Consumed	23,474.35	43,632.76	9,986.17	1,15,822.89	23,474.35	43,632.40	9,986.20	1,15,822.56
	(b) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	477.55	3,865.70	9,241.95	16,844.13	477.55	3,864.35	9,241.95	16,844.80
	(c) Power and Fuel	1,342.61	1,815.89	656.88	5,515.00	1,342.66	1,815.92	656.88	5,515.63
	(d) Employee Benefits Expenses	2,805.08	3,423.79	2,228.48	11,613.50	2,805.08	3,494.22	2,228.48	11,688.10
	(e) Finance Costs	2,590.18	2,398.42	2,217.08	10,296.93	2,590.19	2,394.28	2,217.08	10,296.95
	(f) Depreciation and Amortisation Expenses	902.68	989.83	926.38	3,725.67	907.58	994.73	930.94	3,745.35
	(g) Other Expenses	1,403.07	2,614.26	1,226.87	7,073.74	1,321.08	2,924.35	1,145.14	7,140.89
3	**Total Expenses**	**32,995.52**	**58,740.65**	**26,483.81**	**1,70,891.86**	**32,918.49**	**59,120.25**	**26,406.67**	**1,71,054.28**
4	**Profit/(Loss) before Exceptional Items & Tax (1-3)**	**663.39**	**3,211.89**	**(3,987.28)**	**1,159.47**	**655.54**	**2,671.07**	**(4,064.95)**	**333.67**
5	Exceptional item	--	--	--	--	--	--	--	--
6	**Profit/(Loss) before Tax (3-4)**	**663.39**	**3,211.89**	**(3,987.28)**	**1,159.47**	**655.54**	**2,671.07**	**(4,064.95)**	**333.67**
	Tax Expense / benefit								
	(a) Current Tax including Tax related to earlier years	116.00	(21.80)	--	(21.80)	116.00	(34.40)	--	(21.80)
	(b) Deferred Tax charge / (credit)	192.12	1,269.91	(1,305.86)	(5.36)	192.87	1,269.81	(1,305.82)	(5.47)
	(c) MAT Entittlement	(116.00)	--	--	--	(116.00)	--	--	--
7	**Net Tax Expense / benefit**	**192.12**	**1,248.11**	**(1,305.86)**	**(27.16)**	**192.87**	**1,235.41**	**(1,305.82)**	**(27.27)**
8	**Net Profit/(Loss) after tax (6-7)**	**471.27**	**1,963.78**	**(2,681.42)**	**1,186.63**	**462.67**	**1,435.66**	**(2,759.13)**	**360.94**
9	**Profit (Loss) for the period from JV/Associates**	--	--	--	--	239.49	375.76	115.02	841.32
10	**Profit/(loss) for the period Attributable to:**	--	--	--	--	**702.16**	**1,811.42**	**(2,644.11)**	**1,202.26**
	Owners of the Parent	--	--	--	--	709.27	2,040.47	(2,643.39)	1,415.83
	Non-Controlling Interest	--	--	--	--	(7.11)	(229.05)	(0.72)	(213.57)
11	**Other comprehensive income**	515.09	592.87	491.36	2,313.55	515.09	595.09	491.36	2,315.77
12	**Total Comprehensive Income:**	**986.36**	**2,556.65**	**(2,190.06)**	**3,500.18**	**1,217.25**	**2,406.51**	**(2,152.75)**	**3,518.03**
	Owners of the Parent	--	--	--	--	1,224.36	2,635.56	(2,152.03)	3,731.60
	Non-Controlling Interest	--	--	--	--	(7.11)	(229.05)	(0.72)	(213.57)
13	Paid up Equity Share Capital (Face Value Rs.1/- Per Share)	2,503.43	2,503.43	2,248.59	2,503.43	2,503.43	2,503.43	2,248.59	2,503.43
14	Other Equity				1,11,462.89				1,11,636.53
15	**Earnings per Share (of Re.1/- each) (Not Annualised):**								
	(a) Basic	0.19	0.87	(1.19)	0.52	0.28	0.90	(1.18)	0.62
	(b) Diluted	0.19	0.87	(1.19)	0.52	0.28	0.90	(1.18)	0.62

adventz

TEXMACO RAIL & ENGINEERING LIMITED

Statement of Unaudited Financial Results

For the quarter ended 30th, June, 2021

CIN : L29261WB1998PLC087404

Segment Revenue, Results, Assets and Liabilities

Sr. No.	Particulars	STANDALONE Quarter ended 30-Jun-2021 (Unaudited)	STANDALONE Quarter ended 31-Mar-2021 (Audited)	STANDALONE Quarter ended 30-Jun-2020 (Unaudited)	STANDALONE Year ended 31-Mar-2021 (Audited)	CONSOLIDATED Quarter ended 30-Jun-2021 (Unaudited)	CONSOLIDATED Quarter ended 31-Mar-2021 (Audited)	CONSOLIDATED Quarter ended 30-Jun-2020 (Unaudited)	CONSOLIDATED Year ended 31-Mar-2021 (Audited)
1.	**SEGMENT REVENUE (Gross)**								
	a) Heavy Engg. Division	16,334.31	24,357.54	10,512.52	73,185.87	16,334.31	24,304.95	10,512.52	73,196.86
	b) Steel Foundry	8,026.43	10,586.90	2,942.28	31,962.80	8,026.43	10,586.90	2,942.28	31,962.80
	c) Rail EPC	13,783.47	30,256.44	9,703.33	77,782.24	13,783.47	30,256.44	9,703.33	77,782.24
	Total	38,144.21	65,200.88	23,158.13	1,82,930.91	38,144.21	65,148.29	23,158.13	1,82,941.90
	Less : Inter Segment Revenue	(5,060.55)	(4,584.63)	(1,316.42)	(14,057.11)	(5,060.55)	(4,584.63)	(1,316.42)	(14,057.11)
	Net Sales/Income from operation	33,083.66	60,616.25	21,841.71	1,68,873.80	33,083.66	60,563.66	21,841.71	1,68,884.79
2.	**SEGMENT RESULTS**								
	Profit before Interest & Tax	-	-	-	-	-	-	-	-
	a) Heavy Engg. Division	1,117.87	1,099.60	(1,611.77)	1,501.92	1,194.91	741.45	(1,531.57)	1,430.73
	b) Steel Foundry	505.10	941.70	(365.34)	1,426.86	505.10	941.70	(365.34)	1,426.86
	c) Rail EPC	725.57	2,665.86	(516.92)	5,150.06	725.57	2,665.86	(516.92)	5,150.06
	d) Others (Net of Un-allocated expenses)	238.50	316.04	218.13	1,003.53	236.93	314.52	218.13	997.28
	Total	2,587.04	5,023.20	(2,275.90)	9,082.37	2,662.51	4,663.53	(2,195.70)	9,004.93
	Add/ (Less) : Interest (Net)	(1,923.65)	(1,811.31)	(1,711.38)	(7,922.90)	(2,006.97)	(1,992.46)	(1,869.25)	(8,671.26)
	Profit before exceptional items & Tax	663.39	3,211.89	(3,987.28)	1,159.47	655.54	2,671.07	(4,064.95)	333.67
	Exceptional Items	--	--	--	--	--	--	--	--
	Profit before Tax	663.39	3,211.89	(3,987.28)	1,159.47	655.54	2,671.07	(4,064.95)	333.67
3	**SEGMENT ASSETS**								
	a) Heavy Engg. Division	93,528.15	88,439.86	97,183.52	88,439.86	93,176.85	88,097.47	97,274.61	88,097.47
	b) Steel Foundry	39,951.20	40,593.12	43,879.70	40,593.12	39,951.20	40,593.12	43,879.70	40,593.12
	c) Rail EPC	1,15,797.92	1,22,364.07	1,26,409.53	1,22,364.07	1,15,797.92	1,22,364.07	1,26,409.53	1,22,364.07
	d) Others (Un-allocated)	10,497.17	12,760.87	10,708.58	12,760.87	11,108.92	13,133.13	10,682.95	13,133.13
	Total	2,59,774.44	2,64,157.92	2,78,181.33	2,64,157.92	2,60,034.89	2,64,187.79	2,78,246.79	2,64,187.79
4	**SEGMENT LIABILITIES**								
	a) Heavy Engg. Division	51,628.86	51,346.45	57,912.61	51,346.45	51,477.67	51,202.68	57,997.80	51,202.68
	b) Steel Foundry	9,808.78	9,518.38	19,494.83	9,518.38	9,808.78	9,518.38	19,494.83	9,518.38
	c) Rail EPC	83,384.12	89,326.77	1,00,172.98	89,326.77	83,384.12	89,326.77	1,00,172.98	89,326.77
	d) Others (Un-allocated)	--	--	--	--	--	--	--	--
	Total	1,44,821.76	1,50,191.60	1,77,580.42	1,50,191.60	1,44,670.57	1,50,047.83	1,77,665.61	1,50,047.83

A TOTAL RAIL SOLUTION PROVIDER

Texmaco Rail & Engineering Limited
Belgharia
Kolkata

Notes:

1. (i) The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective Meetings held on 11th August, 2021.

   (ii) The above results for the quarter ended 30th June, 2021, 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. With the onset of the 2nd wave of COVID-19 and consequent restrictions imposed on the use of industrial Oxygen and operations of the Company, the performance for Q1 was adversely impacted. The situation however, started looking up from June 2021 onwards, and the Company's operations presently are maintained at near normal level.

3. The figures for the quarter ended 31st March, 2021 are arrived at as difference between audited figures in respect of full financial year and the unaudited published year-to-date figures upto 31st December, 2020, which were subjected to limited review.

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 : 11th August, 2021

Texmaco Rail & Engineering Limited
Belgharia Kolkata

D.H. Kela
DIN 01050842
Executive Director

Independent Auditor's Report

To
The Members of
TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of TEXMACO RAIL & ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditor of the Kalindee unit (herein after referred to as "Standalone Financial Statements").

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit (including Other Comprehensive Income), changes in equity and its 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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
Investment in Subsidiaries/ Joint Ventures and Associates The impairment review of unquoted equity instruments and debt, with a carrying value of ₹ 5278.60 lakhs, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability.	**<u>Principal Audit Procedures</u>** Besides obtaining an understanding of Management's processes and controls with regard to testing the impairment of the unquoted equity instruments in loss making subsidiaries and joint ventures. Our procedures included the following: • Understood the management's underlying assumptions and appropriateness of the valuation used; • Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates;

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 financial statements in accordance with Ind AS 37.

No Key Audit Matters have been communicated to us in respect of one unit which is audited by the Branch Auditor

Other Information

4. The Company's Board of Directors is responsible for 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 standalone 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 standalone 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 standalone 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 standalone 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 matters to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the 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 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 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 company has 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 standalone 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. 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.

Our Opinion on the Standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub –section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

19. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The report on the accounts of the unit of the Company audited under section 143(8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.

    (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement, Statement of Changes in Equity dealt with by this report are in agreement with the books of account and with the returns received from the unit not visited by us.

    (e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (f) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(h) 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 Company examined by us, the managerial remuneration paid or provided to one Executive Director is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Company is in the process of taking approval from shareholder through a Special Resolution in the ensuing Annual General Meeting.

(i) 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:

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.37 of the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(D.N. Roy)
Partner
Membership No. 300389
UDIN:21300389AAAAES5418

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 of the Auditors' Report of even date]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipments.

   (b) As explained to us, the company has a system of verifying all its major Property, Plant & Equipments over a period of three years. The Property, Plant and Equipment so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.

   (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties of the Company are held in the name of the Company except the immovable properties which were owned by companies demerged/merged with the Company under the scheme of arrangements approved by the appropriate authorities which are still held in the name of the erstwhile companies.

2. The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

3. (a) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has granted unsecured loans to subsidiary companies and its associate, which are parties covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of these loans in our opinion are not prima-facie prejudicial to the interests of the Company.

   (b) There is no stipulation regarding recovery of loans as these loans are repayable on demand.

   (c) The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.

4. According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.

5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.

6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Customs, Central Excise, Service Tax, Entry Tax, Income Tax and Value Added Tax, as at 31st March 2021 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom	111.67	01/12/1998 to 30/06/2000	Commissioner CE.
The Central Excise Act, 1944	Excise	1,019.06	1986-87 to 2013-14	Appeal filed before the CESTAT
The Central Excise Act, 1944	Excise	25.69	1986-87 to 2013-14	Commissioner Appeal
The Central Excise Act, 1944	Excise	118.43	1995-96 to2007-08	Supreme Court
Finance (Service Tax) Act, 1994	Service Tax	5,740.36	2003-04 to 2010-11	Appeal filed before the CESTAT
Entry Tax Act	Entry Tax	41.81	2011-12 to 2016-17	Commissioner Appeal
Income Tax Act, 1961	Income Tax	625.41	AY 2009-10 to 2018-19	Commissioner Appeal
Value Added Tax Act	Vat	204.71	2003-04 to 2005-06	Addl. Commissioner
Value Added Tax Act	Vat	4,578.23	2008-09 to 2011-12	Appellate and Revisional Board.
Value Added Tax Act	Vat	2,236.81	2011-12 to 2015-16	West Bengal Taxation Tribunal.
Central Sales Tax Act	CST	245.02	2003-04 to 2014-15	Addl. Commissioner
Central Sales Tax Act	CST	1,515.00	2006-07 to 2013-14	Appellate and Revisional Board.
Maharashtra Value Added Tax Act 2002	Sales Tax	220.64	2012-13 to 2013-14	Dy. Commissioner of Sales Tax, Mumbai
Odisha VAT ACT 2004	Sales Tax	6.51	2013-14 to 2016-17	Sales Tax, Bhubaneshwar-III Circle
West Bengal Value Added Tax Act, 2003	Sales Tax	75.25	2012-13	Senior Joint Commissioner, Commercial Taxes, Kolkata South Circle
West Bengal Value Added Tax Act, 2003	Sales Tax	15.75	2014-15	Deputy Commissioner, Commercial Taxes, Ballygunge Charge, Kolkata
Income Tax Act, 1961	Income Tax	30.57	AY 2009-10	High Court, Bombay
The West Bengal VAT Act, 2003	Vat	12.63	AY 2012-13	Appellate Authorities, West Bengal
MP VAT Act, 2002	Entry Tax	2.53	AY 2009-10	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	33.03	AY 2009-10 and AY 2015-16	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	3.13	AY 2009-10	Second Appellate Authorities, Bhopal
Value Added Tax Act	Vat	442.74	AY 2016-17 and 2017-18	West Bengal Taxation Tribunal
Central Sales Tax Act	CST	55.68	AY 2016-17 and 2017-18	WB Appellate & Revision Board
Goods and Services Tax Act	GST	0.56	AY 2018-19	Superintendent- Tadipatri
Central Sales Tax Act	Sales Tax	4.07	AY 2011-12	DCCT, Singhbhum, Circle, Jamshedpur
Central Sales Tax Act	Sales Tax	5.80	AY 2015-16	ETO, Gurgaon North.
Tamil Nadu VAT Act,2006	Sales Tax	175.39	AY 2010-11 to 2012-13	Commercial Tax officer (Enforcement) Group-1, Office of the Asst. Commissioner (CT) (Enforcement) Cuddalore
Goods and Services Tax Act	Service Tax	11.10	Oct 16 to June 17	Deputy Commissioner, East – II, Division CGST, Gurugram
Central Sales Tax Act	Sales Tax	6.55	2017-2018	Commercial Tax Officer, MAREDPALLY Circle, BEGUMPET Division, Hyderabad
Central Sales Tax Act	Sales Tax	1.28	2017-18	Deputy Commisioner Sales Tax
Goods and Services Tax Act	GST	96.10	FY 2017-2020	Excise & Taxation officer Bhiwani
The Chhattisgarh Value Added Tax Act, 2005	VAT	66.96	2015-2016	Assessment Commisioner Raipur
Finance (Service Tax) Act, 1994	Service Tax	7.11	FY 2014-18 (Oct.2014 Onwards to June 17)	Assessment Commisioner Raipur
The Central Excise Act, 1944	Central Excise	17.65		Adjucating authority
Customs Act, 1962	Custom	75.99		Commissioner Appeal
	Total	17,829.22		

8. According to the information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues of any of loans or borrowings to any banks.

   The Company has neither taken any loan from financial institutions or Government nor issued any debentures.

9. In our opinion, and according to the information and explanation given to us, on an overall basis, the money raised by Company during the year by way of term loan have been applied for the purpose for which they were obtained.

   The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

11. According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided to One Executive Director is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Company is in the process of taking approval from shareholder through a Special Resolution in the ensuing Annual General Meeting.

12. The related statutes are not applicable as the Company is not a Nidhi Company.

13. According to the information and explanations given to us and the records of the Company examined by us, the company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 1.41 of the standalone financial statements for the year under audit.

14. The Company has made preferential allotment of shares during the year under audit. According to the information and explanation given to us and the records of the company examined by us, the company has complied with the requirements of section 42 of the Act in this regard and in our opinion, on an overall basis, the funds thus raised have been applied for the purposes these were raised.

15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company and the holding company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.

16. In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(D.N. Roy)
Partner
Membership No 300389
UDIN:21300389AAAAES5418

Place: Kolkata
Date: 14.05.2021

ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT to the Members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 19 (g) of the Independent Auditor's Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub – sections 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 ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

2. The Company's management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 statements 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 statements 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 statements. 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, the Company has, 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 company 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.

