

Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
Titagarh Wagons Limited
756, Anandapur
E M Bypass
Kolkata 700 107

1. We have reviewed the unaudited consolidated financial results of Titagarh Wagons Limited (the "Company"), its subsidiaries and jointly controlled entity (hereinafter referred to as the "Group") (refer Note 1 on the Statement) for the quarter ended September 30, 2017 which are included in the accompanying 'STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED SEPTEMBER 30, 2017' and the unaudited consolidated balance sheet as on that date (the "Statement"). The Statement has been prepared by the Company's Management pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of group personnel and analytical procedures applied to group's financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We draw attention to Note 4 to the Statement regarding certain claims of a subsidiary company amounting to Rs. 854.81 lacs (Rs. 854.81 lacs as at March 31, 2017) net of expected credit loss of Rs. 3,097.53 lacs, which has been considered good of recovery by the management. Pending outcome of the subsidiary company's appeal against the arbitration order and final decision of the Court, we are unable to comment on the recoverability of the above, and its consequential impact on these financial results.
5. We did not review the financial statements of two subsidiaries considered in the preparation of the Statement and which constitute total assets of Rs. 168,636.33 lacs and net assets of Rs. 22,266.60 lacs as at September 30, 2017, total revenue of Rs. 25,165.55 lacs and Rs. 47,047.83 lacs and total comprehensive income [comprising of profit/(loss) and other comprehensive income] of Rs. (602.58) lacs and Rs. (866.78) lacs for the quarter and the half year then ended. These financial statements and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the Statement to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
6. We did not review the financial results of one jointly controlled entity considered in the preparation of the Statement and which constitute share of loss of Rs. 6.51 lacs and Rs. 14.00 lacs for the quarter and the half year ended September 30, 2017. These financial results have been furnished to us by the Management, and our conclusion on the Statement insofar as it relates to the amounts and disclosures included in respect of this jointly controlled entity, is based solely on such financial results.

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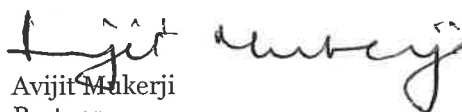
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7. Based on our review conducted as above, except for the indeterminate effects of the matter stated in paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. We draw attention to Note 5 to the Statement in respect of the proposed Scheme of Amalgamation to merge the business of Titagarh Agrico Private Limited with Cimmco Limited with effect from April 1, 2016 subject to necessary approvals, for which no adjustment has been made in these financial results. Our conclusion is not qualified in respect of this matter.
9. (a) The consolidated financial results of the Group for the quarter and the half year ended September 30, 2016 were reviewed by another firm of chartered accountants who issued their modified conclusion vide their report dated December 14, 2016.

(b) The consolidated financial statements of the Group for the year ended March 31, 2017 were audited by another firm of chartered accountants, who issued their modified opinion vide their report dated May 19, 2017.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants



Avijit Mukerji
Partner
Membership Number 56155

Kolkata
November 9, 2017

TITAGARH WAGONS LIMITED
 REGISTERED OFFICE- 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
 STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED SEPTEMBER 30, 2017

