

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE AUDIT COMMITTEE OF TRANSRAIL LIGHTING LIMITED AT ITS MEETING HELD ON WEDNESDAY, 18TH SEPTEMBER, 2024 AT 11:30 A.M. THROUGH VIDEO CONFERENCING (DEEMED PLACE OF MEETING AT 501 A,B,C,E FORTUNE 2000, BLOCK-G, BANDRA KURLA COMPLEX, BANDRA EAST, MUMBAI – 400 051)

TO REVIEW AND APPROVE THE KEY PERFORMANCE INDICATORS (KPIs) OF THE COMPANY

“RESOLVED THAT the Key Performance Indicators (the “KPIs”) to be included in the updated draft red herring prospectus, the red herring prospectus, the prospectus and other documents or material issued in relation to the Offer, including any amendments, addenda or corrigenda issued thereto be and are hereby approved, as under:

(in ₹ million)

Particulars	As at / for the Financial Year ended			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operation (including other operating Revenue)	9,157.78	40,765.25	31,521.56	23,500.15
Revenue growth	N.A.	29.32%	34.13%	7.53%
EBITDA	1,201.05	4,775.58	2,939.35	2,056.68
EBITDA Margin	13.12%	11.71%	9.32%	8.75%
Profit After Tax	517.44	2,332.05	1,075.68	647.07
Profit After Tax Margin	5.57%	5.65%	3.39%	2.75%
Net Debt	5,150.94	5,333.41	4,802.08	4,116.13
Debt equity ratio	0.50	0.56	0.78	0.71
Net Debt to EBITDA	4.29*	1.12	1.63	2.00
Return on Capital Employed	6.02%*	24.33%	18.27%	14.94%
Working capital days	83	73	53	61
Working Capital Turnover Ratio	1.10*	5.03	6.83	5.97
Vertical wise order intake ⁽¹⁾	9,437.99	43,834.83	64,841.74	34,259.03
Geography wise order intake ⁽²⁾	9,437.99	43,834.83	64,841.74	34,259.03
Vertical wise order book ⁽³⁾	1,02,130.66	1,01,004.74	96,192.79	59,075.87
Geography wise order book ⁽⁴⁾	1,02,130.66	1,01,004.74	96,192.79	59,075.87

*Not annualized

(1) Vertical wise order intake

(in ₹ million)

Vertical	For the Financial Year ended			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Power transmission and distribution	8,469.09	39,178.48	64,335.03	26,645.37
Civil construction	-	2,149.00	-	2,559.90
Poles and lighting	264.60	1,725.60	506.71	426.04
Railways	704.30	781.75	-	4,627.72

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Vertical	For the Financial Year ended			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Total	9,437.99	43,834.83	64,841.74	34,259.03

(2) Geography wise order intake

(in ₹ million)

Geography of client	For the Financial Year ended			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
In India	1,494.42	24,659.60	17,354.01	14,307.37
Outside India	7,943.57	19,175.23	47,487.73	19,951.66
Total	9,437.99	43,834.83	64,841.74	34,259.03

(3) Vertical wise order book

(in ₹ million)

Vertical	As at			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Power transmission and distribution	92,512.58	90,773.09	84,158.42	40,899.02
Civil construction	7,382.87	8,421.62	9,754.61	13,181.17
Poles and lighting	648.97	733.27	929.97	1,661.40
Railways	1,586.24	1,076.76	1,349.79	3,334.28
Total	1,02,130.66	1,01,004.74	96,192.79	59,075.87

(4) Geography wise order book

(in ₹ million)

Vertical	As at			
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
In India	36,290.82	39,331.57	33,770.10	28,615.14
Outside India	65,839.84	61,673.17	62,422.69	30,460.73
Total	1,02,130.66	1,01,004.74	96,192.79	59,075.87

The method of computation of the above KPIs is set out below:

KPI	Formula
Revenue Growth	Revenue Growth (%) represents year on year growth of our business operations in terms of revenue generated by us.
EBITDA	EBITDA is calculated as restated profit before exceptional items and tax plus finance costs, depreciation and amortisation expense less other income.
EBITDA Margin (%)	EBITDA Margin (%) is the percentage of EBITDA divided by revenue from operation and other operating revenue.
PAT Margin (%)	PAT Margin (%) is calculated as Restated profit (after tax) for the period / year as a % of total revenue.
Net Debt	Total debt minus cash and cash equivalents. Total debt is computed as non-current borrowings plus current borrowings.
Debt equity ratio	Total debt/total equity
Net Debt to EBITDA	Calculated as Net Debt divided by EBITDA.