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

(D.N. Roy)
Partner
Membership No. 300389
UDIN:21300389AAAAES5418

Place: Kolkata
Date: 14.05.2021

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	34,743.02	37,634.02
(b) Right-of-Use Assets	1.02a	44.01	44.69
(c) Capital work-in-progress	1.02b	396.44	360.46
(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	9,213.96	6,620.53
(ii) Loans	1.05	568.11	724.78
(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	8,217.66	8,212.30
(h) Other Non current Assets	1.09	503.26	762.55
		57,931.46	58,749.96
(2) Current Assets			
(a) Inventories	1.10	30,928.30	53,704.99
(b) Financial Assets			
(i) Investments	1.11	3,546.91	3,335.86
(ii) Trade Receivables	1.12	61,135.21	64,453.84
(iii) Cash & cash equivalents	1.13	2,239.28	1,658.41
(iv) Bank balances other than (iii) above	1.14	8,270.02	6,684.65
(v) Loans	1.15	5,050.09	4,856.50
(c) Current Tax Assets (Net)	1.16	3,136.17	2,121.78
(d) Other Current Assets	1.17	91,920.48	93,089.97
		206,226.46	229,906.00
TOTAL ASSETS		264,157.92	288,655.96
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share capital	1.18	2,503.43	2,248.59
(b) Other Equity	1.19	111,462.89	100,542.38
(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	69,710.54
(ii) Trade Payables	1.24		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		42,996.55	55,412.12
(iii) Other financial liabilities	1.25	6,027.03	5,502.82
(b) Other current liabilities	1.26	8,846.33	14,617.47
(c) Provisions	1.27	3,173.57	16,721.63
		133,733.52	161,964.58
TOTAL EQUITY AND LIABILITIES		264,157.92	288,655.96
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

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	168,873.80	183,179.98
II	Other Income	1.29	3,177.53	2,725.68
III	**Total Income (I +II)**		172,051.33	**185,905.66**
IV	**EXPENSES**			
	Cost of materials consumed	1.30	101,320.04	130,551.17
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1.31	16,844.13	(8,499.68)
	Employee benefit expenses	1.32	11,613.50	12,776.56
	Finance costs	1.33	10,296.93	9,689.15
	Depreciation and amortization expenses	1.34	3,725.67	3,590.85
	Other expenses	1.35	27,091.59	32,676.75
	Total expenses		**170,891.86**	**180,784.80**
V	**Profit/ (loss) before tax**		**1,159.47**	**5,120.86**
VI	**Exceptional items**		-	**14,991.97**
VII	**Profit/(loss) before tax**		**1,159.47**	**(9,871.11)**
VIII	Tax expense			
	1) Current Tax		-	747.00
	2) MAT Credit Entitlement		-	(258.00)
	3) Deferred Tax		(5.36)	(3,665.30)
	4) Income Tax Paid Related to Earlier Years		(21.80)	(110.78)
			(27.16)	**(3,287.08)**
IX	**Profit/(loss) for the period**		**1,186.63**	**(6,584.03)**
X	**Other comprehensive income**	1.36		
	A (i) Items that will not be reclassified to profit or loss		2,146.79	(1,173.49)
	B (i) Items that will be reclassified to profit or loss		166.76	(212.38)
			2,313.55	**(1,385.87)**
XI	**Total Comprehensive Income for the period**		**3,500.18**	**(7,969.90)**
XII	**Earnings per equity share (for continuing operations)**	1.42		
	1) Basic		0.52	(2.93)
	2) Diluted		0.52	(2.93)
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

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	1159.47	5120.86
Adjustments for:		
Depreciation	3725.67	3590.85
Interest Paid	10296.93	9689.15
Bad Debt Written off	51.18	98.44
Provision and Excess Liabilities Written Back/Off	0.94	(18.09)
Interest Received	(1,084.09)	(1,270.72)
Income From Investments	(32.10)	(60.89)
Profit on Sale Of Investments-Current(Net)	-	(5.29)
Gain on Fair Value of bonds/Mutual	(211.05)	(281.34)
Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	7.57	(78.75)
	12755.05	11663.36
	13914.52	16784.22
Operating Profit before Working Capital Changes & Exceptional Items		
(Increase)/Decrease in Trade & Other Receivables	4,822.97	(240.43)
(Increase)/Decrease in Inventories	22,776.69	(8699.06)
Increase/(Decrease) in Trade Payables & Other Liabilities	(36,498.62)	12983.12
	(8898.96)	4043.63
Cash Generated from Operations	5015.56	20827.85
Direct Taxes Paid	(992.60)	(1,662.49)
Cash Flow before Exceptional Items	4022.96	19165.36
Exceptional Items	-	(14,991.97)
Net Cash from Operating Activities	4022.96	4173.39
B) Cash Flows From Investing Activities		
Sale/(Purchase) of Property,Plant & Equipments	(1,208.29)	(7684.26)
(Purchase)/Sale of Investments (Net)	(469.83)	3452.22
Consideration Paid for Acquisition	-	(2,324.62)
Bank Deposits(Includes having original maturity more than three months)	(1,501.19)	(3585.58)
Interest Received	638.26	743.64
Dividend Received	32.10	60.89
Net Cash used in Investing Activities	(2508.95)	(9337.71)
C) Cash Flows From Financing Activities		
Receipt/(Payment) of Long Term Borrowings	(1,694.78)	255.89
Receipt/(Payment) of Short Term Borrowings	2,979.51	16108.39
Increase in Share Capital	254.84	0.25
Increase in Securities Premium	7,645.15	9.84
Interest Paid	(10,048.04)	(9444.95)
Dividend Paid	(236.58)	(785.38)
Dividend Tax Paid	-	(162.85)
Net Cash used in Financing Activities	(1099.90)	5981.19
D Changes in Foreign Currency Translation arising from Foreign Operations	166.76	(212.38)
Net Decrease in Cash and Cash Equivalents	580.87	604.49
Cash and Cash Equivalents at the beginning of the period	1658.41	1,053.92
Cash and Cash Equivalents at the end of the period	2239.28	1658.41
Note:		
(1) Details of Cash and Cash Equivalents as on		
Balances with banks		
Current Accounts	2,112.48	1,591.88
Cheques on hand	51.04	-
Cash on hand	75.76	66.53
	2,239.28	1,658.41

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**	**1,184.38**	**17,633.65**	**1,706.32**	**155.56**	**111,776.91**
Income for the year	-	-	-	-	(6,584.03)	-	-	(6,584.03)
Other Comprehensive Income for the year	-	-	-	-	-	(1,191.09)	(212.38)	(1,403.47)
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**	**1,184.38**	**10,117.37**	**515.23**	**(56.82)**	**100,542.38**
Income for the year	-	-	-	-	1,186.63	-	-	1,186.63
Other Comprehensive Income for the year	-	-	-	-	-	2,123.60	166.76	2,290.36
Issue of Equity Shares by conversion of loan (promotor's contribution)	-	7,645.16	-	-	-	-	-	7,645.16
Dividend on Equity Shares	-	-	-	-	(224.83)	-	-	(224.83)
Remeasurment of the net defined benefit plan	-	-	-	-	-	23.19	-	23.19
Transfer to/from retained earnings	-	-	-	-	23.19	(23.19)	-	-
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
Balance as at 31st March, 2021	1,626.60	47,579.86	47,420.92	1,184.38	10,902.36	2,638.83	109.94	111,462.89

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

Notes on Financial Statement

A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited, Bombay Stock Exchange Limited.

The Company manufactures a diverse range of products viz. Railway Freight Cars, Hydro-mechanical Equipment & Industrial Structural's, Loco Components and Loco Shells, Steel Girders for Railway Bridges, Steel Castings, and Pressure Vessels, etc. along with EPC contracts for Execution of Railway Track, Signaling & Telecommunication Projects, Rail Electrification & Automatic Fare Collection etc. on turnkey basis.

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, 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 (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 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 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 recognizes 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 & 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 recognize 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 utilized.

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 realized.

(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 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 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	1,508.01	-	-	1,508.01	150.80	0.02	-	150.82	1,357.19
Buildings	10,464.21	144.42	-	10,608.63	1,118.80	404.80	-	1,523.60	9,085.03
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	32,139.76	1,078.57	944.43	32,273.90	7,333.62	2,738.23	217.31	9,854.54	22,419.36
Electrical Machinery	656.70	28.56	19.05	666.21	232.68	50.52	13.70	269.50	396.71
Office Equipments	934.21	51.26	12.92	972.55	510.13	158.28	11.40	657.01	315.54
Furniture & Fittings	694.21	14.87	(8.40)	717.48	320.30	58.79	(5.15)	384.24	333.24
Vehicles	971.76	127.20	180.89	918.07	322.98	134.56	131.43	326.11	591.96
Total	47,770.08	1,459.27	1,148.89	48080.46	10136.06	3,570.07	368.69	13337.44	34743.02
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)	360.46	500.98	465.00	396.44	-	-	-	-	396.44
c) Investment Property	3,638.16	-	-	3,638.16	564.61	89.81	-	654.42	2,983.74
Total	4043.99	500.98	465.00	4079.97	565.29	90.49	-	655.78	3424.19
Note: 1.03							-		
Intangible Assets:				-			-		
Software	494.15	18.54	-	512.69	390.01	65.11	-	455.12	57.57
Total	494.15	18.54	-	512.69	390.01	65.11	-	455.12	57.57
Grand Total	52,308.22	1,978.79	1,613.89	52,673.12	11,091.36	3,725.67	368.69	14,448.34	38,224.78

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.

Note 1.01: Property, Plant and Equipment

Previous Year

(₹ in Lakhs

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2019	Addition 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	1,543.33	-	35.32	1,508.01	129.88	20.92	-	150.80	1,357.21
Buildings	13,363.99	711.27	3,611.05	10,464.21	1197.48	403.61	482.29	1,118.80	9,345.41
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	25,330.00	6924.11	114.35	32,139.76	4883.67	2555.65	105.70	7,333.62	24,806.14
Electrical Machinery	672.62	3.02	18.94	656.70	200.25	50.79	18.36	232.68	424.02
Office Equipments	836.74	99.25	1.78	934.21	335.25	175.78	0.90	510.13	424.08
Furniture & Fittings	654.82	39.39	-	694.21	263.29	57.01	-	320.30	373.91
Vehicles	889.73	126.73	44.70	971.76	255.01	134.07	66.10	322.98	648.78
Total	43,686.57	7,909.64	3826.13	47770.08	7381.13	3428.28	673.35	10136.06	37634.02
Note: 1.02									
a) Right to Use	-	45.37	-	45.37	-	0.68	-	0.68	44.69
b) Capital Work in Progress (CWIP)	978.95	2086.77	2705.26	360.46	-	-	-	-	360.46
c) Investment Property	-	3638.16	-	3,638.16	-	89.81	(474.80)	564.61	3,073.55
Total	978.95	5770.30	2705.26	4043.99	-	90.49	(474.80)	565.29	3478.70
Note: 1.03									
Intangible Assets:				-					
Software	463.41	30.74	-	494.15	317.93	72.08	-	390.01	104.14
Total	463.41	30.74	-	494.15	317.93	72.08	-	390.01	104.14
Grand Total	45,128.93	13,710.68	6,531.39	52,308.22	7,699.06	3,590.85	198.55	11,091.36	41,216.86

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 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	1644.86	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 Subsidiary Company (Unquoted)(At Cost)		
Belur Engineering Private Limited	10.00	10.00
1,00,000 (2020: 1,00,000) Shares of ₹ 10 each		
Texmaco Transtrak Private Limited	0.51	0.51
5,101 (2020: 5,101) Shares of ₹ 10 each		
Texmaco Rail Systems Private Limited	1.00	1.00
10,000 (2020: 10,000) Shares of ₹ 10 each		
Texmaco Rail Electrification Limited	2.00	-
20,000 (2020: Nil) Shares of ₹ 10 each		
Texmaco Engineering Udyog Private Limited	1.00	-
10,000 (2020: Nil) Shares of ₹10 each		
Investments in Equity Instruments of Associate Company (Unquoted)(At Cost)		
Texmaco Defence System Private Limited	4.10	4.10
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	1,264.99	1,264.99
1,26,49,999 (2020: 1,26,49,999) Shares of ₹10 each		
Wabtec Texmaco Rail Private Limited		
32,81,700 (2020:32,81,700) Shares of ₹ 10 each	328.17	328.17
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	**9,213.96**	**6,620.53**
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	5,278.60	4,808.77

Note 1.05 Loans (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured- Considered Good		
Security Deposits	568.11	724.78
	568.11	**724.78**

Notes on Financial Statement

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	Ast at 31.03.2021	Ast 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		
(a) Carried Forward Losses	2,752.69	181.27
(b) Provisions & others	5,085.21	7,586.53
(c) MAT Credit	4,906.92	4,501.19
(d) Compensated absences	175.74	158.33
(e) Gratuity	139.45	107.90
Total deferred income tax assets	**13,060.01**	**12,535.22**
Deferred Income Tax Liabilities		
Property,Plant and equipment	(4,842.35)	(4,322.92)
Total deferred income tax liabilities	(4,842.35)	(4,322.92)
Net deferred tax assets	**8,217.66**	**8,212.30**

Note 1.09 Other Non-Current Asset

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Capital Advances	300.32	507.56
(b) Prepaid Expenses	202.94	254.99
Total	**503.26**	**762.55**

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	17,113.04
(b) Work in Progress	14,581.23	27,792.32
(c) Finished Goods	1,462.29	5,095.33
(d) Stores and Spares	1,615.32	2,014.66
(e) Goods in transit(Raw Materials and Component)	1,892.71	1,689.64
Total	30,928.30	**53,704.99**

Inventories are secured against for first charge on working capital facility.

Notes on Financial Statement

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
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H	1,882.78	1,769.16
1,50,00,000 (2020: 1,50,00,000) Units of ₹ 10 each		
SBI Debt Fund Series C-16 1100 Days	1,648.13	1,552.16
1,32,24,964 (2020: 1,32,24,964) Units of ₹ 10 each		
TOTAL CURRENT INVESTMENTS	**3,546.91**	**3,335.86**
i) Aggregate amount of quoted investments	-	-
ii) Market Value of quoted investments	-	-
iii) Aggregate amount of unquoted investments	**3,546.91**	**3,335.86**

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	61,135.21	64,453.84
(c) Unsecured, Credit Impaired	9,949.34	5,904.53
	71,084.55	**70,358.37**
Allowance for bad and doubtful debts	(9,949.34)	(5,904.53)
Total	61,135.21	**64,453.84**

Note: (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	2,112.48	1,591.88
(b) Cheques/ Pay order in hand	51.04	-
(c) Cash on hand	75.76	66.53
Total	2,239.28	**1,658.41**

Cash and cash equivalants include cash on 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 Financial Statement

Note 1.15 Loans (Current)

(₹ in Lakhs)

Particulars		As at 31.03.2021	As at 31.03.2020
I	**Unsecured Considered Good**		
(a)	Security Deposits to others	85.97	87.69
(b)	Loan to Subsidiaries & Associates	3,360.14	3,569.85
(c)	Interest accrued on Loans	1,355.98	915.24
(d)	Advance to Employee	248.00	283.72
		5,050.09	**4,856.50**
II	**Unsecured, Credit Impaired**		
	Loan to Body Corporates	275.00	275.00
	Less: Allowance for Loan to Body Corporate	(275.00)	(275.00)
		-	-
	Total	**5,050.09**	**4,856.50**

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)	3,136.17	2,121.78
Total	**3,136.17**	**2,121.78**

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	8,129.69
(c)	Other Advances	2,878.63	2,336.23
(d)	Prepaid Expenses	401.90	420.99
(e)	Balances with Government Dept	20,342.30	23,621.36
(f)	Contractually reimbursable expenses	2,575.21	3,965.33
(g)	Unbilled Debtors	60,099.75	54,102.31
	Total	**91,920.48**	**93,089.97**

Note 1.18 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised Share Capital		
197,00,00,000 Equity shares at par value of ₹ 1/- each	19,700.00	19,700.00
(As at 31st March 2020:197,00,00,000 Equity Shares of ₹ 1/- each)	**19,700.00**	**19,700.00**
Issued, Subscribed and paid up capital		
250343252 Equity Shares at par value of ₹ 1/- each	2,503.43	2,248.59
(As at 31st March 2020: 22,48,59,382 Equity Shares of ₹ 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 Re. 1 each holder of equity shares is entitled to one vote per shares

Notes on Financial Statement

(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	-	47,85,000
Add: Conversion of Loan into Equity Share through Preferential Allotments	25,483,870	-
Number of Shares at the end of the year	25,03,43,252	**22,48,59,082**

(vi) After the reporting date, dividend of 0.10 paisa (2020: 0.10 Paisa) per equity share was 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 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	1,184.38	1,184.38
		1,184.38	**1,184.38**
(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	7,645.16	-
	Add: On issue of ESOP	-	9.84
		47,579.86	**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		
	Balance as at the beginning of the year	-	-
	Addition during the year	23.19	17.60
	Less : Transferred to Retained Earning	(23.19)	(17.60)
		-	-
(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	10,117.37	17,633.65
	Add : Profit for the year	1,186.63	(6,584.03)
	Add : Transferred from Remeasurements of the net defined benefit Plans	23.19	17.60
	Less : Transferred to General Reserve	(200.00)	-
	Less:Dividend on Equity Shares	(224.83)	(787.00)
	Less:Tax on dividend	-	(162.85)
		10,902.36	**10,117.37**
	Total	**111,462.89**	**100,542.38**

(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.

Notes on Financial Statement

(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) Security Deposit(Prepaid - Rent Liability)	307.34	337.44
Total	**11,946.21**	**17,814.34**

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	47,490.65
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	7,800.00
Total	72,690.04	**69,710.54**

Notes on Financial Statement

(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.

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	42,996.55	55,412.12
		42,996.55	**55,412.12**
	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 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

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**		
	Term Loan	1,648.05	1,049.67
	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	2,281.58	2,043.07
	Amount Due to Employee	1,324.25	1,138.21
	Others Misc. Payable	193.58	262.27
	Creditors for Capital Advance	15.38	689.76
	Total	6,027.03	**5,502.82**

(i) Term Loan from Banks are is 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 upaid dividend as at 31st March, 2021

Notes on Financial Statement

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	325.91	741.16
(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	8,846.33	**14,617.47**

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	172.85
(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**	**16,721.63**

The Company accounts for leave and gratuity based on Actuary Valuation

Note 1.28 Revenue From Operations

(₹ in Lakhs)

Particulars		Year Ended 31.03.2021	Year Ended 31.03.2020
(a)	Sale of products	104,493.10	118,336.57
(b)	Sale of services	77,631.44	82,536.50
(c)	Other operating revenues	806.37	1,154.43
	Gross Revenue from Operations	182,930.91	**202,027.50**
	Less: Inter Segment Revenue	14,057.11	18,847.52
	Net Revenue from Operations	168,873.80	**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	818.95	1,030.21
(b)	**Dividend Income**		
	Income from Non-Current Investments	32.10	60.89
(c)	**Other non-operating income**		
	Net gain on Sale of Current Investments	-	5.29
	Compensation Against Old Refugee Settlement Area	589.74	178.02
	Miscellaneous Receipts and Income	221.80	455.56
	Sundry Credit Balance Adjusted	0.45	7.77
	Profit on sale of PPE	-	78.75
	Rent Received	971.43	367.20
	Provision & Excess Liabilities Written Back	-	18.09
	Insurance Claim Received	66.87	2.05
	Gain on fair valuation of Mutual Funds	211.05	281.34
	Total	3,177.53	**2,725.68**

Notes on Financial Statement

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	5,888.15	8,241.44
Add: Raw materials Purchased and Departmental Transfers etc.	68,782.35	84,968.63
	74,670.50	**93,210.07**
Less: Closing Stock of Raw Materials	3,764.67	5,888.15
	70,905.83	**87,321.92**
Consumption of Components	44,471.32	62,076.77
Less Inter Segment Revenue	14,057.11	18,847.52
Total	**101,320.04**	**130,551.17**

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	5,095.33	2,518.97
Work-in-Progress	27,792.32	21,869.00
Total	**32,887.65**	**24,387.97**
Less : Closing Stock		
Finished Goods	1,462.29	5,095.33
Work-in-Progress	14,581.23	27,792.32
	16,043.52	**32,887.65**
(Increase) / Decrease in Stock	**16,844.13**	**(8,499.68)**

Note 1.32 Employee Benefit Expenses (₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
a) Salaries ,Wages and Bonus	10,259.45	11,369.56
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	**11,613.50**	**12,776.56**

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	5,883.93
ii) Others	3,115.69	2,017.00
(b) Other borrowing costs	1,289.94	1,788.22
Total	**10,296.93**	**9,689.15**

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	3,660.56	3,518.77
(b) Depreciation on Intangible Assets	65.11	72.08
Total	3,725.67	**3,590.85**

Notes on 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		5,515.00		7,167.10
Rent		889.80		843.46
Repairs to buildings		497.86		524.77
Repairs to machinery		364.26		454.16
Repairs to others		111.56		130.94
Insurance		491.89		601.00
Rates and Taxes excluding taxes on Income		409.00		447.81
Freight,Packing and Transport		1,284.00		1,211.91
Erection Expenses		5,687.60		6,767.06
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	21.25		20.75	
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		8.75	
To Cost Auditor	1.85		1.85	
For Reimbursement of out of poket expenses	5.01	41.57	4.64	44.09
Donation		1.04		200.70
CSR Expenses*		11.61		62.96
Miscellaneous Expenses		2,549.91		3,380.35
Sundry Debit Balance Adjusted		37.54		1.14
Allowance for bad & doubtful debts		330.91		394.66
Bad Debt/Impairment /Loss of unbilled Revenue	8817.50		2,681.07	
Less: Allowance for bad & doubtful debts	(8766.32)	51.18	(2,582.63)	98.44
Net (gain)/loss on foreign currency transaction		(394.15)		(474.39)
(Profit)/Loss on sale of PPE (Net)		7.57		-
Provision & Excess Liabilities Written Back		0.94		-
Total		27,091.59		**32,676.75**

***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 Financial Statement

Note 1.36 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year 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)
	2,146.79	**(1,173.49)**
(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 Commitments and Contingent Liabilities

(₹ in Lakhs)

Particulars	For the period ended 31.03.2021	For the period ended 31.03.2020
(A) Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	1,976.30	848.00
(B) Contingent Liabilities (not provided for) in respect of :		
(a) Bank/Corporate Guarantees given in the normal course of Business.	93,931.43	1,24,815.12
(b) Bonds issued to Custom Department	92.20	92.20
(c) Claims under dispute (Excise, Service Tax, Income Tax and others)	20,071.19	20,145.56
(d) Claims not acknowledged as debts (Amount unascertainable)	-	-
(e) Income Tax assessment under appeal (Amount unascertainable)	-	-

Note 1.38

Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

(₹ in Lakhs)

Particulars	Opening Provision as on 1.4.2020	Utilized during the year	Reversed during the year	Provision during the year	Closing provision as on 31.03.2021
(a) Site warranty period maintenance	183.99	–	–	–	183.99
(b) Others	1,450.75	–	657.77	1,630.84	2,423.82
Total	**1,634.74**	–	657.77	1,630.84	**2,607.81**
Previous Year	1,127.97	–	151.00	657.77	1634.74

In accordance with the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Companies (Accounting Standard) Rules 2006, the company has provided liability for other expenses amounting to ₹ 1,630.84 lakhs (Previous Year ₹ 657.77 lakh).

