

15th May, 2024

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 31st March, 2024

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith Monitoring Agency Report dated 14th May, 2024 for the quarter ended 31st March, 2024, issued by CARE Ratings Limited, the Monitoring Agency appointed to monitor the utilization of proceeds of Qualified Institutions Placement of Equity Shares of the Company.

A copy of the same is being uploaded on the website of the company at www.titagarh.in

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. F3665

Encl: as above

Monitoring Agency Report

No. CARE/NRO/GEN/2024-25/1010

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

May 14, 2024

Dear Sir,

Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the Qualified Institutional Placement of Titagarh Rail Systems Limited ("the Company")

We write in our capacity of Monitoring Agency for the Qualified Institutional Placement for the amount aggregating to Rs. 700.00 crore of the Company and refer to our duties cast under 173A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 08, 2023.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Akhil Kumar

Name of Akhil Kumar

Associate Director

Akhil.kumar@careedge.in

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Noida, Gautam Budh Nagar,
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Report of the Monitoring Agency

Name of the issuer: Titagarh Rail Systems Limited

For quarter ended: March 31, 2024

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:

Akhil Kumar

Name and designation of the Authorized Signatory: Akhil Kumar

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 promoter	: Mr. Jagdish Prasad Chowdhary
Industry/sector to which it belongs	: Industrial Manufacturing – Railway Wagons

2) Issue Details

Issue Period	: December 07, 2023 - December 12, 2023
Type of issue (public/rights)	: Qualified Institutional Placement of equity shares
Type of specified securities	: Equity shares
IPO Grading, if any	: Not applicable
Issue size (in Rs. crore)	: 700.00 (Note 1)

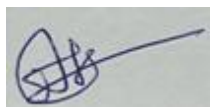
Note 1:

The issue and Allotment of 75,02,679 Equity Shares each at a price of ₹ 933 per Equity Share, including a premium of ₹ 931 per Equity Share, aggregating to ₹ 700.00 crores pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Particulars	Remarks
Total shares issued and subscribed as part of QIP	75,02,679
Total subscriptions towards QIP (in Rs.)	933
Details of expenses incurred related to issue (in Rs.)	13.25*
Net Proceeds of QIP (Rs. crore)	686.75**

*As on March 31, 2024, the company has entirely incurred its issue expenses of Rs. 13.25 crores specified in the placement document. Out of Rs. 13.25 crores, only Rs. 12.52 crores have been utilized from Escrow account. The Escrow account has balance funds of Rs. 0.98 crores as on March 31, 2024 including Rs. 0.25 crores of net proceeds.

**The Company had transferred Rs.686.50 crore to ICICI Monitoring Account in December 2023 and balance amount of Rs. 0.25 crore is parked in escrow account as on March 31, 2024.



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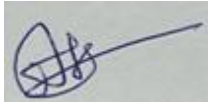
3) Details of the arrangement made to ensure the monitoring of issue proceeds:

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?	Yes	CA certificate*, Monitoring Account Statement, CC account statement, Placement document	Out of the net proceeds of Rs. 686.75 crores, Rs. 132.84 crores were utilized in Q3FY24 and Rs. 460.03 crores were utilized in Q4FY24. Out of the balance funds, Rs.93.63 crore is held in the form of FDR (excluding interest income earned of Rs.6.37 crore) while issue proceeds balance of Rs.0.25 crore remains unutilized in Escrow Account as on March 31, 2024	No comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	NA	NA	NA	No comments
Whether the means of finance for the disclosed objects of the issue have changed?	NA	NA	NA	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	NA	NA	NA	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA	NA	NA	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA	NA	NA	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	NA	NA	NA	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	NA	NA	NA	No comments

NA: Not Applicable

#Where material deviation may be defined to mean:

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



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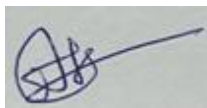
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4) Details of objects to be monitored:

(i) Cost of objects –

S r · N o	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	Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by the company	Chartered Accountant certificate*, Placement Document	200.00	NA	Amount is specified separately as per Placement Document	No comments	No comments	No comments
2	Funding working capital requirements	Chartered Accountant certificate*, Placement Document	317.50	NA	Amount is specified separately as per Placement Document	No comments	No comments	No comments
3	General corporate purposes	Chartered Accountant certificate*, Placement Document	169.25	NA	Amount is specified separately as per Placement Document	No comments	No comments	No comments
Total			686.75					

*Chartered Accountant certificates from S. Patodia & Associates dated May 09, 2024



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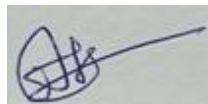
(ii) Progress in the objects –

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 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	Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by the company	Chartered Accountant certificate*, Bank Statement and Management certificate	200.00	125.00	75.00	200.00	0.00	-	No comments	No comments
2	Funding working capital requirements	Chartered Accountant certificate*, Bank Statement and Management certificate	317.50	00.00	238.35	238.35	79.15	#	No comments	No comments
3	General corporate purposes	Chartered Accountant certificate*, Bank Statement and Management certificate	169.25	7.84	146.68	154.52	14.73	^	No comments	No comments
Total			686.75	132.84	460.03	592.87	93.88			

*Chartered Accountant certificates from S. Patodia & Associates dated May 09, 2024

#The company has paid Rs. 93.68 crore directly from its monitoring account to its creditors and transferred Rs. 144.67 crore to its 2 cash credit accounts for funding working capital requirement purposes.

^The company has transferred Rs. 35.84 crore to its 2 cash credit account which were utilized towards general corporate purposes and rest Rs. 110.84 crore were paid directly from monitoring account. The Company had informed to us that the funds had been used for general corporate purposes (Rs. 146.68 crore) and submitted documents including, CA certificate and bank account statements highlighting the specific transactions for the same. Management of the company has confirmed that the funds had been used for general corporate purposes and submitted management certificate accordingly.



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(iii) Deployment of unutilized public issue proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested Rs. in crore	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1.	Yes Bank (Fixed Deposit)	100.00	April 12, 2024	NA	6.85%	NA
2.	ICICI Bank (Escrow Account)	0.98	NA	NA	NA	NA
3.	ICICI Bank (Monitoring Account)	0.007	NA	NA	NA	NA
Total		100.987*				

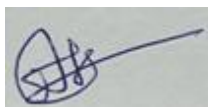
NA: Not Applicable

*Surplus amount over and above the unutilized amount of Rs. 93.88 crore is on account of interest earned on FD of Rs. 6.37 crore and Rs. 0.73 crore kept in escrow account towards issue related expenses

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by the company	FY24	NA	-	No comments	No comments
Funding working capital requirements	FY24	NA	Delayed*	No comments	No comments
General corporate purposes	FY24	NA	Delayed*	No comments	No comments

*As per the placement document approved as per resolution passed by the company, the proposed schedule of deployment of net proceeds was fiscal 2024. However, the document further states that; "Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, economic, business and commercial considerations, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the planned expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law".



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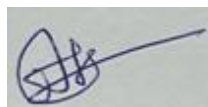
5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

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	Investment in JV; Shivaliks Mercantile Pvt Ltd.	100.00	CA Certificate*, Bank Statement	^	No comments
2	Investment in JV; Ramakrishna Titagarh Rail Wheels Ltd.	6.31	CA Certificate*, Bank Statement		
3	Buyer Credit Payment	5.83	CA Certificate*, Bank Statement		
4	Tax Payment	30.00	CA Certificate*, Bank Statement		
5	Flat	4.53	CA Certificate*, Bank Statement		
	Total	146.68			No comments

*Chartered Accountant certificates from S. Patodia & Associates dated May 09, 2024

[^] Section from the offer document related to GCP:

'Our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Net Proceeds, aggregating to ₹ 16,925.00 lakhs, in compliance with applicable laws. Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, capital expenditure, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our associates, joint ventures and subsidiary, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013



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Disclaimers to MA report:

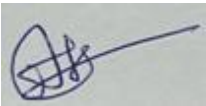
a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. 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.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or 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 MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.



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