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KPI	Formula
Return on Capital Employed (ROCE) (%)	ROCE is calculated as EBIT as a percentage of capital employed wherein capital employed refers to sum of total equity and total debt less Intangible assets and right of use assets. EBIT is earning before interest, tax and other income.
Working capital days	Working capital days is calculated as working capital * 365 divided by total revenue. Working capital refers to current assets minus current liability.
Working Capital Turnover Ratio	Working capital turnover ratio is calculated as revenue from operation plus other operating revenue divided by working capital. Working capital refers to current assets minus current liabilities

Explanations for the certain financial data based on Restated Consolidated Financial Information

Financial parameter	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business
Revenue growth	Revenue from Operations growth provides information regarding the growth of our business for the respective period
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
Profit After Tax	Profit after tax for the period/year provides information regarding the overall profitability and financial performance of our business
Profit After Tax Margin	Profit Margin is an indicator of the overall profitability and financial performance of our business
Net Debt	Total Debt less cash and cash equivalents. Total Debt is computed as Non-Current Borrowings Plus Current Borrowings
Debt equity ratio	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability
Net Debt to EBITDA	Net debt to EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant
Return on Capital Employed	Return on capital employed provides how efficiently our Company generates earnings from the capital employed in the business
Working capital days	Days working capital is a metric that measures how many days it takes our company to transform its working capital into cash flows from sales
Working Capital Turnover Ratio	Working capital turnover ratio is the ratio between the revenue from operation of a business and its working capital
Vertical wise order intake	Business-wise order taken during the specified period
Geography wise order intake	Order taken during the specified period within in India and outside India
Vertical wise order book	Unexecuted orders as at specified date
Geography wise order book	Unexecuted orders as at specified date within India and outside India

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Comparison with listed industry peers

Based on our review of the audited financial statements of such Industry Peers for their last audited financial year i.e. (Financial Year ended March 31, 2024), we confirm: (a) the highest P/E ratio among the Industry Peers was ₹ 70.23, while the lowest P/E ratio was ₹ 15.72, and the average P/E ratio was ₹ 45.74; and (b) the additional details as set forth below:

Particulars	Transrail Lighting Limited	Kalpattu Projects International Limited	KEC International Limited	Skipper Limited	Bajel Projects Limited	Patel Engineering Limited
Revenue from Operation	40,765	196,260	199,140	32,820	11,690	45,440
Revenue growth	29.32%	20.0%	15.2%	65.7%	76.2%	8.1%
EBITDA	4,776	12,190	12,150	3,260	30	7,760
EBITDA Margin	11.71%	6.2%	6.1%	9.9%	0.2%	17.1%
Profit After Tax	2,332	5,160	3,470	820	40	3,020
Profit After Tax Margin	5.7%	2.6%	1.7%	2.5%	0.4%	6.6%
Net Debt	5,333	32,060	33,910	4,420	NA	15,470
Debt equity ratio	0.56	0.63	0.83	0.49	NA	0.49
Net Debt to EBITDA	1.12	2.63	2.79	1.36	NA	1.99
Return on Capital Employed	24.33%	0.0%	23.9%	20.3%	3.73%	15.4%
Working capital days	73	65	30	63	110	145
Working Capital Turnover Ratio	5.03	5.62	12.08	5.80	3.31	2.52

All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the CRISIL Report. The above information have not been adjusted for any changes in the outstanding number of equity shares that have been issued since March 2024 and any corporate actions of any kind resulting in a change in any of the ratios as given above

Price per share of our Company based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Details of primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days, is as follows:

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Name of Shareholder	Nature of consideration (Cash / other than cash)	Date of acquisition / allotment / acquisition	Face Value (in ₹)	No. of shares acquired/allotted	Acquisition / Issue price per share (including securities premium) (in ₹)	Reason for allotment/transfer (preferential allotment/bonus etc.)	Total Cost (in ₹)	Cumulative amount paid for the Equity Shares (in ₹)	Cumulative number of Equity Shares	% of pre-offer share capital
Asiana Alternative Investment Fund Scheme: Asiana Fund I	Cash	September 28, 2023	10	1,994,302	702.00	Preferential Allotment	1,40,00,00,004	1,40,00,00,004	19,94,302	8.04
Total				1,994,302				1,40,00,00,004		