		(Rs.in Lacs)					
SL. NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	36,722.93	32,881.16	41,138.50	69,604.09	69,731.68	173,918.93
2	Other Income	606.31	500.79	609.26	1,107.10	1,535.24	2,901.78
3	Total Income	37,329.24	33,381.95	41,747.76	70,711.19	71,266.92	176,820.71
4	Expenses						
a)	Cost of Raw Materials & Components Consumed	17,387.14	18,145.61	17,967.80	35,532.75	34,522.78	91,519.83
b)	Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	6,048.51	(1,236.39)	7,920.71	4,812.12	7,462.53	16,460.11
c)	Excise Duty Expense	-	325.20	588.56	325.20	1,030.53	2,559.05
d)	Employee Benefits Expense	5,198.02	6,181.96	4,538.05	11,379.98	10,285.87	21,213.14
e)	Finance Costs	1,171.59	894.78	637.65	2,066.37	1,247.93	3,130.89
f)	Depreciation and Amortisation Expense	1,250.21	1,235.01	1,231.43	2,485.22	2,426.55	5,152.44
g)	Other Expenses	6,812.54	7,316.18	6,874.34	14,128.72	11,736.71	31,359.88
5	Total Expenses (a to g)	37,868.01	32,862.35	39,758.54	70,730.36	68,712.90	171,395.34
6	Profit/(Loss) before Share of loss of a Joint Venture, Exceptional Items and Tax (3-5)	(538.77)	519.60	1,989.22	(19.17)	2,554.02	5,425.37
7	Share of loss of a Joint Venture	6.51	7.49	-	14.00	-	5.80
8	Profit before Exceptional Items and Tax (6-7)	(545.28)	512.11	1,989.22	(33.17)	2,554.02	5,419.57
9	Exceptional Items (Refer Note 10)	-	-	325.00	-	325.00	449.91
10	Profit/(Loss) before Tax (8-9)	(545.28)	512.11	1,664.22	(33.17)	2,229.02	4,969.66
11	Tax Expense						
a)	Current tax including tax relating to earlier years (Refer Note 8)	251.69	260.75	1,103.25	512.44	1,384.84	2,528.11
b)	Deferred Tax - Charge/(Credit)	13.43	170.46	(253.01)	183.89	(101.23)	(301.52)
12	Profit/(Loss) for the Period (10-11)	(810.40)	80.90	813.98	(729.50)	945.41	2,743.07
	Attributable to:						
	Share holders of the Company	(794.90)	38.09	808.71	(756.81)	1,015.22	2,690.27
	Non-Controlling Interest	(15.50)	42.81	5.27	27.31	(69.81)	52.80
13	Other Comprehensive Income						
	Items that will be reclassified to profit or loss:						
	Net Gain/(Loss) on Foreign Currency Translation Differences	931.66	1,542.04	(62.93)	2,473.70	452.44	(1,181.30)
	Items that will not be reclassified to profit or loss:						
	Remeasurement gains/(losses) on defined benefit plans	70.02	(62.36)	(29.25)	7.66	(5.29)	(69.41)
	Income tax relating to above	(24.89)	20.58	14.03	(4.31)	6.04	26.04
14	Total Other Comprehensive Income	976.79	1,500.26	(78.15)	2,477.05	453.19	(1,224.67)
15	Total Comprehensive Income for the Period (12+14)	166.39	1,581.16	735.83	1,747.55	1,398.60	1,518.40
	Attributable to:						
	Share holders of the Company	182.11	1,538.55	728.11	1,720.66	1,466.82	1,466.38
	Non-Controlling Interest	(15.72)	42.61	7.72	26.89	(68.22)	52.02
16	Paid-up Equity Share Capital (Face value Rs. 2/- each)	2,309.03	2,308.91	2,308.24	2,309.03	2,308.24	2,308.24
17	Earnings/(Loss) Per Equity Share (of Rs. 2/- each) (Not Annualised)						
	- Basic (Rs.)	(0.70)	0.07	0.71	(0.63)	0.82	2.38
	- Diluted (Rs.)	(0.70)	0.07	0.71	(0.63)	0.82	2.38



TITAGARH WAGONS LIMITED							
REGISTERED OFFICE- 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107							
SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES							
(Rs.in Lacs)							
CONSOLIDATED							
SL. NO.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a) Wagons & Coaches	33,854.24	31,344.77	39,935.78	65,199.01	65,620.03	165,829.60
	b) Specialised Equipments & Bridges	2,200.72	949.49	1,112.94	3,150.21	3,714.82	7,171.52
	c) Shipbuilding	427.11	467.85	-	894.96	-	-
	d) Others	240.86	119.05	89.78	359.91	396.83	917.81
	Sales/ Income from Operations	36,722.93	32,881.16	41,138.50	69,604.09	69,731.68	173,918.93
2	Segment Results [Profit / (Loss) before Tax and Interest]						
	a) Wagons & Coaches	128.23	1,592.83	2,527.07	1,721.06	3,415.58	7,151.42
	b) Specialised Equipments & Bridges	603.64	194.92	228.26	798.56	741.89	1,392.75
	c) Shipbuilding	72.47	81.37	(69.04)	153.84	(94.51)	(192.19)
	d) Others	(304.71)	(262.69)	(406.41)	(567.40)	(588.05)	(555.05)
	Total	499.63	1,606.43	2,279.88	2,106.06	3,474.91	7,796.93
	Less :						
	i Interest - Net	448.42	440.04	150.42	888.46	233.67	938.51
	ii Unallocable expenditure net of income	596.49	654.28	465.24	1,250.77	1,012.22	1,888.76
	Total Profit/(Loss) before Tax	(545.28)	512.11	1,664.22	(33.17)	2,229.02	4,969.66
3	Segment Assets						
	a) Wagons & Coaches	248,052.28	262,272.51	224,849.96	248,052.28	224,849.96	237,022.19
	b) Specialised Equipments & Bridges	6,139.99	4,798.84	7,155.73	6,139.99	7,155.73	5,366.14
	c) Shipbuilding	1,961.33	1,110.72	779.63	1,961.33	779.63	653.85
	d) Others	9,959.24	6,416.01	8,069.20	9,959.24	8,069.20	7,010.75
	e) Unallocable	15,024.24	14,930.41	12,460.88	15,024.24	12,460.88	20,138.17
	Total	281,137.08	289,528.49	253,315.40	281,137.08	253,315.40	270,191.10
4	Segment Liabilities						
	a) Wagons & Coaches	130,510.85	152,189.23	155,375.74	130,510.85	155,375.74	137,449.69
	b) Specialised Equipments & Bridges	1,142.13	1,165.24	2,728.48	1,142.13	2,728.48	2,394.44
	c) Shipbuilding	1,859.18	1,823.94	58.05	1,859.18	58.05	817.09
	d) Others	461.60	544.20	313.78	461.60	313.78	461.75
	e) Unallocable	42,536.52	28,270.77	15,027.57	42,536.52	15,027.57	24,429.76
	Total	176,510.28	183,993.38	173,503.62	176,510.28	173,503.62	165,552.73