Site warranty period maintenance: The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at March 31, 2021 represents the amount of the expected cost of meeting such obligations of rectification/ replacement/maintenance. The timing of the outflow is expected to be within a period of two years.

Provision for others: It represents liabilities related to various site expenses including contractor service charges for sites, administrative charges etc, likely to materialize in the next financial year. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are liable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Notes on Financial Statement

Note 1.39 In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated and the provisions for all known and determined liabilities is adequately provided.

Note 1.40 Balance of debtors and loans and advances are subject to confirmation from respective parties.

Note 1.41 Related Party Disclosure

(a) Name of the Related Parties and Relationship

(b) Name of the related parties and relationship as per Ind AS 24

	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)	-
		Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021)	-
		-	Mr. V. K. Sharma, Independent Director
		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)

Notes on Financial Statement

	Relationship	Parties where control Exist 2020-21	Parties where control Exist 2019-20
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)	TexmacoTranstrak Private Ltd. (51.01% of Capital held by Company)
		Texrail SA (Pty) Ltd. (Subsidiary by way of Control)	Texrail SA (Pty) Ltd. (Subsidiary by way of Control)
		Texmaco Rail Systems Pvt. Ltd (100% of Capital held by Company)	Texmaco Rail Systems Pvt. Ltd (Formerly Texmaco Signalling Systems Pvt .Ltd) (100% of Capital held by Company)
		Texmaco Rail Electrification 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
		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
		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.	-
		Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.
		Magnacon Electricals India Ltd.	Magnacon Electricals India Ltd.
		The Pench Valley Coal Company Ltd.	-

Notes on 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. Limited	– (–)	– (–)	– (–)	466.83 (450.00)	– (–)	466.83 (450.00)	4931.82 (4464.99)
- Texmaco Infrastructure & Holdings Limited	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	1644.87 (727.27)
- Wabtec Texmaco Rail Pvt. Ltd	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	328.17 (328.17)
- Belur Engineering Pvt. Ltd	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	10.00 (10.00)
- TexmacoTranstrak Pvt. Ltd.	– (–)	– (–)	– (–)	– (–)	– (–)	– (–)	0.51 (0.51)
- TexmacoRail Systems Pvt. Ltd.	– (–)	– (1.00)	– (–)	– (–)	– (–)	– (1.00)	1.00 (1.00)
- Texmaco Rail Electrification Pvt. Ltd.	– (–)	2.00 (–)	– (–)	– (–)	– (–)	2.00 (–)	2.00 (–)

Notes on Financial Statement

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
- Texmaco Engineering Udyog Pvt. Ltd.	–	1.00	–	–	–	1.00	1.00
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Texmaco Defence Systems Pvt. Ltd.	–	–	–	–	–	–	4.10
	(–)	(–)	(-1.00)	(–)	(–)	(-1.00)	(4.10)
Loans & Advances Given							
- Belur Engineering Pvt. Ltd.	–	-250.00	–	–	–	-250.00	2740.00
	(–)	(-1200.00)	(–)	(–)	(–)	(-1200.00)	(2990.00)
- Texmaco Transtrak Pvt. Ltd.	–	0.10	–	–	–	0.10	360.40
	(–)	(191.31)	(–)	(–)	(–)	(191.31)	(360.30)
- Texmaco Defence Systems Pvt. Ltd.	–	–	40.20	–	–	40.20	259.75
	(–)	(–)	(11.22)	(–)	(–)	(11.22)	(219.54)
- Bright-Vijaywargi-JV	–	–	–	48.41	–	48.41	106.10
	(–)	(–)	(–)	(234.90)	(–)	(234.90)	(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	–	–	–	–	-2080.00	3120.00
	(4100.00)	(–)	(–)	(–)	(–)	(4100.00)	(5200.00)
- Adventz Securities Enterprises Ltd.	375.00	–	–	–	–	375.00	1075.00
	(-150.00)	(–)	(–)	(–)	(–)	(-150.00)	(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 Ltd.	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	4.15	–
	(–)	(–)	(–)	(–)	(12.06)	(12.06)	(–)
- Ms Jyotsna Poddar	0.07	–	–	–	–	0.07	–
	(0.25)	(–)	(–)	(–)	(–)	(0.25)	(–)
- Ms. Puja Poddar	0.03	–	–	–	–	0.03	–
	(0.10)	(–)	(–)	(–)	(–)	(0.10)	(–)
- Mr. Akshay Poddar	–	–	–	–	0.01	0.01	–
	(–)	(–)	(–)	(–)	(0.05)	(0.05)	(–)
- Ms. Shradha Agarwal	0.01	–	–	–	–	0.01	–
	(0.05)	(–)	(–)	(–)	(–)	(0.05)	(–)
- Abhishek Holdings Pvt. Ltd.	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Adventz Securities Enterprises Ltd.	3.81	–	–	–	–	3.81	–
	(13.33)	(–)	(–)	(–)	(–)	(13.33)	(–)
- Adventz Finance Pvt. Ltd.	8.48	–	–	–	–	8.48	–
	(29.32)	(–)	(–)	(–)	(–)	(29.32)	(–)
- Adventz Investments Co. Pvt. Ltd.	3.04	–	–	–	–	3.04	–
	(10.62)	(–)	(–)	(–)	(–)	(10.62)	(–)
- Duke Commerce Ltd.	7.51	–	–	–	–	7.51	–
	(26.30)	(–)	(–)	(–)	(–)	(26.30)	(–)

Notes on Financial Statement

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
- 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)	– (–)
- 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 Limited (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)	– (–)	– (–)	– (–)	– (–)	37.06 (335.27)	9.71 (53.87)

Notes on Financial Statement

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
- 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)	– (–)
- Belur Engineering Pvt. Ltd (Rent Received)	– (–)	0.05 (0.05)	– (–)	– (–)	– (–)	0.05 (0.05)	– (–)
- Belur Engineering Pvt. Ltd (Rent Paid)	– (–)	330.55 (330.55)	– (–)	– (–)	– (–)	330.55 (330.55)	– (–)
- Belur Engineering Pvt. Ltd (Interest received against ICD given)	– (–)	303.92 (322.30)	– (–)	– (–)	– (–)	303.92 (322.30)	– (–)
- Texmaco Defence Systems Pvt. Ltd. (Rent Received)	– (–)	– (–)	0.05 (0.05)	– (–)	– (–)	0.05 (0.05)	– (–)
- Texmaco Defence Systems Pvt. Ltd. (Interest Received)	– (–)	– (–)	27.13 (26.40)	– (–)	– (–)	27.13 (26.40)	25.10 (33.93)
- Texmaco Transtrak Private Ltd. (Rent Received)	– (–)	12.83 (3.04)	– (–)	– (–)	– (–)	6.09 (3.04)	12.83 (1.52)
- Texmaco Transtrak Private Ltd. (Interest Received)	– (–)	39.64 (30.22)	– (–)	– (–)	– (–)	39.64 (30.22)	65.37 (35.50)
- Texmaco Rail Systems Private Ltd. (Rent Received)	– (–)	0.06 (0.07)	– (–)	– (–)	– (–)	0.06 (0.07)	– (–)
- Texmaco Rail Electrification Private Ltd. (Rent Received)	– (–)	0.05 (–)	– (–)	– (–)	– (–)	0.05 (–)	– (–)
- 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)

Notes on Financial Statement

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2021
- JMC-GPT-Vijaywargi-Bright Power JV	–	–	–	–	–	–	2.45
(Amount paid on behalf of Company)	(–)	(–)	(–)	(–)	(–)	(–)	(2.45)
- Kalindee Cobra JV	–	–	–	1431.00	–	1431.00	573.41
(Sale of Goods)	(–)	(–)	(–)	(1244.80)	(–)	(1244.80)	(870.44)
- Kalindee Cobra JV	–	–	–	1.44	–	1.44	–
(Amount paid by the company on behalf of others)	(–)	(–)	(–)	(0.60)	(–)	(0.60)	(–)
- Kalindee IL & FS JV	–	–	–	19.64	–	19.64	1346.48
(Sale of Goods)	(–)	(–)	(–)	(685.33)	(–)	(685.33)	(2406.91)
- Kalindee Kapoor Railcon JV	–	–	–	90.47	–	90.47	316.04
(Sale of Goods)	(–)	(–)	(–)	(2282.72)	(–)	(2282.72)	(2279.31)
- Kalindee Kapoor Railcon JV	–	–	–	1.71	–	1.71	–
(Amount paid on behalf of the company)	(–)	(–)	(–)	(12.66)	(–)	(12.66)	(–)
- Kalindee Karthik JV	–	–	–	112.64	–	112.64	529.31
(Sale of Goods)	(–)	(–)	(–)	(-4.78)	(–)	(-4.78)	(401.46)
- Kalindee Rahee JV	–	–	–	28.02	–	28.02	905.79
(Amount paid by the company on behalf of others)	(–)	(–)	(–)	(1386.49)	(–)	(1386.49)	(2364.64)
- Kalindee URC JV	–	–	–	212.25	–	212.25	181.43
(Sale of Goods)	(–)	(–)	(–)	(363.69)	(–)	(363.69)	(223.35)
- Kalindee URC JV	–	–	–	–	–	–	–
(Amount paid by the company on behalf of others)	(–)	(–)	(–)	(2.81)	(–)	(2.81)	(–)
- Kalindee VNC JV	–	–	–	32.89	–	32.89	1681.28
(Amount paid by the company on behalf of others)	(–)	(–)	(–)	(178.79)	(–)	(178.79)	(1604.02)
- GMR TPL KRNL JV	–	–	–	849.28	–	849.28	878.34
(Sale of Goods)	(–)	(–)	(–)	(170.43)	(–)	(170.43)	(1270.02)
- Tata Projects- Kalindee JV	–	–	–	553.49	–	553.49	465.30
(Sale of Goods)	(–)	(–)	(–)	(529.95)	(–)	(529.95)	(112.88)
- Texmaco SA (Pty) Ltd.	–	0.36	–	–	–	0.36	–
(Services Received)	(–)	(73.01)	(–)	(–)	(–)	(73.01)	(5.77)
- Texmaco-Rahee JV	–	–	–	691.05	–	691.05	67.24
(Sale of Goods)	(–)	(–)	(–)	(378.25)	(–)	(378.25)	(67.24)
- Texmaco-Asis JV	–	–	–	12.05	–	12.05	–
(Sale of Goods)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Corporate Guarantee Given							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	–	–	–	958.48	–	958.48	2664.87
(Against Sale of Wagons)	(–)	(–)	(–)	(–)	(–)	(–)	(1706.39)
Corporate Guarantee Received							
- Texmaco Infrastructure & Holdings Ltd.	–	–	–	–	–	–	–
(Against Cash Credit facility)	(–)	(–)	(–)	(–)	(–)	(–)	(5000.00)
- Belur Engineering Pvt Ltd	–	–	–	–	–	–	4800.00
(Against Term Loan Facility)	(–)	(4800.00)	(–)	(–)	(–)	(4800.00)	(4800.00)

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 Financial Statement

Note 1.42 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	1,186.63	(6,584.03)
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)	₹	0.52	(2.93)
(B) Diluted Earning per share (face value of ₹ 1/- each)	₹	0.52	(2.93)

Note 1.43 Interest in Joint Venture (JV)

Particulars of the Company's interest in Jointly Controlled Entity is as below:

	Percentage of ownership	Country of Incorporation
TouaxTexmaco Railcar Leasing Pvt. Ltd	50%*	India
Wabtec Texmaco Rail Pvt. Ltd	40%	India

* Number of shares held by Texmaco Rail & Engineering Limited in TouaxTexmaco Railcar Leasing Pvt. Ltd is 1,26,49,999 equity shares, whereas number of equity shares held by Touax Rail Limited is 1,26,50,001.

The company's share in assets, liabilities, income and expense in the above jointly controlled entities as at and for the year ended March 31, 2021 is as follows:

(₹ in lakhs)

Name of Joint Venture	Company's share in				
	Assets	Liabilities	Income	Expenses	Profit/ (Loss) after Tax
Touax Texmaco Railcar Leasing Pvt. Ltd	13,926.39 (10,701.76)	8,897.05 (6,169.72)	1,484.42 (1,201.36)	811.41 (884.66)	673.01 (316.70)
Wabtec Texmaco Rail Pvt. Ltd	1,642.34 (1,795.76)	1,020.92 (1,346.55)	1,608.65 (1,764.77)	1,438.67 (1,658.85)	169.98 (105.92)

Note: Figures in bracket are of previous year figure.

Note 1.44 Employee Benefits Obligation:

The Company accounts for Gratuity, Leave and Provident Fund Liability at actuarial valuation at the end of the year i.e. March 31. Accordingly, these Liabilities have been computed by the actuary as at March 31, 2021.

Defined benefits Plans – As per Actuarial valuation as on March 31, 2021

Sl No.	Particulars	Funded Gratuity 2020-21	Funded Gratuity 2019-20	Unfunded Leave 2020-21	Unfunded Leave 2019-20
A	**Amount Recognised in Balance Sheet**				
	Present Value of defined benefit obligations	2,793.15	2,617.23	499.72	499.46
	Fair Value of Plan Assets	2,552.04	2,477.06	-	-
	Net asset / (liability) recognized in Balance Sheet	(241.11)	(140.17)	(499.72)	(499.46)
B	**Change in Present Value of Obligations**				
	Present Value of Obligation as at the beginning of the year	2,617.23	2,108.72	499.46	366.34
	Current Service Cost	206.97	194.43	93.70	67.51
	Interest (Income) / Cost	170.37	174.99	32.39	30.50
	Re- measurement (or Actuarial) (Gain)/Loss arising from :				
	change in demographic assumptions	1.59	20.36	6.04	26.66

Notes on Financial Statement

(₹ in Lakhs)

Sl No.	Particulars	Funded Gratuity 2020-21	Funded Gratuity 2019-20	Unfunded Leave 2020-21	Unfunded Leave 2019-20
	change in financial assumptions	1.60	44.61	(0.20)	5.63
	experience variance (i.e. Actual experience vs. assumptions)	183.57	(111.78)	(13.46)	(7.29)
	Past Service Cost	-	-	-	-
	Benefits Paid	(388.18)	(131.20)	(118.21)	(42.18)
	Acquisition Adjustment	-	317.10	-	52.29
	Present Value of Obligation as at the end of the year	2,793.15	2,617.23	499.72	499.46
C	**Changes in the Fair Value of Plan Assets**				
	Fair Value of Plan Assets as at the beginning of the year	2,477.06	2,054.61	-	-
	Investment Income	161.97	150.34	-	-
	Employer's Contribution	283.80	367.53	41.01	8.45
	Employee's Contribution	-	-	-	-
	Benefits paid	(372.94)	(131.20)	(41.01)	(8.45)
	Return on plan assets, excluding amount recognised in net interest expense	2.15	35.78	-	-
	Fair Value of Plan Assets at the end of the year	2,552.04	2,477.06	-	-
D	**Expenses Recognised in the Income Statement**				
	Current Service Cost	206.97	194.43	93.70	67.51
	Past Service Cost	-	-	-	-
	Net Interest Cost/(Income) on the Net Defined Benefit Liability / (Asset)	8.42	24.66	32.39	30.50
	change in demographic assumptions	-	-	6.04	26.65
	change in financial assumptions	-	-	(0.20)	5.63
	experience variance (i.e. Actual experience vs assumptions)	-	-	(13.46)	(7.28)
	Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
	Expenses Recognised in the Income Statement	215.39	219.09	118.47	123.01
E	**Other Comprehensive Income**				
	Actuarial (gains) / losses arising from				
	change in demographic assumptions	1.59	20.36	-	-
	change in financial assumptions	1.60	44.62	-	-
	experience variance (i.e. Actual experience vs assumptions)	183.57	(111.77)	-	-
	Return on plan assets, excluding amount recognised in net interest expense	(2.15)	(35.78)	-	-
	Components of defined benefit costs recognised in other comprehensive income	184.61	(82.57)	-	-
F	**Major categories of Plan Assets (as percentage of Total Plan Assets)**				
	Government of India securities	-	-	-	
	State Government securities	-	-	-	-
	High quality corporate bonds	-	-	-	-
	Equity shares of listed companies	-	-	-	-
	Property	-	-	-	-
	Special Deposit Scheme	-	-	-	-
	Funds managed by Insurer	100%	100%	-	-
	Bank balance	-	-	-	-
	Other Investments	-	-	-	-
	Total	**100%**	**100%**	**-**	**-**

Notes on Financial Statement

G Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial Assumptions	Gratuity		Leave	
	2021	2020	2021	2020
Discount rate (per annum)	6.40%	6.50%	6.40%	6.50%
Salary growth rate (per annum)	5.00%	5.00%	5.00%	5.00%

Demographic Assumptions	Gratuity		Leave	
	2021	2020	2021	2020
Mortality Rate (% of IALM 12-14)	100%	100%	100%	100%
Withdrawal rates, based on age: (per annum)				
Up to 30 years	3.00%	3.00%	3.00%	3.00%
31 - 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%
Rate of Leave Availment (per annum)	NA	NA	0.00%	0.00%
Rate of Leave Encashment during employment (P.A.)	NA	NA	0.00%	0.00%

(₹ in Lakhs)

H Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Particulars		Discount Rate (- / + 1%)	Salary Growth Rate (- / + 1%)	Attrition Rate (- / + 50% of attrition rates)	Mortality Rate(-/+10% of mortality rate)
Grautity					
Increase/ (Decrease) in Liability)	31.03.2021	(391.48)	(190.37)	(297.45)	(520.92)
Increase/ (Decrease) in Liability)	31.03.2021	(191.15)	(393.45)	(314.52)	(523.97)
Increase/ (Decrease) in Liability)	31.03.2020	(215.18)	(415.98)	(508.41)	(322.05)
Increase/ (Decrease) in Liability)	31.03.2020	(413.66)	(214.49)	(494.54)	(317.33)
Leave					
Increase/ (Decrease) in Liability)	31.03.2021	(147.55)	(109.62)	(131.53)	(237.91)
Increase/ (Decrease) in Liability)	31.03.2021	(111.44)	(148.70)	(133.74)	(238.48)
Increase/ (Decrease) in Liability)	31.03.2020	(117.44)	(155.94)	(250.06)	(140.26)
Increase/ (Decrease) in Liability)	31.03.2020	(154.59)	(116.17)	(246.75)	(133.86)

The defined benefit obligations shall mature after the end of reporting period is as follows:

Expected cash flows over the next (valued on undiscounted basis):	Gratuity		Leave	
	2021	2020	2021	2020
1 Year	974.52	808.42	110.08	117.99
2 to 5 years	974.31	1,048.92	175.15	178.46
6 to 10 years	953.53	886.66	192.11	178.38
More than 10 years	994.71	980.26	314.60	278.64

I) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as Interest Rate risk, Liquidity Risk, Salary Escalation Risk, Demographic Risk, Regulatory Risk, Asset Liability Mismatching or Market Risk, Investment Risk etc.

Notes on Financial Statement

Note 1.45 Amount Remitted during the year to Non - Resident Shareholders Account of Dividend (As Certified by The Management) (₹ in Lakhs)

Particulars	2020-21	2019-20
Number of Non-resident Shareholders	14	17
Number of Equity Shares held	12,590	14,840
Dividend remitted (₹ in Lakhs)	0.01	0.04
Year of Dividend paid	2019-20	2018-19

Note 1.46 Value of Raw Materials and Stores Consumed (Including Components and Spare Parts, Services etc.) (₹ in Lakhs)

Particulars	2020-21		2019-20	
(a) Imported	9,070.57	7.30%	11,035.11	6.91%
(b) Indigenous	1,15,121.83	92.70%	1,48,667.29	93.09%
Total	**1,24,192.40**	**100%**	**1,59,702.40**	**100.00**

Note 1.47 Value of Imports on C.I.F. basis (₹ in Lakhs)

Particulars	2020-21	2019-20
(a) Raw Materials	1,191.69	3,282.98
(b) Components, Spare Parts and Stores	1,409.24	3,221.96
(c) Capital Goods	-	-
Total	**2,600.93**	**6504.94**

Note 1.48 Analysis of Raw Material Consumed (₹ in Lakhs)

Particulars	2020-21	2019-20
(a) M.S. & C.I. Scrap	2,487.68	4,305.77
(b) Plates & Sheets	62,609.46	74,857.33
(c) Rounds, Bars & Flats	49.15	32.95
(d) Structural	5,759.54	8,125.87
Total	**70,905.83**	**87,321.92**

Note 1.49 Consumption of raw materials, components, stores and spare parts includes profit/loss on sale thereof and exchange difference arising on Foreign Currency Transactions on account of import of Raw Materials/Stores and has been accounted under respective Revenue heads.