Price per share of our Company based on secondary sale or acquisition of Equity Shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, the Promoter Selling Shareholder or Shareholders with special rights during the 18 months preceding the date of filing of the RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Name of Shareholder	Nature of consideration (Cash / other than cash)	Date of acquisition / allotment / acquisition	Face Value (in ₹)*	No. of shares acquired/allotted*	Acquisition / Issue price per share (including securities premium) (in ₹)	Reason for allotment/transfer (preferential allotment/bonus etc.)	Total Cost (in ₹)	Cumulative amount paid for the Equity Shares (in ₹)	Cumulative number of Equity Shares*	% of pre-offer share capital
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total				NA				NA		

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RESOLVED FURTHER THAT The Committee confirms that the verified and audited details for all the KPIs that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the draft red herring prospectus and that the same will be disclosed in the 'Basis for Offer Price' section of the draft red herring prospectus, as set out below:

Basic and Diluted Earnings Per Equity Share ("EPS"), as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Information:

Financial/Period ended	Basic EPS (in ₹)**	Diluted EPS** (in ₹)	Weight
Financial Year ended March 31, 2024	19.59	19.59	3
Financial Year ended March 31, 2023	9.45	9.45	2
Financial Year ended March 31, 2022	11.62	11.62	1
Weighted Average	14.88	14.88	-
Three months period ended June 30, 2024*	4.17	4.17	-

* Not annualized.

** Adjusted pursuant to a resolution passed by our Board on February 6, 2024 and a resolution passed by the Shareholders on February 12, 2024, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 24,792,742 equity shares of face value of ₹10 each to 123,963,710 Equity Shares of face value of ₹2 each. In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

Notes:

- (1) The face value of each Equity Share is ₹ 2.
- (2) Basic Earnings per share = Net profit after tax (loss after tax) as restated / Weighted average number of equity shares outstanding during the period/year.
- (3) Diluted Earnings per share = Net profit after tax (loss after tax) as restated / Weighted average number of potential equity shares outstanding during the period/year.
- (4) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.
- (5) Earnings per share calculations are in accordance with the notified Indian Accounting Standard 33 "Earnings per share".

Industry P/E ratio

Particulars	P/E Ratio
Highest	70.23
Lowest	15.72
Average	45.74

Notes:

- (1) The highest and lowest industry P/E shown above is based on the peer. The industry average has been calculated as the arithmetic average P/E of the peer.
- (2) P/E figures for the peer are computed based on closing market price as on August 30, 2024, divided by Basic EPS (on consolidated basis) declared by the peers available from Industry assessment Report for the Financial Year ended March 31, 2024.

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- (3) Industry peer group P/E ratio of Bajel Projects Limited is not considered as it is showing an extra ordinary P/E ratio., Bajel Projects Limited is a recent listing pursuant to demerger from Bajaj Electricals Limited (BEL).

Return on Net Worth ("RoNW")

As per the Restated Consolidated Financial Information of our Company:

Period ended	RoNW%	Weight
Financial Year ended March 31, 2024	21.68	3
Financial Year ended March 31, 2023	15.17	2
Financial Year ended March 31, 2022	10.80	1
Weighted Average	17.69	-
Three months period ended June 30, 2024*	4.54	-

* Not annualized.

Notes:

- (1) Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. Net Worth x Weight for each year / Total of weights
- (2) Return on Net Worth (%) = Net profit after tax, as restated / Net worth as restated as at period/year end.
- (3) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and 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, but does not include reserves created out of revaluation of assets, write-back of depreciation amalgamation, capital reserve and employee stock option outstanding reserve.

Net Asset Value per Equity Share of face value of ₹2 each

Net Asset Value per Equity Share*	(₹)
As on June 30, 2024	92.02
As on March 31, 2024	86.79
After the Offer	At Floor Price: [●]
	At Cap Price: [●]
Offer Price	[●]

* Adjusted pursuant to the recommendation and resolution passed at the meeting of the Board of Directors held on February 6, 2024, and the Shareholders in their meeting held on dated 12th February 2024, have approved the split of 1 Equity share of the face value of ₹10 each into 5 equity share of the face value of ₹ 2 each. Hence the calculation of Net Assets Value (NAV) per Equity Share is considering the impact of share split as stated above

Notes:

- (1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- (2) Net Asset Value per Equity Share (in ₹) = Net Worth as restated / number of equity shares outstanding at the end of the period/year.
- (3) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and 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, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, Capital Reserve and employee stock option outstanding reserve.

