

30<sup>th</sup> July, 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 30<sup>th</sup> June, 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 Monitoring Agency Report for the quarter ended 30<sup>th</sup> June, 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.

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. 3665**

**Encl: as above**

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/2024-25/1011

**The Board of Directors**  
**Titagarh Rail Systems Limited**  
Poddar Point, 10th Floor  
113 Park Street  
Kolkata – 700016

July 30, 2024

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended June 30, 2024 - in relation to the Qualified Institutional Placement (QIP) issue of Titagarh Rail Systems Limited ("the Company")**

We write in our capacity of Monitoring Agency for the QIP for the amount aggregating to Rs. 700.00 crore of the Company and refer to our duties cast under regulation 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 June 30, 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,



**Richa Bagaria**

Associate Director

Richa.jain@careedge.in

**CARE Ratings Limited**

Unit No. A/7/4, 7th Floor Block A, Apeejay House,  
15 Park Street, Kolkata – 700016  
Phone: +91-33-4018 1600/2283 1803

4th Floor, Godrej Coliseum, Somaiya Hospital  
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Mumbai - 400 022  
Phone: +91-22-6754 3456 • www.careedge.in

**CIN-L67190MH1993PLC071691**

**Report of the Monitoring Agency**

Name of the issuer: Titagarh Rail Systems Limited

For quarter ended: June 30, 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:

Name and designation of the Authorized Signatory: Richa Bagaria

Designation of Authorized person/Signing Authority: Associate Director

**CARE Ratings Limited**

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**CIN-L67190MH1993PLC071691**

**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 crore) : Rs. 700.00 crore

**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.592.87 crores were utilized in FY24 and the balance Rs.93.88 crores were utilized in Q1FY25.<br>We have not been able to monitor the utilization of interest earned on deposit of issue proceeds. | No comments                        |
| Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document? | Not applicable | Not applicable   | No comments   | No comments                        |
| Whether the means of finance for the disclosed objects of the issue have changed?   | No             | Not applicable   | No comments   | No comments                        |
| Is there any major deviation observed over the earlier monitoring agency reports?   | No             | Monitoring Agency Report dated May 14, 2024  | No comments   | No comments                        |
| Whether all Government/statutory approvals related to the object(s) have been obtained?   | Not applicable | Not applicable   | No comments   | No comments                        |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation?                                       | Not applicable | Not applicable   | No comments   | No comments                        |
| Are there any favorable/unfavorable events affecting the viability  | No             | Not applicable   | No comments   | No comments                        |

| 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 |
|--|-------|--|-----------------------------------|------------------------------------|
| of these object(s)?  |       |  |                                   |                                    |
| Is there any other relevant information that may materially affect the decision making of the investors? | No    | Not applicable   | No comments                       | No comments                        |

\*Chartered Accountant certificates from *Agarwal Manish & Co., Chartered Accountants* dated July 24, 2024

#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.

#### 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            | Repayment and/or prepayment, in full or in part, of certain outstanding borrowings availed by the company | Chartered Accountant certificate*, Placement Document  | 200.00   | Not Applicable            | Amount is specified separately as per Placement Document | Not Applicable                     | Not Applicable            | Not Applicable                          |
| 2            | Funding working capital requirements  | Chartered Accountant certificate*, Placement Document  | 317.50   | Not Applicable            | Amount is specified separately as per Placement Document | Not Applicable                     | Not Applicable            | Not Applicable                          |
| 3            | General corporate purposes  | Chartered Accountant certificate*, Placement Document  | 169.25   | Not Applicable            | Amount is specified separately as per Placement Document | Not Applicable                     | Not Applicable            | Not Applicable                          |
| <b>Total</b> |   |  | <b>686.75</b>  |                           |  |                                    |                           |   |

\*Chartered Accountant certificates from *Agarwal Manish & Co., Chartered Accountants* dated July 24, 2024

(ii) Progress in the objects –

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| 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                |                                 |  | Total 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  | 200.00                                      | 0.00                            | 200.00                                 | 0.00                                 | -                                 | Not Applicable                     | Not Applicable            |
| 2            | Funding working capital requirements  | Chartered Accountant certificate*, Bank Statement and Management certificate                     | 317.50  | 238.35                                      | 80.14                           | 318.49                                 | 0.00                                 | Refer Note 1                      | Not Applicable                     | Not Applicable            |
| 3            | General corporate purposes  | Chartered Accountant certificate*, Bank Statement and Management certificate                     | 169.25  | 154.52                                      | 14.73                           | 169.25                                 | 0.00                                 | Refer Note 2                      | Not Applicable                     | Not Applicable            |
| <b>Total</b> |   |  | <b>686.75</b>   | <b>592.87</b>                               | <b>94.87</b>                    | <b>687.74</b>                          | <b>0.00</b>                          |                                   |                                    |                           |

\*Chartered Accountant certificates from Agarwal Manish & Co., Chartered Accountants dated July 24, 2024

**Note 1:** The company has transferred Rs.80.14 crore from monitoring account to its 2 cash credit accounts for funding working capital requirement purposes, from where various payments were made. The Company had informed to us that the funds had been used for working capital purposes and submitted documents including, CA certificate and bank account statements highlighting the specific transactions for the same. The expenses incurred related to the QIP issue were Rs.12.52 crore and balance Rs.0.73 crore was incurred out of company's internal accruals. Accordingly, excess utilization of Rs.0.99 crore is out of part of interest earned on the fixed deposits done from issue proceeds and Rs.0.73 crore out of issue related expenses which was incurred out of internal accruals.

**Note 2:** The company has transferred Rs. 8.70 crore to its cash credit account which were utilized towards general corporate purposes and rest Rs. 6.03 crore were paid directly from monitoring account. The Company had informed to us that the funds had been used for general corporate purposes (Rs. 8.70 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. The Board may take note of the same.

(iii) Deployment of unutilized proceeds: **Not applicable as the Company has utilized entire issue proceeds by Q1FY25. We have not monitored the utilization of any income/interest earned on the issue proceeds.**

(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                      | Q4FY24 | -                           | No comments                        | No comments               |
| Funding working capital requirements  | FY24                      | Q1FY25 | Three months*               | No comments                        | No comments               |
| General corporate purposes  | FY24                      | Q1FY25 | Three months*               | 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". The Board may take note for the same.

**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   |                               |                                    |
| 6      | Flat (Q1FY25)   | 6.03                | CA Certificate*, Bank Statement  |                               |                                    |
| 7      | Advance Tax (Q1FY25)                                    | 8.70                | CA Certificate*, Bank Statement  |                               |                                    |
|        | <b>Total</b>  | <b>169.25</b>       |  |                               |                                    |

\*\*Chartered Accountant certificates from Agarwal Manish & Co., Chartered Accountants dated May 09, 2024

\* Chartered Accountant certificates from Agarwal Manish & Co., Chartered Accountants dated July 24, 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.