Note 1.50 Escalation, Insurance claims and other claims have been accounted for on accrual basis based on latest data available with the Company and where the realization of the amount is reasonable certain.

Note 1.51 Expenditure in Foreign Currency (₹ in Lakhs)

Particulars	2020-21	2019-20
(a) R & D Expenses	-	8.44
(b) Travelling and Others	148.12	213.60
(c) Fees & Subscription	4.60	5.96
(d) General Charges (Charity & Donation, AAR Audit Fee, Books & Periodicals)	-	0.21
Total	**152.72**	**228.21**

Notes on Financial Statement

Note 1.52 Income in Foreign Exchange

(₹ in Lakhs)

Particulars	2020-21	2019-20
Export of Goods (F.O.B.)	10,255.24	14,506.79
	10,255.24	**14,506.79**

Note 1.53 Details of Inventory of Work in Progress

(₹ in Lakhs)

Particulars	2020-21	2019-20
Work-in- Process		
- Heavy Engineering Division	6,522.84	10,737.54
- Steel Foundry Division	7,437.01	9167.58
- Rail EPC	621.38	7887.20
Total	**14581.23**	**27792.32**

Note 1.54 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.

(₹ in Lakhs)

Particulars	2020-21	2019-20
(a) - Un-hedged foreign currency exposure as at 31st March 21 – Payables. USD:17,03,217 (Previous Year: Euro: 25,08,212 & USD: 40,56,276 & ZAR- 1,74,247)	1,252.38	9,463.97
(b) - Un-hedged foreign currency exposure as at 31st March 21 – Receivable. - AUD: 14,43,827 USD: 42,73,356, Euro: 21,54,954, JPY: 9,21,82,502 and NRS: 1,30,40,722 (Previous Year: AUD: 15,58,940, USD: 30,70,947 Euro: 16,11,772 NRS: 1,02,42,611 & JPY: 8,10,00,720)	6,494.80	5,107.03

Note 1.55 Details of Income/ Expenses Disclosed on Net Basis

(₹ in Lakhs)

Particulars	2020-21	2019-20
1 Profit/ Loss on sale of Property, Plant & Equipments		
Profit	19.90	79.18
Loss	27.47	0.43
Net	**7.57**	**78.75**
2 Profit on sale of current investment		
Mutual Funds & Others		
Profit	-	12.97
Loss	-	7.68
Net	**-**	**5.29**

Notes on Financial Statement

Note 1.56 Disclosure Pursuant to Ind AS 111 – Joint Arrangements

Name of Joint venture	Description of Interest/ (Description of Job)	Country of Residence
Kalindee Kartik JV	Jointly controlled operations (civil work and signaling at Sini Jharkhand, SE Railway) – 80%	India
Kalindee Kapoor RailconJV	i. Jointly controlled operations (civil work and signaling at Rani Keshwaganj, Rajasthan and Lucknow Pilibhit, Uttar Pradesh) – 71% ii. Jointly controlled operations (civil work and signaling at Lucknow Pilibhit, Uttar Pradesh) – 71% iii. Jointly controlled operations (civil work and signaling at Palanpur - Sarotra, Uttar Pradesh) – 70%	India
Kalindee IL&FS JV	Jointly controlled operations (civil work and signaling at Sholapur division of Central Railway in the state of Maharashtra, India) – 40%	India
Kalindee Rahee JV	i) Jointly controlled operations (civil work and signaling at Kolkata Metro division of KMRC in the state of Kolkata, India) – 70% ii) Jointly controlled operations (Ballastless Track work at Nagpur Metro division of MMRC in the state of Maharsahtra, India) - 60%	India
Kalindee Cobra JV	Jointly controlled operations (civil work and signaling at Bina Kota division of RVNL in the state of Rajasthan, India) – 78%	India
GMR-TPL-Kalindee JV	i. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Uttar Pradesh) – 29% ii. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Telangana) – 35.48%	India
Kalindee VNC JV	Jointly controlled operations (civil work and track work of Banglore Metro & Delhi Metro in the state of Bangaluru and Delhi, India respectively) – 50%	India
Kalindee URC JV	Jointly controlled operations (civil work and signaling of RVNL Project in the state of Tamilnadu, India) – 50%	India
Tata projects – Kalindee JV	Jointly controlled operations (civil, signaling and electrification work of RVNL Project in the state of Assam, India) – 10%	India
Kalindee ASIS JV	Jointly controlled operations (Manufacturing and commissioning of Automatic Fare collection Systems at Mumbai Metro division of MMRC in the state of Maharashtra, India) - 90%	India
Bright - Kalindee JV	i) Jointly controlled operations (OHE & signaling work of RVNL Project in the state of Andhra Pradesh, India) - 30% ii) Jointly controlled operations (Civil, OHE & signaling work of RVNL Project in the state of West Bangal, India) - 89.22%	India
JMC-GPT-Vijaywargi-Bright Power JV	Joint Operations (S & T OHE & General Electrical Works, Tamluk Basuliya, West Bengal) BPP-12.032%	India
JMC-Vijaywargi-Bright Power Joint Venture	Joint Operations (S & T OHE & General Electrical Works, Jaroli Basantpur, Orissa) BPP-16.58%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction, OHE, Scada, Gen. Ele.Works, Civil Works between Jakhal-Hissar BPP-82%, VIJAYWARGI -18%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction, OHE, SwitchingStn, Traction Sub Station, Scada,Gen. Ele. Works, Civil Works between Rajpura-Dhuri-Lehera-Mohabbat BPP-82%, VIJAYWARGI -18%	India
ISC Project Texmaco JV	Joint Operation Civil works, S&T, OHE work between Badmal-Titlagarh section, Odisha, India)-BPP: 28.57%	India

Notes on Financial Statement

Note 1.57 Financial Risk Management Objectives and policies-

The Company's activities expose it to Credit Risk, Liquidity Risk, Market Risk, and Equity Price Risk.

This note explains the source of risk which the Company is exposed to and how the Company manages the risk and the impact. The management of the company ensures that risks are identified, measured and mitigated in accordance with the Risk Management Policy of the company. The Board provides guiding principles on risk management and also review these risks and related risk management policies which are given as under.

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

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

Customer credit risk is managed by the respective marketing department subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on-going basis. The Company estimates the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables disclosed in Note 1.12 as the Company does not hold any collateral as security. The Company has a practice to provide for doubtful debts as per its approved policy.

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

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

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

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. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export, import and foreign currency loan/ derivatives operating activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

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

Notes on Financial Statement

(₹ in Lakhs)

Particulars	As on 31.03.2021	As on 31.03.2020
Foreign Currency (Payable) / Receivable (net) – EURO	1,855.42	(1,555.37)
Foreign Currency (Payable) / Receivable (net) - USD	1,888.89	(4,250.97)
Impact		
- EURO/INR- Increase by 10%	18.55	(15.55)
- EURO/INR- Decrease by 10%	(18.55)	15.55
USD/INR- Increase by 10%	18.88	(42.51)
USD/INR- Decrease by 10%	(18.88)	42.51

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

The Company generally invests in the equity shares of the Subsidiaries, Associates, Joint Ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries and group companies based on the respective business plan of each of the companies. The Company's investment in quoted equity instruments (other than above) is not material. For sensitivity analysis of Company's investments in equity instruments, refer Note No. 1.04(Fair Value).

Note 1.58 Capital Management

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

Note 1.59 Fair Value

Carrying amounts and fair values Fair Value through Profit & Loss (FVTPL) of financial instruments, including their levels in the fair value hierarchy has been mentioned in Note No. B (ix) and has been mentioned in Note No 1.04 and Note No 1.11. All the investments which have been fair valued are classified under Level – 1.

Notes on Financial Statement

Note 1.60 Financial Instruments

A . Accounting classification and Fair Value (₹ 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	5,278.60	**9,213.96**	3,935.36	5,278.60	-	**9,213.96**
- Loans & Advances	-	-	568.11	**568.11**	-	-	568.11	**568.11**
- 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	-	-	61,135.21	**61,135.21**	-	-	61,135.21	**61,135.21**
- Cash and cash equivalents	-	-	2,239.28	**2,239.28**	-	-	2,239.28	**2,239.28**
- Bank Balances & Others	-	-	8,270.02	**8,270.02**	-	-	8,270.02	**8,270.02**
- Loans & Advances	-	-	5,050.09	**5,050.09**	-	-	5,050.09	**5,050.09**
Total	**3,546.91**	**3,935.36**	**83,745.00**	**91,227.27**	**7,482.27**	**5,278.60**	**78,466.40**	**91,227.27**
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			42,996.54	**42,996.54**			42,996.54	**42,996.54**
- Other Financial Liabilities			6,027.03	**6,027.03**			6,027.03	**6,027.03**
				-				-
Total	-	-	**125,288.82**	**125,288.82**	-	-	**125,288.82**	**125,288.82**

(₹ 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	4,808.77	**6,620.53**	1,811.76	4,808.77	-	**6,620.53**
- Loans & Advances	-	-	578.05	**578.05**	-	-	578.05	**578.05**
- 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	3,335.86		-	**3,335.86**	3,335.86	-	-	**3,335.86**
- Trade Receivable			64,453.84	**64,453.84**	-	-	64,453.84	**64,453.84**
- Cash and cash equivalents			1,658.41	**1,658.41**	-	-	1,658.41	**1,658.41**
- Bank Balances & Others			6,684.65	**6,684.65**	-	-	6,684.65	**6,684.65**
- Loans & Advances			4,856.50	**4,856.50**	-	-	4,856.50	**4,856.50**
Total	**3,335.86**	**1,811.76**	**84,253.16**	**89,400.78**	**5,147.62**	**4,808.77**	**79,444.39**	**89,400.78**
Financial liabilities (Long Term)								
- Borrowings			5,269.99	**5,269.99**			5,269.99	**5,269.99**
Financial liabilities (Short Term)								
- Borrowings			69,710.54	**69,710.54**			69,710.54	**69,710.54**
- Trade Payable			55,412.12	**55,412.12**			55,412.12	**55,412.12**
- Other Financial Liabilities			5,473.25	**5,473.25**			5,473.25	**5,473.25**
Total	-	-	**135,865.90**	**135,865.90**	-	-	**135,865.90**	**135,865.90**

* The carrying value and the fair value approximates.

Notes on 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)

B. 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 1.61 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)	(110.78)
- Total current tax expense	(21.80)	636.22
Deferred Tax		
- Decrease/(increase) in deferred tax assets	(524.79)	(3,702.16)
- (Decrease)/increase in deferred tax liabilities	519.43	36.86
- Total deferred tax expenses/(benefit)	(5.36)	(3,665.30)
MAT credit entitlement	-	(258.00)
Tax Expense	**(27.16)**	**(3,287.08)**
b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	1,159.47	(9,871.11)
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	405.17	(3,449.36)
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	(101.68)	(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	(230.92)	243.12
Tax Expense	(27.16)	**(3,287.08)**

Notes on Financial Statement

Note 1.62: 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	72,896.27	31,657.35	77,570.92	182,124.54	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	**71,457.30**	**19,634.26**	**77,782.24**	**168,873.80**	**82,986.20**	**17,744.64**	**82,449.14**	**183,179.98**
Result								
Segment Result	1,501.92	1,426.86	5,150.06	8,078.84	3,071.59	4,026.80	4,231.55	11,329.94
Others (Net of Unallocated Expenses)				1,003.53				421.13
Operating Profit/(Loss)				**9,082.37**				**11,751.07**
Interest Expense				(9,006.99)				(7,900.93)
Interest Income				1,084.09				1,270.72
Total Profit/(Loss) before Tax				**1,159.47**				**5,120.86**
Provision for Current Tax				-				(489.00)
Provision for Deferred Tax				5.36				3,665.30
Income Tax for Earliear Year				21.80				110.78
Profit/(Loss) from ordinary activities				**1,186.63**				**8,407.94**
Extra ordinary items				-				(14,991.97)
Net Profit/(Loss)				**1,186.63**				**(6,584.03)**
Other Information								
Segment Assets	88,439.86	40,593.12	122,364.07	251,397.05	97,374.08	46,204.23	135,121.26	278,699.57
Unallocated Corporate assets				12,760.87				9,956.39
Total assets				**264,157.92**				**288,655.96**
Segment liabilities	51,346.45	9,518.38	89,326.77	150,191.60	57,870.19	19,387.91	108,606.89	185,864.99
Unallocated corporate liabilities				-				-
Total Liabilities				**150,191.60**				**185,864.99**
Capital expenditure				1,500.04				7,359.05
Depreciation				3,725.67				3,590.85
Non-cash expenses other than depreciation				330.91				494.24

The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

Note 1.63 COVID-19 Impact

The vigorous spread of COVID – 19 pandemic including the more lethal second wave continues to affect the businesses across India and the operations of the Company. Despite intermittent disruptions during the year in regular operations of the Company due to COVID – 19 pandemic, requiring lockdown, restrictive measures & other emergency measures, resulting in frequent interruption of working, the Company has been able to perform reasonably during the year ended 31st March, 2021.

Besides above, the 'Amphan' cyclone in the month of May, in the state of West Bengal affected the operations of the plants of the Company, which also impacted the performance during the year. The actual impact of COVID-19's impact would be recognized prospectively at a later date through monitoring the prevalent future economic conditions its impact. In view of the situation still being uncertain, with increased number of cases reported everyday, we are unable to assess the extent and duration of COVID-19's overall impact on the Company's business operations at this stage.

Notes on Financial Statement

Note 1.64 Disclosures as per Ind AS 115 "Revenue from contract with customer" (₹ in Lakhs)

Class of Goods		Sales	Opening Stock	Closing Stock
Wagons	**2020-21**	**61,708.52**	**4,194.87**	**478.09**
	2019-20	63,879.18	113.32	4,194.87
Rail EPC	**2020-21**	**77,570.92**	**-**	**-**
	2019-20	82,449.14	-	-
Structurals	**2020-21**	**3,025.00**	**645.77**	**725.85**
	2019-20	4,883.06	1,499.64	645.77
Bridges	**2020-21**	**2,097.03**	**56.69**	**99.44**
	2019-20	2,206.88	76.72	56.69
Locomotive and its Components	**2020-21**	**2,341.32**	**189.59**	**151.57**
	2019-20	8,914.65	-	189.59
Site Fabrication and Erection	**2020-21**	**1,974.50**	**-**	**-**
	2019-20	1,878.27	-	-
Steel Castings & Ingots (Including Draft Gear 4000 Sets)	**2020-21**	**31,655.71**	**-**	**-**
	2019-20	34,781.42	-	-
Power Tiller/Reaper	**2020-21**	**-**	**7.41**	**7.41**
	2019-20	-	7.41	7.41
Ring Frames,Doublers and Worsted Ring Frames	**2020-21**	**-**	**0.61**	**0.61**
	2019-20	-	0.61	0.61
Speed Frames	**2020-21**	**-**	**0.39**	**0.39**
	2019-20	-	0.39	0.39
Other Sales	**2020-21**	**1,749.90**	**-**	**-**
	2019-20	1,880.47	-	-
Add: Other Operating Revenue / Income	**2020-21**	**806.37**	**-**	**-**
	2019-20	1,154.43	-	-
Gross Sales total	**2020-21**	**182,929.27**	**5,095.33**	**1462.29**
	2019-20	202,027.50	1,698.09	5,095.33
Less: Inter Segment	**2020-21**	**14057.11**	**-**	**-**
	2019-20	18,847.52	-	-
Total Operating Revenue / Income from Operations	**2020-21**	**168,873.80**	**5,095.33**	**1462.29**
	2019-20	183,179.98	1,698.09	5,095.33

Note 1.65 Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

Note 1.66 Figures below ₹ 500/- have been omitted for rounding off, ₹ 500/- and above have been rounded off to thenext ₹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

Notes on Financial Statement

Statement containing salient features of the financial statement of subsidiary as at 31.03.2021
Part "A": Subsidiaries

SL. NO.	Name of Subsidiary Company	Belur Engineering Private Limited	Texmaco Transtrak Private Limited	Texmaco Rail Electrification Limited	Texmaco S.A. PTY	Texmaco Rail Systems Pvt. Ltd.	Texmaco Engineering Udyog Pvt. Ltd.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No	No
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Na	Na	Na	ZAR 1 ZAR= INR 4.2325	Na	Na
3	Share Capital	10.00	1.00	2.00	-	1.49	1.00
4	Reserves & Surplus	24.97	(456.85)	(0.26)	-	(1.64)	(0.18)
5	Total Assets	2,781.98	48.74	1.89	-	0.14	0.97
6	Total Liabilities	2,747.01	504.59	0.15	-	0.29	0.15
7	Investments	-	-	-	-	-	-
8	Turnover	330.56	10.99	-	-	-	-
9	Profit/Loss before Taxation	20.61	(435.77)	(0.26)	(0.11)	(0.90)	(0.18)
10	Provision for Taxation	-	(0.11)	-	-	-	-
11	Profit/Loss after Taxation	20.61	(435.66)	(0.26)	(0.11)	(0.90)	(0.18)
12	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
13	% of shareholding	100%	51%	100%	NA	67.11%	100%

Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture
Part "B": and Joint Ventures

Name of Joint Ventures	Touax Texmaco Railcar Leasing Private Limited	Wabtec Texmaco Rail Private Lmited
1. Latest audited Balance Sheet Date	31st. March' 2021 (Audited)	31st. March' 2021 (Audited)
2. Shares of Associate/ Joint Ventures held by the company on the year end		
Numbers	1,26,49,999	32,81,700
Amount of Investment in Joint Venture	1,264.99	328.17
Extent of Holding (in %)	50%	40%
3. Description of how there is significant Influence	Holding more than 20%	Holding more than 20%
4. Reason why the Joint Venture is not Consolidated	N.A.	N.A.
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	10,058.68	1,553.54
6. Profit / Loss for the year	1346.02	424.96
i. Considered in Consolidation	673.01	169.98
i. Not Considered in Consolidation	673.01	254.98

1. Names of associates or joint ventures which are yet to commence operations. NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year NIL

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

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:21300389AAAACT2326

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 Assodates & 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
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

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. Althouqh 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**

Notes on Consolidated Financial Statement

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	274.37	–
	(–)	(–)	(–)	(–)	(379.26)	(379.26)	(53.85)
- Mr. Sandeep Fuller	–	–	–	–	–	–	–
(Resigned w.e.f. 31st March,2020)	(–)	(–)	(–)	(–)	(114.01)	(114.01)	(15.41)
- Mr. Indrajit Mookerjee	–	–	–	–	58.90	58.90	–
(Appointed w.e.f. 02nd April, 2020)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Mr. A.K. Vijay	–	–	–	–	54.80	54.80	–
	(–)	(–)	(–)	(–)	(67.26)	(67.26)	(5.19)
- Mr. D. H. Kela	–	–	–	–	95.38	95.38	–
	(–)	(–)	(–)	(–)	(126.68)	(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	–	–	–	–	52.08	52.08	–
(Appointed w.e.f. 17th November,2020)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Mr. Ravi Varma	–	–	–	–	22.03	22.03	–
	(–)	(–)	(–)	(–)	(12.20)	(12.20)	(0.50)
- Mr. A. C. Chakrabortti	–	–	–	–	6.85	6.85	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(7.75)	(7.75)	(–)
- Mr. D.R. Kaarthikeyan	–	–	–	–	5.85	5.85	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(5.45)	(5.45)	(–)
- Ms. Mridula Jhunjhunwala	–	–	–	–	6.53	6.53	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(7.50)	(7.50)	(–)
- Mr. Sunil Mitra	–	–	–	–	5.75	5.75	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(7.05)	(7.05)	(–)
- Mr. Utsav Parekh	–	–	–	–	4.00	4.00	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(3.85)	(3.85)	(–)
- Mr. Akshay Poddar	–	–	–	–	5.00	5.00	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(4.35)	(4.35)	(–)
- Mr. V. K. Sharma	–	–	–	–	–	–	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(0.90)	(0.90)	(–)
- Ms. Rusha Mitra	–	–	–	–	0.89	0.89	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Mr. Virendra Sinha	–	–	–	–	0.89	0.89	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Mr. Indrajit Mookerjee	–	–	–	–	0.01	0.01	–
(Sitting Fees & Commission)	(–)	(–)	(–)	(–)	(2.17)	(2.17)	(–)
Investment							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	–	–	–	466.83	–	466.83	4931.82
	(–)	(–)	(–)	(450.00)	(–)	(450.00)	(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	–	48.41	106.10
	(–)	(–)	(–)	(234.90)	(–)	(234.90)	(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	–	–	–	–	-2080.00	3120.00
	(4100.00)	(–)	(–)	(–)	(–)	(4100.00)	(5200.00)