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Comparison of accounting ratios with listed industry peers

Name of the Company	Standalone/ Consolidated	Total Revenue (₹ in million)	Face Value per Equity Share (₹)	Closing price as on August 30, 2024	P/E (₹)	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)	Profit after tax (₹)
		Refer note 3	Refer Note 2	Refer Note 1	Refer Note 1	Refer note 3	Refer note 3	Refer note 3	Refer note 3	Refer note 3
Transrail Lighting Limited	Consolidated	40,092.30	2	N.A.	N.A.	19.59	19.59	21.68%	86.79	2,332.05
KEC International Limited	Consolidated	1,99,140	2	947.35	70.23	13.49	13.49	8.50%	159	3470
Kalpataru Projects International Limited	Consolidated	1,96,260	2	1347.6	42.43	31.76	31.76	10.00%	316	5160
Skipper Limited	Consolidated	32,820	1	418	54.57	7.66	7.14	9.10%	84	820
Patel Engineering Limited	Consolidated	45,440	1	57.21	15.72	3.64	3.54	9.56%	38	3020
Bajel Projects Limited*	Standalone	11,690	2	268.85	726.62	0.37	0.37	0.80%	49	40

Source for Transrail Lighting Limited: Based on the Restated Consolidated Financial Statements for the year ended March 31, 2024 and the CRISIL Report commissioned by and paid for by the Company pursuant to an engagement letter with CRISIL issued on July 10, 2023

* Bajel projects Ltd (BPL) incorporated in January, 2022, is a wholly owned subsidiary of Bajaj Electricals Limited (BEL). The EPC business operated under BEL is transferred to BPL as a part of the scheme of demerger announced by the BEL. Post demerger, BPL is listed on stock exchanges. BPL is a standalone entity, and consolidated accounts are not available, hence, standalone figures have been considered for the purpose of comparison.

- (i) P/E Ratio has been mathematically computed based on the closing market price of equity shares on August 30, 2024, divided by the Basic EPS (on consolidated basis) declared by the peers available from CRISIL Report for the Financial Year ending March 31, 2024. The Extracts of the Price as on August 30, 2024 is as per the extract of the stock exchanges attached herewith and initialled by us for identification. The PE Ratio is not applicable for our Company.
- (ii) Industry Peer Group P/E ratio of Bajel Projects Limited is not considered as it is showing an extraordinary P/E ratio
- (iii) Face value per share as at March 31, 2024 has been extracted from annual report of the industry peers provided to us by the management.
- (iv) All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the CRISIL Report commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL issued on July 10, 2023 attached herewith and initialled for identification. The Above information have not been adjusted for any changes in the Outstanding number of shares that have been issued since March 2024 and any corporate actions of any kind resulting in a change in any of the ratios as given above.

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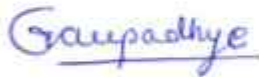
- (v) *For Transrail Lighting Limited*
RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by net worth.
Net worth has been computed as sum of paid-up share capital and other equity Excluding Capital Reserve and employee stock option outstanding reserve.
NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

RESOLVED FURTHER THAT the Committee hereby takes note of the certificate by M/s. Nayan Parikh & Co., in relation to the KPIs as placed before the Committee and confirms that the KPIs which are required to be disclosed in the "Basis for Offer Price" section in accordance with SEBI ICDR Amendment or other applicable laws, have been disclosed or are proposed to be disclosed, as applicable, in the Offer Documents and such information is verified and audited by M/s. Nayan Parikh & Co., pursuant to the KPI certificate issued by it.

RESOLVED FURTHER THAT the Committee hereby takes note that the certificate on KPIs that shall be disclosed in the 'Material Contracts and Documents for Inspection' section of the Offer Documents under the applicable provisions of the SEBI ICDR Regulations."

//Certified True Copy//

For and on behalf of Audit Committee of
Transrail Lighting Limited

A handwritten signature in blue ink, appearing to read "Gandhali Upadhye".

Gandhali Upadhye
Company Secretary & Compliance Officer



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