

14<sup>th</sup> November, 2023

**BSE Limited (BSE)**

The Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 532966**

**National Stock Exchange of India Limited (NSE)**

The Listing Compliance Department  
Exchange Plaza Bandra-Kurla Complex  
Bandra (E), Mumbai – 400 051  
**Scrip Code: TITAGARH**

Madam/Sir,

**Sub: Monitoring Agency Report for the quarter ended 30<sup>th</sup> September 2023**

Pursuant to Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 162A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed Monitoring Agency Report for the quarter ended 30<sup>th</sup> September, 2023, issued by CARE Ratings Limited, the Monitoring Agency appointed to monitor the utilization of proceeds raised through issuance of 76,00,000 Equity Shares by way of preferential issue.

The above is for your information and record.

Thanking you,

Yours faithfully,

**For Titagarh Rail Systems Limited**  
(formerly Titagarh Wagons Limited)

**Dinesh Arya**  
**Company Secretary & Chief Compliance Officer**  
**M. No. FCS 3665**

CIN: L27320WB1997PLC084819

Registered Office: Poddar Point, 10<sup>th</sup> Floor, 113 Park Street, Kolkata 700016, India  
Corporate Office: Titagarh Towers, 756 Anandapur, E.M Bypass, Kolkata 700107, India  
Phone: +91 33 40190800 Fax: +91 33 40190823 Email: [corp@titagarh.in](mailto:corp@titagarh.in); Web: [www.titagarh.in](http://www.titagarh.in)

No. CARE/KRO/GEN/2023-24/1007

**Mr. Saurav Singhania**  
**Chief Financial Officer**  
**Titagarh Rail Systems Limited**  
**Poddar Point, 10th Floor,**  
**113 Park Street,**  
**Kolkata - 700016**

November 14, 2023

Dear Sir,

**Monitoring Agency Report for the quarter ended September 30, 2023 - in relation to the Preferential Issue of Titagarh Rail Systems Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs.288.80 crore of the Company and refer to our duties cast under 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended September 30, 2023 as per aforesaid SEBI ICDR Regulations and Monitoring Agency Agreement dated July 03, 2023.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,



Richa Bagaria  
Associate Director

[richa.jain@careedge.in](mailto:richa.jain@careedge.in)

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

## Report of the Monitoring Agency (MA)

Name of the issuer: Titagarh Rail Systems Limited

For quarter ended: September 30, 2023

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

### Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name of the Authorized Signatory: Richa Bagaria

Designation of Authorized person/Signing Authority: Associate Director

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### 1) Issuer Details:

Name of the issuer : Titagarh Rail Systems Limited  
Name of the promoters : Mr. Jagdish Prasad Chowdhary  
Industry/sector to which it belongs : Industrial Manufacturing – Railway Wagons

### 2) Issue Details:

Type of issue : Preferential issue of equity shares  
Type of specified securities : Equity shares  
IPO Grading, if any : Not applicable  
Issue size (in ` crore) : Rs.288.80 crore (Note 1)\*

\* The offer comprises of 76,00,000 equity shares of face value of Rs 2 each, on a preferential basis for cash at a price of Rs.380 per equity share (including premium of Rs.378 per equity share) as determined on the relevant date (for the purpose of determining the minimum issue price of the equity shares) in accordance with the provisions of Chapter V of the SEBI ICDR Regulations aggregating to Rs.288,80,00,000 for cash consideration by way of preferential allotment to Specified investors/Identified investors.

Note 1:

Particulars	Remarks
Total equity shares issued	76,00,000
Equity share issue price (Rs. per equity share)	380.00
Total proceeds received from equity shares issued - (in Rs. Crore)	288.80
Net proceeds available for utilization (in Rs. Crore)	288.80

### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Refer note (a) below	Chartered Accountant certificate*, Bank statement	Refer note (a) below	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Chartered Accountant certificate*, Bank statement	Not applicable	
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	Not applicable	
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	Not Applicable	
Is there any other relevant information that may materially affect the decision making of the investors?	Not applicable	Not applicable	Not Applicable	

**Note (a):** The company has transferred the issue proceeds from the monitoring account (ICICI Bank) to its CC account (Maintained with ICICI Bank) rather than utilising the issue proceeds directly from monitoring account. The issue proceeds deposited in CC account of ICICI Bank was subsequently transferred to various other bank CC accounts. Accordingly, there are numerous other debits and credits in the said CC accounts, and we are not directly able to ascertain utilisation of funds for the defined.

The company has represented to us that the funds have been used for working capital requirement (Rs.224.80 crore) and general corporate purpose (Rs.64.00 crore) and has given Chartered Accountant certificate for the same. The Board may take note of this.

\* Chartered Accountant certificate from Jaipuria & Associates (chartered accountants) dated November 07, 2023

# Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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#### 4)Details of objects to be monitored:

##### (i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Working capital requirement	Chartered Accountant certificate*, Bank statements, Special Resolution copy	224.80	NA	Amount is specified separately as per Special Resolution copy			
2	General Corporate Purpose	Chartered Accountant certificate*, Bank statements, Special Resolution copy	64.00	NA	Amount is specified separately as per Special Resolution copy			
<b>Total</b>			<b>288.80</b>					

\* Chartered Accountant certificates from Jaipuria & Associates (chartered accountants) dated November 07, 2023

##### (ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount raised in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Working capital requirement	Chartered Accountant certificate*, Special resolution copy, Bank statements	224.80		Nil	224.80	Nil		Refer point 3 Note (a) above		
2	General Corporate Purpose	Chartered Accountant certificate*, Special resolution copy, Bank statements	64.00		Nil	64.00	Nil		Refer point 3 Note (a) above		
<b>Total</b>			<b>288.80</b>	<b>288.80</b>	<b>Nil</b>	<b>288.80</b>	<b>Nil</b>	Nil			

\* from Jaipuria & Associates, Chartered Accountants dated November 07, 2023

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(iii) Deployment of un-utilized proceeds:

Sr. No.	Name of the Mutual Fund/Bank account	Type of account	Amount in Rs. crore	Source of information / certifications considered by Monitoring Agency for preparation of report
1	Not applicable	Not applicable	Not applicable	Not applicable
<b>Total</b>				

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter*	Remarks
1	Not applicable						

(iv) Delay in implementation of the object(s): Not applicable

**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Tax Payment	15.00	Chartered Accountant certificate*	Refer point 3 Note (a) above	
2	Salary & Wages Payment	12.23			
3	Electricity charges	11.84			
4	Finance Costs	11.40			
5	Custom Duty Payment	6.53			
6	Legal & Professional fees	3.27			
7	Travelling and Conveyance charges	3.74			
	<b>Total</b>	<b>64.00</b>			

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