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
- Adventz Securities Enterprises Ltd.	375.00	–	–	–	–	375.00	1075.00
	(-150.00)	(–)	(–)	(–)	(–)	(-150.00)	(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	4.15	–
	(–)	(–)	(–)	(–)	(12.06)	(12.06)	(–)
- Ms Jyotsna Poddar	0.07	–	–	–	–	0.07	–
	(0.25)	(–)	(–)	(–)	(–)	(0.25)	(–)
- Ms. Puja Poddar	0.03	–	–	–	–	0.03	–
	(0.10)	(–)	(–)	(–)	(–)	(0.10)	(–)
- Mr. Akshay Poddar	–	–	–	–	0.01	0.01	–
	(–)	(–)	(–)	(–)	(0.05)	(0.05)	(–)
- Ms. Shradha Agarwal	0.01	–	–	–	–	0.01	–
	(0.05)	(–)	(–)	(–)	(–)	(0.05)	(–)
- Abhishek Holdings Pvt. Ltd.	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Adventz Securities Enterprises Ltd.	3.81	–	–	–	–	3.81	–
	(13.33)	(–)	(–)	(–)	(–)	(13.33)	(–)
- Adventz Finance Pvt. Ltd.	8.48	–	–	–	–	8.48	–
	(29.32)	(–)	(–)	(–)	(–)	(29.32)	(–)
- Adventz Investments Co. Pvt. Ltd.	3.04	–	–	–	–	3.04	–
	(10.62)	(–)	(–)	(–)	(–)	(10.62)	(–)
- Duke Commerce Ltd.	7.51	–	–	–	–	7.51	–
	(26.30)	(–)	(–)	(–)	(–)	(26.30)	(–)
- Eureka Traders Pvt. Ltd.	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Greenland Trading Pvt. Ltd.	0.04	–	–	–	–	0.04	–
	(0.12)	(–)	(–)	(–)	(–)	(0.12)	(–)
- Master Exchange & Finance Ltd.	0.02	–	–	–	–	0.02	–
	(0.05)	(–)	(–)	(–)	(–)	(0.05)	(–)
- New Eros Tradecom Ltd.	0.74	–	–	–	–	0.74	–
	(2.58)	(–)	(–)	(–)	(–)	(2.58)	(–)
- Indrakshi Trading Company Pvt. Ltd.	0.03	–	–	–	–	0.03	–
	(0.11)	(–)	(–)	(–)	(–)	(0.11)	(–)
- Texmaco Infrastructure & Holdings Ltd.	58.50	–	–	–	–	58.50	–
	(191.10)	(–)	(–)	(–)	(–)	(191.10)	(–)
- Zuari Investments Ltd.	25.06	–	–	–	–	25.06	–
	(101.37)	(–)	(–)	(–)	(–)	(101.37)	(–)
- Zuari Global Ltd.	4.04	–	–	–	–	4.04	–
	(14.12)	(–)	(–)	(–)	(–)	(14.12)	(–)
- Mr. D. H. Kela	–	–	–	–	0.03	0.03	–
	(–)	(–)	(–)	(–)	(0.11)	(0.11)	(–)
- Mr. Sandeep Fuller	–	–	–	–	–	–	–
(Resigned w.e.f. 31st March,2020)	(–)	(–)	(–)	(–)	(0.18)	(0.18)	(–)
- Mr. A.K. Vijay	–	–	–	–	0.05	0.05	–
	(–)	(–)	(–)	(–)	(0.18)	(0.18)	(–)

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
- 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.	15.79	–	–	–	–	15.79	–
(Rent Paid)	(15.73)	(–)	(–)	(–)	(–)	(15.73)	(–)
- Adventz Finance Pvt. Ltd.	710.74	–	–	–	–	710.74	127.90
(Interest Paid)	(515.23)	(–)	(–)	(–)	(–)	(515.23)	(105.10)
- Adventz Securities Enterprises Ltd.	106.97	–	–	–	–	106.97	27.12
(Interest Paid)	(103.72)	(–)	(–)	(–)	(–)	(103.72)	(22.55)
- Magnacon Electricals India Ltd.	90.73	–	–	–	–	90.73	–
(Interest Paid)	(68.11)	(–)	(–)	(–)	(–)	(68.11)	(68.11)
- Zuari Management Services Ltd.	438.06	–	–	–	–	438.06	405.21
(Interest Paid)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Zuari Sugar and Power Ltd.	58.68	–	–	–	–	58.68	54.28
(Interest Paid)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Zuari Investment Ltd.	29.25	–	–	–	–	29.25	27.06
(Interest Paid)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Pench Valley Coal Company Ltd	0.37	–	–	–	–	0.37	0.34
(Interest Paid)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- Mr. Saroj Kumar Poddar	–	–	–	–	349.81	349.81	326.44
(Interest Paid)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
- High Quality Steels Ltd.	530.97	–	–	–	–	530.97	59.14
(Services Received)	(492.43)	(–)	(–)	(–)	(–)	(492.43)	(–)
- Lionel India Ltd.	24.17	–	–	–	–	24.17	14.44
(Services Received)	(151.64)	(–)	(–)	(–)	(–)	(151.64)	(60.36)
- Lionel Edwards Ltd.	–	–	–	–	–	–	–
(Services Received)	(37.22)	(–)	(–)	(–)	(–)	(37.22)	(9.77)
- Zuari Management Services Ltd.	19.19	–	–	–	–	19.19	9.71
(Services Received)	(335.27)	(–)	(–)	(–)	(–)	(335.27)	(53.87)
- Texmaco Infrastructure & Holdings Ltd.	0.72	–	–	–	–	0.72	–
(Rent Received)	(0.72)	(–)	(–)	(–)	(–)	(0.72)	(–)
- Texmaco Infrastructure & Holdings Ltd.	68.74	–	–	–	–	68.74	73.03
(Rent Paid)	(68.74)	(–)	(–)	(–)	(–)	(68.74)	(114.60)
- Texmaco Infrastructure & Holdings Ltd.	–	–	–	–	–	–	–
(Services Received)	(149.09)	(–)	(–)	(–)	(–)	(149.09)	(26.54)
- Wabtec Texmaco Rail Pvt. Ltd.	–	–	–	412.40	–	412.40	156.22
(Sale of Goods)	(–)	(–)	(–)	(516.35)	(–)	(516.35)	(330.34)
- Wabtec Texmaco Rail Pvt. Ltd.	–	–	–	431.95	–	431.95	–
(Purchase of Goods)	(–)	(–)	(–)	(1590.60)	(–)	(1590.60)	(782.81)
- Wabtec Texmaco Rail Pvt. Ltd.	–	–	–	169.43	–	169.43	43.29
(Sale of Services)	(–)	(–)	(–)	(209.36)	(–)	(209.36)	(29.20)
- Touax Texmaco Railcar Leasing Pvt. Ltd.	–	–	–	2181.17	–	2181.17	2550.19
(Sale of Goods & Services)	(–)	(–)	(–)	(4228.11)	(–)	(4228.11)	(112.45)
- Touax Texmaco Railcar Leasing Pvt. Ltd.	–	–	–	3.23	–	3.23	0.48
(Rent Received)	(–)	(–)	(–)	(1.37)	(–)	(1.37)	(–)
- Touax Texmaco Railcar Leasing Pvt. Ltd.	–	–	–	–	–	–	24.56
(Deposit Against Order)	(–)	(–)	(–)	(700.56)	(–)	(700.56)	(1964.72)
- Touax Texmaco Railcar Leasing Pvt. Ltd.	–	–	–	298.04	–	298.04	862.25
(Interest receivable against CCD given)	(–)	(–)	(–)	(301.35)	(–)	(301.35)	(491.71)
- Paradeep Phosphate Ltd	3.59	–	–	–	–	3.59	–
(Rent Received)	(7.69)	(–)	(–)	(–)	(–)	(7.69)	(–)

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.

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 Heavy Engg. Division	Steel Foundry	Rail EPC	Total	2019-20 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.

Notes on Consolidated Financial Statement

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

ACCOUNTING RATIOS

Accounting Ratios

The following tables present certain key accounting and other ratios of our Company computed on the basis of the Financial Statements included in the section titled "*Financial Statements*" beginning on page 114.

Particulars	As at and for the three month period ended June 30, 2021	As at and for Fiscal 2021
Earnings per Equity Share		
a. Basic earnings per Equity Share (₹)	0.28	0.62
b. Diluted earnings per Equity Share (₹)	0.28	0.62
Return on net worth (%)	0.62%	1.26%
Net asset value per Equity Share (₹)	50.01	49.47
EBITDA (₹ in lakhs)	4,551.50	14,040.24

The formulae used in the computation of the above ratios are as follows:

Ratios	Computation
Basic Earnings Per Share	Net Profit / (loss) after tax attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the financial year
Diluted Earnings Per Share	Profit/(loss) after tax as per consolidated statement of profit and loss attributable to owners of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth	Profit/ (loss) for the period attributable to equity shareholders of the Company divided by Net worth as attributable to equity shareholders of the parent at the end of the year
Net Asset Value per Share	Net assets at the end of the year divided by Total number of weighted average equity share outstanding at the end of the year. Net asset means total assets minus total liabilities excluding revaluation reserves
Net worth	Net worth means the aggregate value of paid up equity share capital and all reserves excluding other comprehensive income created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the financial statements of the Company, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
EBITDA	EBITDA stands for earnings before interest, taxes, depreciation and amortization

Calculation of Return on Net Worth

(*in ₹ lakhs, unless otherwise specified*)

Particulars	As and for the period / year ended	
	June 30, 2021	March 31, 2021
Profit / (loss) after tax (A)	709.27	1,415.83
Equity share capital (B)	2,503.43	2,503.43
Other equity (C)	1,11,234.29	1,10,009.93
Net Worth (D) [B + C]	1,13,737.72	1,12,513.36
Return on Net-Worth [A / D] * 100%	**0.62%**	**1.26%**

Calculation of Net Worth and Net Asset Value per Equity Share

(*in ₹ lakhs, except per share data*)

Particulars	As and for the period / year ended	
	June 30, 2021	March 31, 2021
Equity share capital (A)	2,503.43	2503.43

Other equity (B)	1,11,234.29	1,10,009.93
Net-Worth (C) = [A + B]	**1,13,737.72**	**1,12,513.36**
Number of Equity shares as at the end of the relevant period (D)	**22,74,42,678**	**22,74,42,678**
Net Asset Value per Equity Share [(C*10^5 / D] (₹)	**50.01**	**49.47**

Calculation of EBITDA

in ₹ lakhs)

Particulars	As and for the period / year ended	
	June 30, 2021	March 31, 2021
Profit / (loss) before tax (A)	709.27	333.68
Finance costs (B)	2,590.19	10,296.95
Depreciation and amortisation expense (C)	907.58	3,745.35
Other income (D) (Interest)	655.54	335.74
EBITDA [A + B + C - D]	**4,551.50**	**14,040.24**

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

You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements for the Fiscal 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 20 and 16, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

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

The fiscal year for our Company, its Subsidiaries and its Joint Ventures ends on March 31 of each year, so all references to a particular "Financial Year", "Fiscal Year" or "Fiscal" are to the 12-month period ended March 31 of that year. Unless otherwise specified, all amounts in this section are stated on a consolidated basis. Further, unless otherwise indicated, the financial information included herein is based on our Audited Consolidated Financial Statements included in this Letter of Offer.

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

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

We have also expanded our market overseas and have exported wagons and rolling stock to various countries. We have exported Phosphoric acid stainless steel wagons to Senegal, covered wagons with sliding doors and dreed naught ends to Uganda, under execution tank and container flat wagons to countries such as Mali in Africa and Sri Lanka, and tank wagons to Bangladesh, Cameroon and Sri Lanka. We have strong in-house capabilities for the design and manufacture of commodity specific special purpose wagons for core sectors such as cement, coal, alumina, ammonia, steel, container freight wagons, oil, chemicals, fertilisers, and the defence sector among others. We have been certified by the RDSO for manufacture of an annual production of 6,800 wagons, based on our past production. Over the years, we have also built strong capabilities in designing, marketing, manufacturing, erecting and commissioning of hydro- mechanical equipment and executed several hydro-mechanical projects both in India and overseas. In addition, we also manufacture steel super structure for railway bridges. We are also one of the largest suppliers of steel castings in India, with an annual production capacity of 42,000 metric tonnes of steel castings. Our steel foundry division located at Belgharia is engaged in manufacturing of railway castings such as bogies, couplers, draft gears, cast manganese steel ("**CMS**") crossings, and industrial castings such as shrouds for mining equipments, and hub castings for hydro equipment. We supply steel castings to the Indian Railways and other wagon builders in India. We are also exporting steel castings to USA, Australia, Mexico and Malaysia. We designed, manufactured, supplied, transported, erected, and commissioned the hydromechanical equipment for Stage V of the Teesta Hydroelectric Project in Sikkim. We were awarded the 'Star Performer Award' by the Engineering Export Council of India for Fiscal 2016, and the Award for Export Excellence by the Engineering Export Council of India, Eastern Region, for Fiscal 2017 and Fiscal 2020.

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

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

The order book of our Company, as on June 30, 2021 stands at ₹3,33,387.00 lakhs.

The table below sets forth the composition of our Company's total revenues and profit after tax, for Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(In ₹ lakhs)

	Fiscal 2021	**Fiscal 2020**	**Fiscal 2019**
Income			
- Heavy Engineering Division	73,196.86	84,796.94	78,535.78
- Steel Foundry Division	31,962.80	34,781.42	26,879.55
- Rail EPC Division	77,782.24	82,449.14	95,102.26
Total Income	1,82,941.90	2,02,027.50	2,00,517.59
Profit after tax	1,202.26	(6,492.44)	7,541.27

The COVID-19 pandemic and related volatility in financial markets and deterioration of national and global economic conditions could affect our business and operations in a variety of ways. On account of the lockdown, due to the COVID-19 pandemic our operations were disrupted for few months and we had to temporarily cease our production activities by shutting down our plants located at Agarpara, Belgharia, Sodepur and Panihati in the outskirts of Kolkata, West Bengal and Urla, Raipur, Chhattisgarh. Further, West Bengal also suffered another serious setback in the form of super cyclone 'Amphan' which caused widespread destruction of life & property specially in and around Kolkata, North 24 Paraganas and South 24 Paraganas districts, which bore the brunt of the impact. As a result, the operations suffered another setback with severe damage to buildings and equipment. Consequently, our operational results were negatively impacted. To mitigate the impact, we adopted cost control measures. measures to improve productivity and rationalizing employee cost. In addition, the spread of COVID-19 caused us to modify our business practices and implement significant proactive measures to protect the health and safety of our employees, and we are taking such further actions as may be required by government authorities from time to time or as we determine appropriate under the circumstances. However, there is no certainty that such measures will be sufficient to mitigate the risks posed by the pandemic.

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 Fiscal 2020 and Fiscal 2021 is indicated below:

(₹ in lakhs)

Heavy engineering division		
Name of the customer	**Fiscal 2020**	**Fiscal 2021**
Customer A	40,851.30	25,836.10
Customer B	25,627.31	11,060.91
Customer C	17,939.90	24,710.51
Customer D	10,693.81	-
Customer E	8,283.90	-

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 59.99% and 71.23%, respectively, of our total income for the financial years ended March 31, 2021 and March 31, 2020. 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, primarily our rail EPC division and our heavy engineering division, requires significant amounts of working capital primarily for creating requisite infrastructure at project sites and employing contractors to carry out preliminary activities. Further, due to a change in the procurement policy by the Indian Railways, we are now required to purchase wheelsets and bearings for our rolling stock, which has resulted in an increase in our working capital requirement. Our working capital requirements also tend to increase if contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product to our customer.

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

We seek to improve our working capital management, namely to reduce our creditors, rationalise our inventory levels, and reduce finance costs on our trade payables. This will improve our bargaining strength and reduce the overall cost of finance. Regarding our inventory, our goal is to have sufficient inventory on hand at all times so that we are able to quickly meet the demands of our customers. To this end, we strategically manage our inventories, purchasing raw materials based on our estimated future production requirements, taking into account our views on potential supply shortages, and maintaining finished goods based on our estimates of future customer demand. In recent years, we have increasingly focused on 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.

COVID-19 pandemic

The rapid spread of COVID-19 and the global health concerns relating to this outbreak have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. The COVID-19 pandemic and government actions to contain it have weighed heavily on global and national economic conditions, have significantly increased economic uncertainty, and have reduced economic activity. The extent of the resulting impact on our business and results of operations will depend, among other things, on the duration and severity of the pandemic, the nature and scope of government actions to contain it, and the potential impact on global and national economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates, energy availability and costs (including fuel surcharges). Governments around the world have taken steps to mitigate some of the more severe anticipated economic effects, but there can be no assurance that such steps will be effective or achieve their desired results in a timely fashion. The COVID-19 pandemic and related volatility in financial markets and deterioration of national and global economic conditions could affect our business and operations in a variety of ways.

On account of the lockdown, due to the COVID-19 pandemic our operations were disrupted for few months and we had to temporarily cease our production activities by shutting down our plants located at Agarpara, Belgharia, Sodepur and Panihati in the outskirts of Kolkata, West Bengal and Urla, Raipur, Chhattisgarh. Further, West Bengal also suffered another serious setback in the form of super cyclone 'Amphan' which caused widespread destruction of life & property specially in and around Kolkata, North 24 Paraganas and South 24 Paraganas districts, which bore the brunt of the impact. As a result, the operations suffered another setback with severe damage to buildings and equipment. Consequently, our operational results were negatively impacted. To mitigate the impact, we adopted cost control measures. measures to improve productivity and rationalizing employee cost. In addition, the spread of COVID- 19 caused us to modify our business practices and implement significant proactive measures to protect the health and safety of our employees, and we are taking such further actions as may be required by government authorities from time to time or as we determine appropriate under the circumstances. However, there is no certainty that such measures will be sufficient to mitigate the risks posed by the pandemic.

The scale of the pandemic and the extent to which the local and global community has been impacted, our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, may differ significantly from our historical rates, and our future operating results may fall below expectations. The impact of the pandemic on our business, operations and future financial performance include, but are not limited to the following:

- our ability to travel, interact with potential customers, pursue partnerships and other business transactions;
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our work force being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in as lock down in our operations;
- our strategic projects/ proposed products becoming delayed;
- our inability to access debt and equity capital on acceptable terms, or at all;
- delays in orders or delivery of orders, which may negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders; and
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted byCOVID-19,could result in a deterioration in our ability to ensure business continuity during this disruption.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, such as new information which may emerge concerning the severity of the corona virus and the actions taken globally to contain the coronavirus or treat its impact, among others. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions ; however, any material effect on these parties could adversely impact us. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events.

As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether.

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 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 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 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.**
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.**

Type of joint venture	Accounting treatment
	(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.

RESULTS OF OPERATIONS

The following table sets out selected data on consolidated basis from the Audited Consolidated Financial Statement for Fiscal 2021and Fiscal 2020, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	Fiscal			
	2021		2020	
	(₹ in lakhs)	Percentage of total income	(₹ in lakhs)	Percentage of total income
Income				
Revenue from Operations	168,884.79	98.54%	183,179.98	98.88%

Particulars	Fiscal			
	2021		2020	
	(₹ in **lakhs)**	**Percentage of total income**	(₹ in **lakhs)**	**Percentage of total income**
Other Income	2,503.16	1.46%	2,072.99	1.12%
Total Income	**171,387.95**	**100.00%**	**185,252.97**	**100.00%**
Expense				
Cost of materials consumed	101,319.68	59.12%	130,480.18	70.43%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	16,844.80	9.83%	(8,501.70)	(4.59)%
Employee benefit expenses	11,688.10	6.82%	12,796.26	6.91%
Finance Costs	10,296.95	6.01%	9,658.98	5.21%
Depreciation and amortisation expense	3,745.35	2.19%	3,609.27	1.95%
Other expenses	27,159.40	15.85%	32,417.82	17.50%
Total Expenses	**171,054.28**	99.81%	**180,460.81**	97.41%
Profit / (Loss) before exceptional items and Tax	333.67	0.19%	4,792.16	2.59%
Exceptional items	-	-	14,991.97	8.09%
Profit / (Loss) after exceptional items and Tax	333.67	0.19%	(10,199.81)	NA
Tax expense				
Current tax	-	-	747.00	0.40%
Tax adjustment of the earlier year / period	(21.80)	NA	(109.89)	NA
MAT Credit	-	-	(257.46)	NA
Deferred tax	(5.47)	NA	(3,665.30)	NA
Total tax expense	(27.27)	NA	(3,285.65)	NA
Profit / (Loss)for the period from continuing operations	360.94	0.21%	(6,914.16)	(3.73)%
Profit / (Loss)for the period from JV/ Associates	841.32	0.49%	421.72	0.23%
Profit / (Loss)for the period	1,202.26	0.70%	(6,492.44)	NA
Other comprehensive income				
(a) Items that will not be reclassified to profit and loss	2,149.01	1.25%	(1,174.97)	NA
(b) Items that may be reclassified to profit or loss	166.76	0.10%	(212.38)	NA
Other comprehensive income for the year / period, net of tax	**2,315.77**	1.35%	**(1,387.35)**	NA
Total comprehensive income for the year / period, net of tax	**3,518.03**	2.05%	**(7,879.79)**	NA
Profit/ (Loss) for the period attributable to :	**1,202.26**	0.70%	**(6,492.44)**	NA
Owners of the Parent	1,415.83	0.83%	(6,483.02)	NA
Non-controlling Interests	(213.57)	NA	(9.42)	NA
Other Comprehensive Income attributable to :				
Owners of the Parent	**2,315.77**	1.35%	**(1,387.35)**	NA
Non-controlling Interests	2,315.77	1.35%	(1,387.35)	NA
Total Comprehensive Income attributable to :	**3,518.03**	2.05%	**(7,879.79)**	NA
Owners of the Parent	3,731.60	2.18%	(7,870.37)	NA
Non-controlling Interests	(213.57)	NA	(9.42)	NA
Earnings / (loss) per share				
Basic (Rs)	0.62		**(2.88)**	
Diluted (Rs)	0.62		**(2.88)**	

Income

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

Revenue from operations

Our revenue from operations consists of (i) sale of products; (ii) sale of services; and (iii) other operating revenue.

Sale of products consists of the sale of wagons, locomotive shells, hydromechanical equipment, bridge structures and steel casting.

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

Other operating revenue consists of scrap sale and export incentives.

Other income

Our other income consists of: (i) interest income on bank deposits; (ii) interest income on other sources such as interest from bonds and inter-corporate deposits; (iii) dividend income in the form of income from non-current investments; (iv) net gain on sale of current investments; (v) 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 and wages; (ii) contribution to provident fund and pension fund, superannuation fund, and gratuity; (iii) share based payments to employees; (iv) staff welfare expenses; and (v) VRS Expenses.

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

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

Other expenses consist of the following: (i) consumption of stores and spares; (ii) 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; (x) freight, packing and transport; (xi) erection expenses; (xii) drawings and designs; (xiii) royalty and knowhow; (xiv) research and development; (xv) selling agents' commission; (xvi) selling expenses; (xvii) directors' commission; (xvii) payment to auditors; (xviii) donation; (xix) CSR expenditure; (xx) miscellaneous expenses; (xxi) sundry debit balance adjusted; (xxii) bad debt written off; (xxiii) allowance for bad and doubtful debts; (xxiv) property, plant and equipments written off or discarded;(xxv)capital wip written off, (xxvi) net provision & excess liabilities written back / written off and(xxvii) net gain or loss on foreign currency transaction.

Taxation

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

FISCAL 2021 COMPARED WITH FISCAL 2020

Income

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

Our total income decreased by 7.48% to ₹1,71,387.95 lakhs in Fiscal 2021 from ₹1,85,252.97 lakhs in Fiscal 2020. This was primarily driven by an decrease in (a) sale of products, which decreased by 11.70% to ₹1,04,493.10 lakhs in Fiscal 2021 from ₹1,18,336.57 lakhs in Fiscal 2020 (b) sale of services, which decreased by 5.93% to ₹77,642.43lakhs in Fiscal 2021 from ₹82,536.50 lakhs in Fiscal 2020 and (c) other operating revenues, which decreased by 30.15% to ₹806.37 lakhs in Fiscal 2021 from ₹1,154.43 lakhs in Fiscal 2020.

Revenue from operations

Our total revenue from operations decreased by 7.80% to ₹168,884.79 lakhs in Fiscal 2021 from ₹ 183,179.98 lakhs in Fiscal 2020. The decrease was primarily due to:

(i) a decrease in sale of products by 11.70% to ₹ 104,493.10 lakhs in Fiscal 2021 from ₹ 118,336.57 lakhs in Fiscal 2020, due to onset of Covid-19 pandemic, complete lockdown was imposed in the country between March 24, 2020 to May 18, 2020. Thereafter too, at local levels restricted lockdowns were continuing. This resulted in loss of production hours which ultimately affected the manufacturing of various products of the Company;

(ii) a decrease in sale of services by 5.93% to ₹77,642.43 lakhs in Fiscal 2021 from ₹82,536.50 lakhs in Fiscal 2020, due to the restrictions in light of the Covid-19 pandemic as stated above; and

(iii) a decrease in other operating revenues by 30.15% to ₹806.37 lakhs in Fiscal 2021 from ₹ 1,154.43 lakhs in Fiscal 2020, due to the restrictions in light of the Covid-19 pandemic as stated above

As a percentage of total income, our revenue from operations decreased to 98.54% in Fiscal 2021 from 98.88% in Fiscal 2020.

Other income

Our other income increased by 20.75% to ₹ 2,503.16 lakhs in Fiscal 2021 from ₹ 2,072.99 lakhs in Fiscal 2020. The increase was primarily driven by a increase in interest income from bank deposits, compensation against old refugee settlement area and increase in rent received.

As a percentage of total income, our other income increased to 1.46% in Fiscal 2021 from 1.12% in Fiscal 2020.

Expenses

Our total expenses decreased by 5.21% to ₹171,054.28 lakhs in Fiscal 2021 from ₹1,80,460.81 lakhs in Fiscal 2020.

As a percentage of our total revenue, total expenses increased to 99.81% in Fiscal 2021, from 97.41% in Fiscal 2020.

Cost of materials consumed

Our cost of materials consumed decreased by 22.35% to ₹1,01,319.68 lakhs in Fiscal 2021 from ₹ 130,480.18 lakhs in Fiscal 2020. This decrease was due to reduction in inventory, all processed/ finished goods which got converted into sales, the cost of materials consumed to sales during the year was significantly lower. As a percentage of total income, our cost of materials consumed decreased to 59.12% in Fiscal 2021 from 70.43% in Fiscal 2020.

Employment benefit expense

Our employment benefit expense decreased by 8.66% to ₹11,688.10 lakhs in Fiscal 2021 from ₹12,796.26 lakhs in Fiscal 2020. The decrease was primarily due to a decrease in our expenses towards salaries and wages, contributions towards provident fund and pension fund, and staff welfare expenses. This decrease was a result of

1. Reduction in manpower.
2. Reduced salary/ reduced employee cost obligation during the lockdown period.

As a percentage of total income, our employee benefit expense reduced to 6.82% in Fiscal 2021 from 6.91% in Fiscal 2020.

Finance cost

Our finance cost increased by 6.60% to ₹10,296.95 lakhs in Fiscal 2021 from ₹9,658.98 lakhs in Fiscal 2020. The increase was primarily due to increase in interest expenses on additional borrowing which the Company took intermittently to meet its obligations towards employees, small vendors and statutory payments. As a percentage of total income, our finance cost increased to 6.01% in Fiscal 2021 from 5.21% in Fiscal 2020.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 3.77% to ₹3,745.35 lakhs in Fiscal 2021 from ₹3,609.27 lakhs in Fiscal 2020. This increase was due to an increase in the depreciation of property, plant and equipment, which increased by 4.04% to ₹3,680.24 lakhs in Fiscal 2021 from ₹3,537.19 lakhs in Fiscal 2020 due to Covid-19 pandemic, the Company intermittently had to depend on additional borrowings to meet its obligations towards employees, small vendors and statutory payments. As a percentage of total income, our depreciation and amortisation expense increased to 2.19% in Fiscal 2021 from 1.95 % in Fiscal 2020.

Other expenses

Our other expenses decreased by 16.22% to ₹27,159.40 lakhs in Fiscal 2021 from ₹32,417.82 lakhs in Fiscal 2020. This decrease was driven by:

(i) a decrease in consumption of stores and spares by 14.45% to ₹ 8,815.25 lakhs in Fiscal 2021 from ₹10,303.71 lakhs in Fiscal 2020 due to a decrease in the overall sales by the Company;

(ii) a decrease in power and fuel by 23.04% to ₹5,515.63 lakhs in Fiscal 2021 from ₹7,167.10 lakhs in Fiscal 2020 due to a decrease in production levels at our steel foundry;

(iii) a decrease in insurance by 18.15% to ₹491.89 lakhs in Fiscal 2021 from ₹601.00 lakhs in Fiscal 2020 due to closure of various projects during the financial year; and

(iv) a decrease in miscellaneous expenses by 25.12% to ₹2,555.95 lakhs in Fiscal 2021 from ₹3,413.57 lakhs in Fiscal 2020 due to decrease of 23% in the cost of power and fuel due to lower production because of the manufacturing facilities remaining closed due to government-imposed lockdown/ restriction periods. With lesser activities at various sites, site expenses, motor car expenses, travelling expenses, repairing & maintenance expenses, were lower contributing reduction in miscellaneous expenses.

As a percentage of total income, our other expenses decreased to 15.85% in Fiscal 2021 from 17.50% in Fiscal 2020.

Profit before exceptional items and tax

Our profit before exceptional items and tax decreased by 93.04% to ₹ 333.68 lakhs in Fiscal 2021 from ₹ 4,792.16 lakhs in Fiscal 2020.

As a percentage of total income, our profit before tax decreased to 0.19% in Fiscal 2021 from 2.59% in Fiscal 2020.

Total tax expenses

Our total tax expenses was ₹ (27.27) lakhs in Fiscal 2021 as compared to ₹ (3,285.65) lakhs in Fiscal 2020.

Our total tax expenses for Fiscal 2021 comprised of tax adjustment of the previous year of ₹ (21.80) lakhs, and deferred tax of ₹ (5.47) lakhs.

As a percentage of total income, our total tax expenses increased to (0.02)% in Fiscal 2021 from (1.77)% in Fiscal 2020.

Profit / loss for the year

As a result of the foregoing, our profit/ (loss) for the year was ₹ 1,202.26 lakhs in Fiscal 2021 as compared to ₹ (6,492.44) lakhs in Fiscal 2020.

As a percentage of total income, our profit for the year increased to 4.20% in Fiscal 2021 from (3.50)% in Fiscal 2020.

Total comprehensive income, net of tax, for the year

Our total comprehensive income, net of tax, for the year was ₹3,518.03 lakhs in Fiscal 2021 as compared to ₹ (7,879.79) lakhs in Fiscal 2020.

As a percentage of total income, our total comprehensive income for the year increased to 6.30% in Fiscal 2021 from (4.25)% in Fiscal 2020.

LIQUIDITY AND CAPITAL RESOURCES

We need cash primarily for our working capital requirements, capital expenditures for maintenance, to fund our expansion plans and for repayment of borrowings. We intend to fund these capital requirements through a variety of sources, including term loans and other borrowings where necessary.

Our principal sources of funding include cash from operations, cash and bank balances, and funds raised from time to time from borrowings. As of March 31, 2021, we had cash and cash equivalent balance of ₹ **2,260.14** lakhs. Our secured borrowings (long term and short term) aggregated to ₹52,700.25 lakhs, and our unsecured borrowings (long term and short term) aggregated to ₹ 23,565 lakhs, resulting in total secured and unsecured borrowings (long term and short term) of ₹ 76,265.25 lakhs as of March 31, 2021.

Cash Flows

For Fiscal 2021 and Fiscal 2020, we had cash and cash equivalent balances of₹ **2,260.14** lakhs and ₹**1,676.29** lakhs, respectively. The following table sets out the principal elements of our cash flows for Fiscal 2021 and Fiscal 2020.

(In ₹ lakhs)

Particulars	For the year ending	
	March 31, 2021	March 31, 2020
Net cash from operating activities	4,031.37	1,045.97
Net cash used in investing activities	(2,301.18)	(9,856.62)
Net cash used in financing activities	(1,313.10)	9.616.69
Net increase in cash and cash equivalents	583.85	593.66
Cash and cash equivalents at the beginning of the year	1,676.29	1,112.43
Cash and cash equivalents at the end of the year	**2,260.14**	**1,676.29**

Cash flows from operating activities

Net cash inflow from operating activities for Fiscal 2021 consisted of profit before tax and exceptional items of ₹ 333.67 lakhs as adjusted primarily for depreciation of ₹3,745.35 lakhs, interest paid of ₹ 10,296.95 lakhs, bad debts written off of ₹51.18 lakhs, interest received of ₹ (335.73) lakhs, profit on sale of investments – current (net)of ₹(2.77) lakhs, gain on fair value of bonds of ₹(211.05) lakhs, and net loss on sale of property, plant and equipment of ₹7.57 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 ₹4,963.89 lakhs. Movements in working capital were primarily on account of decrease in trade and other receivables of ₹4,818.68 lakhs, decrease in inventories of ₹ 22,777.36 lakhs, and decrease in trade payables and other liabilities of ₹(36,483.98) lakhs. As a result, net cash from operating activities was ₹4,031.37 lakhs for Fiscal 2021.

Cash flows from investing activities

Net cash from investing activities for Fiscal 2021 consisted of outflows in the form of payments made on purchase of property, plant and equipment of ₹(829.81) lakhs and bank deposits of ₹ (1,501.19) lakhs, and inflows in the form of sale of investments (net) of ₹107.84 lakhs, interest received of ₹ (110.12) lakhs and dividend received of ₹32.10 lakhs. Net cash used in investing activities amounted to ₹ (2,301.18) lakhs in Fiscal 2021.

Cash flows from financing activities

Net cash used in financing activities for Fiscal 2021 included outflows in the form of interest paid of ₹ (10,048.05) lakhs, dividend paid of ₹(236.58) lakhs, payment of long term borrowings of ₹ (1,908.97) lakhs and inflows in the form of, receipt of short term borrowings of ₹ 2,979.51 lakhs, and increase in securities premium of ₹ 7,645.15 lakhs and increase in share capital of ₹ 254.84 lakhs. The net cash used in financing activities amounted to ₹ (1,313.10) lakhs in Fiscal 2021.

Fixed assets

Cash outflow on account of purchase of fixed assets for Fiscal 2021 and Fiscal 2020 was ₹ 829.81 lakhs, and ₹7,929.37 lakhs, respectively. The following table provides a breakdown of our property, plant, and equipment by category:

(In ₹ lakhs)

Asset class	Carrying value as on	
	March 31, 2021	March 31, 2020
Freehold land	3,772.32	3,772.34
Buildings	9,428.06	9,700.87

Asset class	Carrying value as on	
	March 31, 2021	March 31, 2020
Roads	82.88	85.00
Railway sidings	161.11	169.47
Plant and machinery	22,419.36	24,806.14
Electrical machinery	401.89	429.79
Furniture and fixtures	349.23	391.80
Office equipment	323.67	436.99
Vehicles	591.96	648.78
TOTAL	37,530.48	40,441.18

Planned capital commitments

Our Company has no planned capital commitments for our business segments i.e. Heavy Engineering, Steel Foundry and Rail EPC, as on March 31, 2021.

BORROWINGS

As on March 31, 2021, our consolidated borrowings (non-current and current) aggregated to ₹76,265.25 lakhs, which consisted primarily of non-current borrowings amounting to ₹3575.21 lakhs and current borrowings of ₹72,690.04 lakhs.

(In ₹ lakhs)

Particulars	As on
	March 31, 2021
Non-current borrowings	
Secured borrowings	3,575.21
Unsecured borrowings	0
Current borrowings	
Secured borrowings	49,125.04
Unsecured borrowings	23,565
TOTAL BORROWINGS	76,265.25

As of March 31, 2021, total portion of our non-current borrowings payable in the next 12 months is ₹1,660.18 lakhs consisting of secured borrowings of ₹ 1,660.18 lakhs and unsecured borrowings of NIL

For more information, see "*Financial Statements*" on page 114.

CONTINGENT LIABILITIES AND COMMITMENTS

As on March 31, 2021, we had the following contingent liabilities and commitments not acknowledged as debts, as disclosed in the notes to our Audited Consolidated Financial Statement:

Particulars	March 31, 2021
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,976.30
Contingent Liabilities	
Guarantees given by Banks in the normal course of business	93931.43
Bonds issued to Custom Department	92.20
Claims under dispute (Excise, Service Tax, Income Tax and others)	20,071.19
TOTAL	116071.12

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used in our products including steel, wheel sets, bearings, bogies and couplers. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

Foreign exchange risk

We face foreign exchange risk in respect of (i) imported raw materials and components; (ii) export sale; (iii) capital expenditure in the nature of imports; and (iv) currency mismatches between our income and our expenditures. We seek to manage this risk as much as possible by using foreign exchange and other derivative instruments to hedge our exposure to foreign exchange risk.

Interest rate risk

We may be subject to market interest risks due to fluctuations in interest rates primarily in relation to our short-term borrowings which have floating interest rates. We mitigate interest rate risk with respect our long-term borrowings by utilising interest rate swaps.

Credit risk

We are exposed to credit risk from our operating and financial activities. We manager credit risk in relation to our customers by ensuring that our marketing department follows our establish policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis. We estimate expected credit loss on the basis of past experience and data, and provide for doubtful debts accordingly.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which exposes us to the risk of not being able to meet our obligations. The treasury department of our Company is responsible for managing liquidity, funding as well as settlement. Additionally, the senior management team of our Company also oversees our Company's processes and policies formulated to minimise such risk.

Equity price risk

Our Company invests in the equity shares of our Subsidiaries and Joint Ventures as a part of our overall business strategy and growth policy. Accordingly, we are exposed to risk because of fluctuations to the prices of the equity shares. We manage our exposure to this risk by placing limits on the individual and total equity investment carried out by us in our Subsidiaries and Joint Ventures based on their respective business plans.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see "*Financial Statement – Note 1.41 Related Party Disclosure*" on page 157.

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Unusual or infrequent events of transactions

To our knowledge, there have been no other events or transactions that may be described as "unusual" or "infrequent" during the last three Fiscal years.

Significant economic and regulatory changes

Except as described in the chapters "*Risk Factors*" on page 20, there have been no significant economic or regulatory changes that could affect our income from continuing operations.

Future relationship between costs and income

Other than as described in this chapter and in the chapters "*Risk Factors*" and "*Our Business*" on pages 20 and 93, respectively, to our knowledge, there are no known factors that may materially affect the future relationship between our operations and income.

Known trends or uncertainties

Except as described in thisLetter of Offer, including in the chapter "*Risk Factors*" on page 20 and in this section in particular, to our knowledge, there are no trends or uncertainties that have or had or are expected to have any material adverse impact on our results of operations.

Dependence on a few customers and suppliers

We are dependent on certain identified customers for a majority of our revenues. For further details, see "*Risk Factors*" and "*Our Business*" on pages 20 and 93, respectively.

Competitive conditions

We operate in a competitive environment. For further details, please refer to the discussions regarding our competition in "*Risk Factors*" and "*Our Business*" on pages 20 and 93, respectively.

Total turnover of each major industry segment in which the issuer operated

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

The table set forth below provides the segment-wise revenues and the segment results for the Fiscal 2021 and Fiscal 2020.

	Fiscal 2021		**Fiscal 2020**	
Business	**₹ lakhs**	**%**	**₹ lakhs**	**%**
Heavy engineering division	73,196.86	40.01%	84,796.94	41.97%
Steel foundry division	31,962.80	17.47%	34,781.42	17.22%
Rail EPC	77,782.24	42.52%	82,449.14	40.81%
Total	182,941.90		202,027.50	
Inter-segment revenue	(14,057.11)		(18,847.52)	
Total Income	168,884.79		183,179.98	

Status of any publicly announced new products or business segment

We have not publicly announced any new products or business segments.

Extent of seasonality of business

Our business could be partially affected by seasonality as the operations of our hydro mechanical division depend on favourable weather conditions. For further details, see "*Risk Factors*" on page 20.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2021

To our knowledge and belief, no circumstances have arisen since the date of the last financial information contained in this Letter of Offer which materially affect, or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company and/or our Subsidiaries that requires disclosure in this Letter of Offer.

*However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: (i) all outstanding criminal proceedings involving our Company or its Subsidiaries; (ii) all outstanding actions by statutory or regulatory authorities against our Company and its Subsidiaries; (iii) any outstanding civil litigation involving our Company and /or our Subsidiaries, where the amount involved is ₹ 844.42 lakhs (being 0.50% of the turnover of our Company, in terms of the Audited Financial Statements) ("**Materiality Threshold**") or above; (iv) consolidated disclosure of the direct and indirect tax matters involving the Company and its Subsidiaries; and (v) any other outstanding litigation involving our Company and its 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 the reputation, operations or financial position of our Company or its Subsidiaries.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company is impleaded as defendants in litigation proceedings before any judicial forum.

I. Litigation involving our Company

Litigation by our Company

A. ***Criminal Proceedings***

NIL

B. ***Material Civil Proceedings***

1. Two contract was entered into between National Hydroelectricity Power Corporation Limited ("**NHPCL**") and our Company both dated December 28, 2001 (the "**Agreements**"), to 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. A dispute arose between NHPCL and our Company when a ceiling of 20% was imposed on price escalation. As per the terms of the Agreements, dispute, if any, between the parties was first required to be adjudicated by an adjudicator to be appointed by NHPCL and thereafter was to be adjudicated through arbitration, accordingly, C.L. Aggarwal was appointed as an adjudicator on January 14, 2014. The adjudicator vide its order dated July 29, 2016 ("**Adjudicator 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 Adjudicator Award, NHPCL vide letter dated September 19, 2016, communicated their intention to initiate institutional arbitration on the matter. Our Company replied to the same vide letter dated March 16, 2017 suggesting an amicable settlement with regards to the Adjudicator Award, NHPCL rejected the suggestion vide letter dated April 7, 2017. A supplemental agreement between NHPCL and our Company was executed dated February 8, 2018 ("**Supplemental Agreement**") 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

Supplemental Agreement, NHPCL nominated P.K. Bajpai as the arbitrator vide letter dated August 28, 2020 and our Company nominated Sudhanshu Batra as the arbitrator vide email August 4, 2020 but due to conflict of interest Sudhanshu Batra did not accept the nomination, further our Company nominated Arvind Nayar as the arbitrator vide letter dated September 18, 2020. A letter dated September 2, 2020 was sent to DIAC requesting appointment of the presiding arbitrator in the matter. The matter is currently pending.

Litigation against our Company

A. ***Criminal Proceedings***

1. Our company entered into a business transfer agreement dated April 26, 2019 ("**BTA**") with Simplex Castings Limited ("**Simplex**") for a manufacturing unit being a steel casting foundry located at Urla Industrial Estate, Raipur – 493221, Chhattisgarh ("**Urla unit**") on a 'going concern' basis by way of slump sale. A closing memorandum dated July 16, 2019 ("**Closing Memorandum**") was entered into between our Company and Simplex, pursuant to which Simplex had issued a completion certificate to the company acknowledging the transfer of the Urla unit into our Company's sole and exclusive control and ownership with the effect from April 26, 2019. Despite the aforesaid transfer of Urla unit into our Company's sole and exclusive control and ownership with the effect from April 26, 2019, the original lease deed, which had been mortgaged by Simplex with its consortium of bankers, the consortium of bankers refused to release the original lease deeds to our Company.

   A first information report dated May 29, 2021 ("**FIR**") was filed by Mr. Ketan M. Shah and Ms. Sangeeta Ketan Shah being promoters of Simplex against our Company and all members of our Board of Directors alleging fraud and cheating and non-compliance of terms and conditions of the BTA by our Company and its Directors to acquire the Urla Unit. Our Company has filed a Writ Petition dated July 15, 2021 before the High Court of Chhattisgarh, *inter alia*, for quashing the FIR.

   Additionally, our Company filed an application before Calcutta High Court to obtain a decree for specific performance of the BTA and Closing Memorandum as well as an order directing Simplex to obtain release of the original title deeds and decree for perpetual injunction

B. ***Material Civil Proceedings***

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**"), subsequent award of the tender to our Company, an agreement was entered dated December 11, 2006 (the "**Agreement**") 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 on part of our Company. Further to this, our Company filed a statement of claim dated October 28, 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 consequences losses caused by the alleged delay by our Company. The Arbitral Tribunal vide award dated June 8, 2020 ("**Award**") rejected such counter claim of Concor and instructed payment of ₹ 185.73 lakhs to our Company. Further, an application dated February 3, 2021 ("**Application**") was filed by Concor before the Delhi High Court seeking ad interim stay on the Award and the Delhi High Court in its order dated March 12, 2021 ("**Stay Order**") has granted a stay on the same. Additionally, the Delhi High Court via its order dated August 23, 2021 ("**Order**") has substituted the incorrect figure of ₹ 222.46 lakhs with the correct figure ₹ 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-lease of design of main body work of a non-pressurised bulk power railway wagon from Matalair 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 as recorded in the Order dated February 4, 2010 ("**Settlement Order**") passed by the Calcutta High Court.

Further, CIMMCO by a letter dated April 26, 2012 purported to raise the same dispute claiming a further sum of ₹ 2,646.25 lakhs on account of loss of profit on the ground of termination of the MoU, our Company vide letter dated May 1, 2012 replied to such a letter 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, by an order dated March 3, 2014 passed by the Calcutta High Court ("**Appointment Order**"), the said application was allowed by appointing P. K. Das, sr. advocate as the sole arbitrator ("**Sole Arbitrator**") to adjudicate upon the disputes between the parties.

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, i.e., P. K. Ghose, senior advocate ("**New Sole Arbitrator**") was appointed as per the order of the Calcutta High Court dated December 8, 2020. The matter is currently pending before the New Sole Arbitrator.

C. ***Actions by statutory or regulatory authorities***

1. The badli workers of Sodepur Workers (the "**Workers**") raised an industrial dispute against our Company before the Labour Department, Government of West Bengal in relation to regularisation of their services. The case was referred by the Labour Department, Government of West Bengal to the First Industrial Tribunal, Kolkata ("**First Industrial Tribunal**") vide order dated May 24, 1995. Pursuant to the proceedings, the First Industrial Tribunal passed an award on January 29, 1999 (the "**First Award**"), holding that the Workers were entitled to regularization of their services in the permanent roll of our Company.

   Our Company challenged the First Award before the Calcutta High Court through a writ petition dated August 5, 1999, alleging that the First Industrial Tribunal while passing the First Award acted beyond its jurisdiction by enlarging the scope of the order of reference. The Calcutta High Court via its order dated April 3, 2000, upheld the First Award of the First Industrial Tribunal (the "**First Order**"), pursuant to this our Company filed an appeal before the Division Bench of the Calcutta High Court challenging the First Order. The Division Bench of the Calcutta High Court via order dated July 19, 2000 (the "**Second Order**"), set aside the First Order and First Award and the matter was remanded back to the First Industrial Tribunal for a fresh decision in accordance with the law.

   The Workers filed a special leave petition dated September 25, 2000 ("**SLP**") before the Supreme Court challenging the Second Order and the Supreme Court via its order dated December 15, 2000 (the "**Supreme Court Order**") upheld the Second Order and consequently ordered that the reference be considered by the First Industrial Tribunal afresh in accordance the law and accordingly disposed off the SLP.

   Pursuant to the Supreme Court Order, the First Industrial Tribunal started the proceedings of the matter afresh. First Industrial Tribunal passed an award on January 27, 2010 (the "**Second Award**"), holding that the Workers were not entitled to any relief.

   A writ petition was filed on January 21, 2011, by the Workers before the Calcutta High Court challenging the Award. The matter is currently pending before the Calcutta High Court and the next date of hearing is not yet fixed.

D. ***Claims related to direct and indirect taxes***

Sr. No.	Nature of Proceedings	Number of cases	Approximate amount in dispute (in ₹ lakh)
1.	Direct tax	16	554.08

Sr. No.	Nature of Proceedings	Number of cases	Approximate amount in dispute (in ₹ lakh)
2.	Indirect tax	69	8,506.42
Total		**85**	**19,060.50**

II. Litigation involving our Subsidiaries

A. Criminal Proceedings

NIL

B. Civil Proceedings

NIL

GOVERNMENT AND OTHER APPROVALS

As on the date of this Letter of Offer, there are no material pending government or regulatory approval pertaining to the objects of the Issue.

MATERIAL DEVELOPMENTS

No circumstances have arisen since last balance sheet, i.e. from March 31, 2021, which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on May 15, 2021, pursuant to Section 62 and other applicable provisions of the Companies Act, 2013.

Our Capital Issue Committee in its meeting held on October 9, 2021 has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ 23 per Equity Share (including a premium of ₹ 22 per Equity Share), in the ratio of 2 (Two) Equity Share for every 7 (Seven) Equity Shares, as held on the Record Date. The Issue Price of ₹ 23 per Equity Share has been arrived at, in consultation with the Lead Managers, prior to determination of the Record Date.

This Letter of Offer has been approved by our Capital Issue Committee pursuant to its resolution dated October 20, 2021.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of SEBI Listing Regulations for listing of the Equity Shares to be Allotted pursuant to the Issue, through their letters dated October 6, 2021 and October 5, 2021, respectively. Our Company will also make an application to each of the Stock Exchanges to obtain the listing and trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN 'INE621L20012' for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, please see "*Terms of the Issue*" on page 265.

Prohibition by SEBI

Our Company, our Promoters, the members of the Promoter Group and the Directors have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoters, members of the Promoter Group and the Directors of our Company are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoters nor our Directors have been declared as a Fugitive Economic Offender.

Association of our Directors with the securities market

Other than Rusha Mitra who is a director on the board of BNK Capital Markets Limited and Utsav Parekh who is a director on the board of SMIFS Capital Markets Limited, none of our Directors are associated with the securities market in any manner.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Letter of Offer.

Prohibition by RBI

Neither our Company, nor our Promoters or our Directors have been or are identified as either a Wilful Defaulter or as a Fraudulent Borrower.

Our Company or any of our Promoters or Directors are not declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the RBI.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and has received their in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations and accordingly, our Company is eligible to make the Issue by way of a 'fast track issue':

1. the Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges;

2. the entire shareholding of the Promoter Group is held in dematerialized form as on the date of filing this Letter of Offer with the Stock Exchanges;

3. the average market capitalization of the public shareholding of the Company is at least ₹25,000 lakhs;

4. the annualized trading turnover of the Equity Shares during six calendar months immediately preceding the month of the filing of this Letter of Offer with the Stock Exchanges has been at least 2% of the weighted average number of Equity Shares listed during such six months' period;

5. the annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Stock Exchanges has been at least 10% of the annualized trading turnover of the Equity Shares during such six months' period;

6. the Company has been in compliance with the Listing Agreement and the provisions of SEBI Listing Regulations, as applicable, including with respect to the composition of the Board, for a period of three years immediately preceding the date of filing this Letter of Offer with the Stock Exchanges and for quarter ending March 31, 2021, adequate disclosures are made at page 107 in section titled "*Our Management*" about a non-compliance during the three years immediately preceding the reference date;

7. the Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of filing this Letter of Offer with the Stock Exchanges;

8. that no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI, and no prosecution proceeding have been initiated by SEBI, which are pending against our Company or our Promoters or whole time directors, as at the date of filing this Letter of Offer with SEBI and the Stock Exchanges;

9. neither our Company nor the Promoters nor members of the Promoter Group nor any of our Directors have settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges;

10. the Equity Shares of our Company have not been suspended from trading as a disciplinary measure during the last three years immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges;

11. there is no conflict of interest between the Lead Managers and the Company or its Group Companies in accordance with the applicable regulations;

12. the Promoters and Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of

complying with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended; and

13. there are no audit qualifications, in respect of any of the financial years for which accounts are disclosed in the Letter of Offer, which have not been adjusted in the Audited Financial Statements.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Stock Exchanges;

2. The reports, statements and information referred to above are available on the websites of each of the Stock Exchanges; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGERS, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCOTBER 20, 2021 WHICH READS AS FOLLOWS:

WE CONFIRM THAT:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE,

PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID – <u>COMPLIED WITH;</u>

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOT APPLICABLE;</u>

5. WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER - <u>NOT APPLICABLE;</u>

6. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER - <u>NOT APPLICABLE;</u>

7. ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE - <u>NOT APPLICABLE;</u>

8. NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - <u>NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE;</u>

9. THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE

OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION - COMPLIED WITH TO THE EXTENT APPLICABLE;

10. FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR EQUITY SHARES - COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR EQUITY SHARES); AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI - COMPLIED WITH;

11. WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS - NOTED FOR COMPLIANCE;

12. IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SEBI ICDR REGULATIONS - NOT APPLICABLE;

13. NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY - COMPLIED WITH;

14. THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THE LETTER OF OFFER - COMPLIED WITH;

15. THE ABRIDGED LETTER OF OFFER CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS - COMPLIED WITH;

16. ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN - COMPLIED WITH AND NOTED FOR COMPLIANCE;

17. AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY - COMPLIED WITH;

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have been represented to our Company and the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue. Our Company, the Lead Managers and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Equity Shares.

Caution

Our Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated October 06, 2021 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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."

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Letter of Offer is set out below:

"As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/28505 dated October 05, 2021 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever."

Selling Restrictions

The distribution of this Letter of Offer the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and/ or Rights Entitlements is permitted under laws of such jurisdictions.

Our Company will dispatch this Letter of Offer / Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Accordingly, the Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have

provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale/ offer of Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE EQUITY SHARES AND THE RIGHTS ENTITLEMENTS REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD ONLY IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS IS PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/ or the

Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. Our Company shall not be bound to issue or allot any Equity Shares and/ or the Rights Entitlements in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER "RESTRICTIONS ON PURCHASES AND RESALES" ON PAGE 303.

Filing

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, the Lead Managers will simultaneously while filing this Letter of Offer with the Stock Exchanges, do an online filing with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, the Lead Managers will submit a copy of this Letter of Offer to the email address: cfddil@sebi.gov.in.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee which currently comprises of Akshay Poddar, Sunil Mitra, Damodar Hazarimal Kela and Ashok Kumar Vijay. The broad terms of reference include reviewing cases for refusal of transfer or transmission of securities, redressal of stakeholders and investor complaints, reference to statutory and regulatory authorities regarding security holder's grievances, ensuring proper and timely attendance and redressal of security holders' queries and grievances, review of measures for effective exercise of voting rights, reviewing of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar and share transfer agents, reviewing of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports and statutory notices by the shareholders of our Company. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The investor complaints received by our Company are disposed of within prescribed time period under the statute or laws from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. All grievances relating to the ASBA process or the R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as

name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R-WAP, see "*Terms of the Issue*" beginning on page 265. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

KFin Technologies Private Limited
Selenium, Tower B,
Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India.
Telephone: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll free number: 1800 309 4001
Website: www.kfintech.com
Email ID: texmaco.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M.Muralikrishna
SEBI Registration No.: INR000000221

Company Secretary and Compliance Officer

Ravi Varma
Texmaco Rail & Engineering Limited
Belgharia
Kolkata – 700 056
West Bengal
Telephone: + 033 2569 1500
Email: ravi.varma@texmaco.in

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is Telephone No : +9140 6716 2222 and Toll-Free No : 1800 309 4001

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the R-WAP Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in this issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility, in addition to ASBA and the relaxation on applications to be made by physical shareholders, are onetime relaxations made available by SEBI in view of the COVID 2019 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at https://rights.kfintech.com

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT:

1. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) on the websites of:

(i) our Company at www.texmaco.in;

(ii) the Registrar to the Issue at https://rights.kfintech.com;

(iii) the Lead Managers, *i.e.*, ICICI Securities Limited at www.icicisecurities.com and SKP Securities Limited at www.skpsecurities.com;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and

(v) the Registrar's web-based application platform at https://rights.kfintech.com ("**R-WAP**").

Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Forms available on the websites above, or on plain paper, with the same details as per the Application Form available online.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.texmaco.in).

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

2. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the R-WAP (instituted only for resident Investors in this Issue, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their

Application through ASBA or using the R-WAP. For details, see "*Terms of the Issue - Procedure for Application through the ASBA Process*" and "*Terms of the Issue - Procedure for Application through R-WAP facility*" on page 278 and 278.

(a) ASBA Facility:

Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorising the SCSB to block the Application Money in an ASBA account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable before making their Application through the ASBA process. For details, see "*Procedure for Application through the ASBA Process*" below.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

(b) Registrar's Web Based Application Portal (R-WAP):

In accordance with the R-WAP Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Managers shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING R-WAP FACILITY. R-WAP FACILITY HAS BEEN OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK FACTORS - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS* " ON PAGE 41.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (https://rights.kfintech.com) or call helpline number 1800 309 4001

3. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "***TEXMACO RAIL RE SUSPENSE ESCROW DEMAT ACCOUNT***" and "***TEXMACO RAIL RIGHTS UNCLAIMED SUSPENSE DEMAT ACCOUNT***") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

In this connection, our Company has made necessary arrangements with NSDL and CDSL for credit of the Rights Entitlements in dematerialised form in the demat accounts of the Eligible Equity Shareholders. A separate ISIN for the Rights Entitlements has also been generated which is INE621L20012. This ISIN of the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date and shall become active on the Issue Opening day and remain active for renunciation or transfer during the Renunciation Period and shall be suspended by Depositories for transfer from the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.* Wednesday, November 10, 2021, by R-WAP to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4. APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in "- *Application on Plain Paper under ASBA process*" beginning on page 281.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP.

5. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com;

- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com;

- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com; and

- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders by email to texmaco.rights@kfintech.com.

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.texmaco.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an

Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.*, https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer, the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery, on a reasonable effort basis, as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

This Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Managers through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the websites of the Stock Exchanges. The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Equity Share will have the face value of ₹1.

Issue Price

Each Equity Share is being offered at a price of ₹ 23 per Equity Share (including a premium of ₹ 22 per Equity Share) in this Issue.

The Issue Price for Equity Shares has been arrived at by our Company in consultation with the Lead Managers and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 (Two) Equity Share for every 7 (Seven) Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see "- *Procedure for Renunciation of Rights Entitlements*" on page 280.

Credit of Rights Entitlements in Dematerialized Account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "**TEXMACO RAIL RE SUSPENSE ESCROW DEMAT ACCOUNT**" and "**TEXMACO RAIL RIGHTS UNCLAIMED SUSPENSE DEMAT ACCOUNT**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE621L20012. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by Wednesday, November 10, 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE621L20012. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday November 1, 2021 to Monday, November 8, 2021 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see “- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” on 280 and “- *Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*” on page 281.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

The full amount is payable on Application.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 2:7 i.e., 2 (Two) Equity Shares for every 7 (Seven) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 7 (Seven) Equity Shares or is not in the multiple of 7 (Seven) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of 1 (One) additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 8 (Eight) Equity Shares, such Equity Shareholder will be entitled to 2 (Two) Equity Share and will also be given a preferential consideration for the Allotment of 1 (One) additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above their Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 4 (Four) Equity Shares shall have ‘zero’ entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of 1 (One) Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreement entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up, rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHTS/JR/IP-RT/1553/2021-22 dated October 6, 2021 and from the NSE through letter bearing reference number NSE/LIST/28505 dated October 5, 2021. Our Company will apply to the Stock Exchanges for their respective final approval for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE Scrip Code: 533326; ISIN: INE621L01012), and NSE (Symbol: TEXRAIL; ISIN: INE621L01012). The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every Director of our Company who is an officer-in-default shall, on and from the expiry of the fifth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law. Further, in accordance with the SEBI circular bearing reference SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021, our Company shall ensure that refunds for unallotted or partially allotted Applications under the R-WAP facility shall be completed on or prior to the day after the date on which the Basis of Allotment is finalised.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoters and the Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*" on page 53.

Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Equity Shareholders shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to receive surplus on liquidation;

(c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

(d) The right to free transferability of Equity Shares;

(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and

(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Right Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity

Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of Kolkata, where our Registered and Corporate Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their respective websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at texmaco.rights@kfintech.com It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Further, Application Forms will be made available at the Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Please note that only resident Investors can submit an Application using the R-WAP facility.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to texmaco.rights@kfintech.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 284.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc*. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent primarily through email before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to their email address if they have provided an Indian address to our Company.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address, on a reasonable effort basis.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of:

(i) our Company at www.texmaco.in;

(ii) the Registrar to the Issue at https://rights.kfintech.com;

(iii) the Lead Managers, *i.e.*, ICICI Securities Limited at www.icicisecurities.com and SKP Securities Limited at www.skpsecurities.com;

(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and

(v) the Registrar's web-based application platform at https://rights.kfintech.com ("**R-WAP**").

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also b
e available on the website of our Company (*i.e.*, www.texmaco.in).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein,

(i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

(ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "- *Grounds for Technical Rejection*" on page 288. Our Company, the Lead Managers, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Application on Plain Paper under ASBA process"* on page 281.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder participates in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

(v) renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Procedure for Application through R-WAP facility

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

Our Company, the Registrar and the Lead Managers shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see "*Risk*

Factors - The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways " on page 41.

Set out below is the procedure followed using the R-WAP facility:

(i) Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the R-WAP Circulars.

(ii) Resident Investors should visit R-WAP (accessible at https://rights.kfintech.com) and fill the online Application Form available on R-WAP in electronic mode. Please provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.

(iii) Non-resident Investors are not eligible to apply in this Issue through R-WAP.

(iv) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Equity Shares applied for.

(v) The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Equity Shares to be applied for.

(vi) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.

(vii) Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

(viii) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account "", opened by our Company with the Banker(s) to the Issue.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (https://rights.kfintech.com) or call helpline number +9140 6716 2222 and 1800 309 4001

Acceptance of this Issue

Investors may accept this Issue and apply for the Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 281.

Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "- *Basis of Allotment*" on page 292.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce their Rights Entitlement, until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP facility.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in their own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE621L20012 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Monday, November 1, 2021 to Monday, November 8, 2021 (both days inclusive).

The Eligible Equity Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE621L20012 and indicating the details of the Rights Entitlements they intend to sell. The Eligible Equity Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Eligible Equity Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE621L20012, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Eligible Equity Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange, the Lead Managers or the R-WAP to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP FACILITY.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Texmaco Rail & Engineering Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Registered Folio Number/DP and Client ID No.;

4. Number of Equity Shares held as on Record Date;

5. Allotment option – only dematerialised form;

6. Number of Equity Shares entitled to;

7. Number of Equity Shares applied for within the Rights Entitlements;

8. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

9. Total number of Equity Shares applied for;

10. Total amount paid at the rate of ₹ 23 per Equity Share;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;

13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at texmaco.rights@kfintech.com; and

17. Additionally, all such Applicants are deemed to have accepted the following:

    *"I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States (including its territories and possessions thereof, any State of the United States and the District of Columbia (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 in compliance with any applicable securities laws of any state of the United States. I/ we understand the Equity Shares and the Rights Entitlements referred to in this application are being offered and sold only in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy or transfer any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we (a) are not in the United States and are eligible to subscribe for the Equity Shares under applicable securities laws, (b) are complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c)*

understand that neither the Company, nor the Registrar, the Lead Managers nor any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of my/our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales" on page 303.

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the finalization of the Basis of Allotment as approved by the Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the

Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see "- *Procedure for Application through R-WAP*" on page 278.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process or using the R-WAP.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH

OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR MENTIONED IN THE APPLICATION FORM IN THE EVENT THAT NO SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE "-ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 293.

General instructions for Investors

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you.

(c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(d) Application should be made only through the ASBA facility or using R-WAP.

(e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 281.

(g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

(h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

(j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

(k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

(l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details**

have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(q) All communication in connection with Application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(r) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(s) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(t) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(u) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

(v) Applicants must submit a copy of the approval obtained from any regulatory authority, as may be required, and send a copy of such approval to the Registrars at texmaco.rights@kfintech.com.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with

Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Do's for Investors applying through R-WAP facility:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.

(b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment

(d) Ensure that you receive a confirmation email on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don’ts for Investors applying through ASBA:

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(b) Do not send your physical Application to the Lead Managers, the Registrar, the Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don’ts for Investors applying through R-WAP facility:

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending an Application to the Lead Managers, Registrar, Banker(s) to the Issue (assuming that such Banker(s) to the Issue is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(j) Applications by an SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

    (i) Applications by non-resident Investors.

    (ii) Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE OR MENTIONED IN THE APPLICATION FORM IN THE EVENT THAT NO SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE PHYSICAL SHARE CERTIFICATE / DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Managers.

   Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to their email addresses if they have provided their Indian address to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Managers to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

   In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Shareholders have not provided valid e-mail addresses to the Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect the same Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However additional applications in relation to additional Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of Rights Entitlements in each demat account of the Applicants and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure - Intention and extent of participation by our Promoters and Promoter Group*" on page 53.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Monday, November 15, 2021, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section, "- *Basis of Allotment*" on page 292.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to texmaco.rights@kfintech.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

Activities	Day & Date
Last Date for credit of Rights Entitlement	Friday, October 29, 2021
Issue Opening Date	**Monday, November 1, 2021**
Last date for On Market Renunciation of Rights Entitlement#	Monday, November 8, 2021
Issue Closing Date*	**Monday, November 15, 2021**
Finalization of Basis of Allotment (on or about)	Monday, November 22, 2021
Date of Allotment (on or about)	Tuesday, November 23, 2021
Date of credit (on or about)	Wednesday, November 24, 2021
Date of listing (on or about)	Thursday, November 25, 2021

* *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

\# *Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, Wednesday, November 10, 2021, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see "*General Information - Issue Schedule*" on page 49.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity

Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’.

Upon approval of the Basis of Allotment by the Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Equity Shares in this Issue, along with:

(i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

(ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Banker(s) to the Issue with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker(s) to the Issue to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of fifteen days from the Issue Closing Date. In case of failure to do so, our Company and Directors, shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such fifteen days’ period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

(a) Unblocking amounts blocked using ASBA facility.

(b) **National Automated Clearing House** (“**NACH**”) – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** (“**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) **Real-time Gross Settlement** (“**RTGS**”) – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with

IEPF authority/ in suspense, *etc*.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated October 8, 2010 with NSDL and an agreement dated October 21, 2010 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Equity Shares and the Application Form will be rejected.

5. The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an 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 an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(i) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue.

Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

1. All monies received out of this Issue shall be transferred to a separate bank account;

2. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

3. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within time limits specified by SEBI.

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

7. Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

Minimum Subscription

As the object of the Issue does not involve financing of capital expenditure and our Promoter, together with members of the Promoter Group have vide letters dated October 20, 2021 confirmed their intention to subscribe to their Rights Entitlement in the Issue and not renounce their Rights Entitlements except to the extent of renunciation within the Promoter Group, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Texmaco Rail & Engineering Limited- Rights Issue**" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

   KFin Technologies Private Limited
   Selenium, Tower B,
   Plot No- 31 and 32, Financial District,
   Nanakramguda, Serilingampally,
   Hyderabad, Rangareddi 500 032
   Telangana, India.
   Telephone: +91 40 6716 2222
   Fax: +91 40 2343 1551
   Toll free number: 1800 309 4001
   Website: www.kfintech.com
   Email ID: texmaco.rights@kfintech.com
   Investor grievance e-mail: einward.ris@kfintech.com
   Contact Person: M Murali Krishna
   SEBI Registration No.: INR000000221

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 1800 309 4001.

4. The Investors can visit following links for the below-mentioned purposes:

   (a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com

   (b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com

   (c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com

   (d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: einward.ris@kfintech.com

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer is being filed with SEBI and the Stock Exchange.

The Rights Entitlements and Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements or the Equity Shares shall do so in accordance with the restrictions set out below:

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosuredocument under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and the Equity Shares under this Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

Any offer of the Rights Entitlements and the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or a Book Running Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements or Equity Shares should observe such Australian on-sale restrictions.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Letter of Offer has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Letter of Offer will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Letter of Offer or the marketing of the Rights Entitlements and Equity Shares in the Kingdom of Bahrain. Accordingly, the Rights Entitlements and the Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

Dubai International Financial Centre ("DIFC")

This Letter of Offer relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Letter of Offer is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Letter of Offer nor taken steps to verify the information set forth herein and has no responsibility for this Letter of Offer. The securities to which this Letter of Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Letter of Offer you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area (EEA)

In relation to each Member State of the European Economic Area (each a **Relevant State**), no Rights Entitlements or Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements or Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements or the Equity Shares may be made 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) **(Prospectus Regulation)**:

(a) to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;

(b) 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 our Company for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Equity Shares shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation. Each person who initially acquires any Rights Entitlements or the Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Lead Managers and the Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In case any of the Rights Entitlements or the Equity Shares are being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares have not been subscribed for on a non-discretionary basis on behalf of, nor have they been subscribed for with a view to their offer or resale to persons in circumstances which may give rise to an offer of the Equity Shares to the public other than their offer or resale in a Relevant State to the qualified investors (as so defined) or in circumstances in which the prior consent of our Company has been obtained to each such proposed offer or resale.

For the purposes of this section, the expression an 'offer to the public' in relation to any Rights Entitlements or 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 Rights Entitlements or the Equity Shares so as to enable an investor to decide to purchase or subscribe for the Rights Entitlements or the Equity Shares.

Hong Kong

The Rights Entitlements or Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (**CO**), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (**SFO**) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the CO and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

This Letter of Offer has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Letter of Offer has not been, and will not be, registered as a "prospectus" in Hong Kong under the CO nor has it been authorized by the Securities and Futures Commission (**SFC**) in Hong Kong pursuant to the 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 Letter of Offer, they should obtain independent professional advice.

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 Rights Entitlements or 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 Rights Entitlements or the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to the Professional Investors.

No person who has received a copy of this Letter of Offer may issue, circulate or distribute this Letter of Offer in Hong Kong or make or give a copy of this Letter of Offer to any other person. No person allotted the 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

The Rights Entitlements and Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and Equity Shares. No Rights Entitlements or Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe for the Rights Entitlements and Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Rights Entitlements or the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Rights Entitlements and the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements or the Equity Shares (as the case may be), except (i) where relevant requirements are satisfied, the Rights Entitlements and the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Equity Shares may not be re-sold to Korean residents unless the purchaser of the Rights Entitlements or the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements or the Equity Shares.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Rights Entitlements or the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Letter of Offer and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements and the Equity Shares may not be circulated or distributed, nor may the Rights Entitlements and the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed-end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Rights Entitlements or the Equity Shares, as principal, if the offer is on terms that the Rights Entitlements and the Equity Shares, as the case may be, may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Rights Entitlements or the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Letter of Offer is subject to Malaysian laws. This Letter of Offer does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

Neither the Rights Entitlements nor the Equity Shares may be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Mauritius Securities Act. No offer or distribution of securities will be made to the public in Mauritius.

Qatar (excluding the Qatar Financial Centre)

This Letter of Offer and the offering of the Rights Entitlements and the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Rights Entitlements and the Equity Shares in the State of Qatar. Accordingly, the Rights Entitlements and the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Rights Entitlements and the Equity Shares and distribution of this Letter of Offer is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Rights Entitlements and the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

This Letter of Offer is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

This Letter of Offer does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This 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 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 licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Rights Entitlements or the Equity Shares pursuant to the Issue should note that the offer of Rights Entitlements and the Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. The Lead Manager has represented, warranted and agreed that the offer of the Rights Entitlements and the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Rights Entitlements and the Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Rights Entitlements or Equity Shares as a Sophisticated Investor may not offer or sell those Rights Entitlements or Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Rights Entitlements or Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Rights Entitlements or Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore (**SFA**). The offer of the Rights Entitlements and the Equity Shares pursuant to the Rights Entitlements to the Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

The Eligible Equity Shareholders in Singapore may apply for the additional Equity Shares over and above their Rights Entitlements only: (i) if they are 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 of the SFA; (ii) if they are a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Equity Shares over and above their Rights Entitlements 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, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Equity Shares pursuant to an offer made under Section 275 of the SFA except: (a) 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 arising from referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (b) where no consideration is or will be given for the transfer; (c) where the transfer is by operation of law; (d) as specified in Section 276(7) of the SFA; or (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (**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 Rights Entitlements and 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

Due to restrictions under the securities laws of South Africa, the Rights Entitlements and Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

(i) the offer, transfer, sale, renunciation or delivery is to:
   (a) persons whose ordinary business is to deal in securities, as principal or agent;
   (b) the South African Public Investment Corporation;
   (c) persons or entities regulated by the Reserve Bank of South Africa;
   (d) authorised financial service providers under South African law;
   (e) financial institutions recognised as such under South African law;
   (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or
   (g) any combination of the persons in (a) to (f); or

(ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the offer of the Rights Entitlements and Equity Shares. Accordingly, this Letter of Offer does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Rights Entitlements and Equity Shares in South Africa constitutes an offer of the Rights Entitlements and Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Letter of Offer must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "**SA Relevant Persons**"). Any investment or investment activity to which this Letter of Offer relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Rights

Entitlements and Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural person "Qualified Investors" (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

In relation to its use in the UAE, this Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you do not understand the contents of this Letter of Offer, you should consult an authorised financial adviser.

United Kingdom

No Rights Entitlements or 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, except that the Rights Entitlements and Equity Shares may be offered to the public in the United Kingdom 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 Lead Managers for any such offer; or
(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Rights Entitlements or Equity Shares shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA 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 Rights Entitlements or 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 Rights Entitlements or Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Rights Entitlements and the Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged or transferred in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state of the United States. The Rights Entitlements and the Equity Shares are being offered and sold only to persons outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

NOTICE TO INVESTORS OUTSIDE THE UNITED STATES

Each person accepting the Rights Entitlements and subscribing to the Equity Shares outside the United States shall be deemed to have represented, warranted, agreed and acknowledged as follows:

(a) It is entitled to accept the Rights Entitlements and subscribe to the Equity Shares under the laws of all relevant jurisdictions that apply to it and that it has fully observed such laws and has complied with all necessary formalities to enable it to accept the Rights Entitlements and subscribe to the Equity Shares;

(b) It was outside the United States at the time the offer of the Rights Entitlements and the Equity Shares was made to it and it was outside the United States when its buy order for the Rights Entitlements (if applicable) and the Equity Shares was originated;

(c) It did not accept the Rights Entitlements or subscribe to the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S);

(d) The Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Equity Shares to it is made in reliance on the Regulation S;

(e) It will not offer, sell or otherwise transfer the Rights Entitlements except in India in a transaction complying with Rule 903 or Rule 904 of the Regulation S;

(f) It subscribed to the Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future it decides to offer, sell, pledge or otherwise transfer any of the Equity Shares, it shall only offer, sell, pledge or otherwise transfer such Equity Shares: (a) outside the United States in a transaction complying with Rule 903 or Rule 904 of the Regulation S and in accordance with all applicable laws of any other jurisdiction, including India; or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state of the United States;

(g) Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Equity Shares, it: (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and the Rights Entitlements and the Equity Shares that it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Managers or their respective affiliates (including any research reports) (other than with respect to our Company and any information contained in this Letter of Offer); and (e) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Equity Shares is suitable and appropriate, both in the nature and number of the Equity Shares being subscribed;

(h) Without limiting the generality of the foregoing, it acknowledges that: (a) the Equity Shares are listed on BSE and NSE and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE and NSE (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports, which collectively constitutes **Exchange Information**), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (b) neither our Company nor the Lead Managers or any of their respective affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Equity Shares or the accuracy, completeness or adequacy of the Exchange Information;

(i) It acknowledges that: (a) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Equity Shares, including this Letter of Offer and the Exchange Information (collectively, **Information**), has been prepared solely by our Company; and (b) none of the Lead Managers or any of their respective affiliates has verified the Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Managers or their respective affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Managers or their respective affiliates;

(j) It will not hold our Company and the Lead Managers or their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, the Rights Entitlements or the Equity Shares has been or will be provided by the Lead Managers or their respective affiliates to it;

(k) It understands and acknowledges that the Lead Managers are assisting our Company in respect of this Issue and that the Lead Managers are acting solely for our Company and no one else in connection with this Issue and, in particular, is not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Equity Shares nor providing advice to it in relation to our Company, this Issue, the Rights Entitlements or the Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Managers arising from its engagement with our Company and in connection with this Issue;

(l) It understands and acknowledges that the Lead Managers are not making, will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements or the Equity Shares;

(m) If it acquired any of the Rights Entitlements or Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account;

(n) It shall indemnify and hold our Company and the 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 Rights Entitlements and Equity Shares; and

(o) It acknowledges that our Company, the Lead Managers and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements.

SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue agreement dated October 20, 2021, between our Company and the Lead Managers.

2. Registrar agreement dated October 4, 2021 between our Company and the Registrar to the Issue.

3. Banker to the Issue agreement dated October 1, 2021, amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker to the Issue.

4. Monitoring Agency Agreement dated October 1, 2021 between our Company and the Monitoring Agency.

B. Material Documents

1. Certificate of incorporation upon incorporation, fresh certificates of incorporation upon changes in name of our Company.

2. Certified copies of the Memorandum of Association and Articles of Association of our Company.

3. Resolution of our Board dated May 15, 2021 in relation to the Issue and other related matters.

4. Resolution passed by our Capital Issue Committee dated October 9, 2021 finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement ratio.

5. Resolution passed by our Capital Issue Committee dated October 20, 2021, approving this Letter of Offer.

6. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, the Lead Managers, Banker to the Issue, Legal Counsel to the Issue as to Indian Law, Special Purpose International Legal Counsel to the Lead Managers and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.

7. In-principle approvals each dated October 6, 2021 and October 5, 2021, issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.

8. The Audited Consolidated Financial Statements and the audit report issued by our Statutory Auditors thereon, dated May 14, 2021.

9. Unaudited Consolidated Financial Results (including the comparative financial information) along with the Limited Review Report issued by our Statutory Auditors thereon, dated August 11, 2021.

10. Copies of the annual reports of our Company for Fiscal 2021, Fiscal 2020 and Fiscal 2019.

11. Statement of Possible Special Tax Benefits available to our Company and its shareholders under the applicable laws in India issued by our Statutory Auditors, dated October 20, 2021.

12. Tripartite Agreement dated November 1, 2010 between our Company, NSDL and KFin Technologies Private Limited.

13. Tripartite Agreement dated October 21, 2010 between our Company, CDSL and KFin Technologies Private Limited.

14. Due diligence certificate dated October 20, 2021, addressed to SEBI from the Lead Managers.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Saroj Kumar Poddar
Executive Chairman

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Indrajit Mookerjee
Managing Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Ashish Kumar Gupta
Executive Director designated as Deputy Managing Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Damodar Hazarimal Kela
Executive Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Akshay Poddar
Non-Executive Non-Independent Director

Date: October 20, 2021
Place: Dubai

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Amal Chandra Chakrabortti
Independent Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Utsav Parekh
Independent Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Sunil Mitra
Independent Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____

Kaarthikeyan Devaravapuram Ramasamy
Independent Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Rusha Mitra
Independent Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Virendra Sinha
Independent Director

Date: October 20, 2021
Place: Kolkata

DECLARATION

We declare that all relevant provisions of the Companies Act, 2013, and the guidelines and regulations issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Ashok Kumar Vijay
(Executive Director and Chief Financial Officer)

Date: October 20, 2021
Place: Kolkata