TITAGARH WAGONS LIMITED
REGISTERED OFFICE- 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
CONSOLIDATED BALANCE SHEET

		(Rs.in Lacs)	
SL No	PARTICULARS	As at September 30, 2017	As at March 31, 2017
		Unaudited	Audited
ASSETS			
1	Non-current Assets		
	a) Property, Plant and Equipment	90,133.22	88,491.36
	b) Investment Property	821.24	821.24
	c) Capital Work-in-progress	2,609.54	1,230.06
	d) Intangible Assets	3,479.37	3,591.37
	e) Intangible Assets under Development	397.25	315.73
	f) Goodwill on Consolidation	402.25	402.25
	g) Financial Assets		
	(i) Investments	8,196.17	8,190.88
	(ii) Trade Receivables	269.65	301.59
	(iii) Loans and Deposits	336.77	302.23
	(iv) Others Financial Assets	1,512.77	1,903.99
	h) Deferred Tax Assets (Net)	679.83	694.12
	i) Non-current Tax Assets (Net)	2,267.62	1,933.98
	j) Other Non-current Assets	265.41	767.17
	Sub total - Non-current Assets	<u>111,371.09</u>	<u>108,945.97</u>
2	Current Assets		
	a) Inventories	44,515.10	53,728.43
	b) Financial Assets		
	(i) Trade Receivables	23,482.05	23,401.49
	(ii) Cash and Cash Equivalents	7,698.24	3,382.25
	(iii) Bank Balances other than (ii) above	3,034.16	1,238.19
	(iv) Loans and Deposits	4,102.48	4,253.91
	(v) Others Financial Assets	61,384.74	56,114.02
	c) Current Tax Assets (Net)	315.68	306.77
	d) Other Current Assets	25,233.54	18,820.07
	Sub total - Current Assets	<u>169,765.99</u>	<u>161,245.13</u>
TOTAL - ASSETS		<u>281,137.08</u>	<u>270,191.10</u>
EQUITY AND LIABILITIES			
EQUITY			
	a) Share Capital	2,309.03	2,308.24
	b) Other Equity	95,573.32	94,449.06
	Sub total - Equity attributable to Owners of Titagarh Wagons Limited	<u>97,882.35</u>	<u>96,757.30</u>
	Non Controlling Interest	6,744.45	7,881.07
	Total Equity	<u>104,626.80</u>	<u>104,638.37</u>
Liabilities			
1	Non-current Liabilities		
	a) Financial Liabilities		
	(i) Long-term Borrowings	15,120.55	15,978.01
	(ii) Other Financial Liabilities	3,695.75	3,657.25
	b) Provisions	287.15	339.80
	c) Deferred Tax Liabilities (Net)	6,948.23	6,923.94
	Sub total - Non-current Liabilities	<u>26,051.68</u>	<u>26,899.00</u>
2	Current Liabilities		
	a) Financial Liabilities		
	(i) Borrowings	36,600.35	18,206.23
	(ii) Trade Payables	28,034.40	44,249.17
	(iii) Other Financial Liabilities	10,864.03	8,086.61
	b) Other Current Liabilities	63,421.90	54,139.52
	c) Provisions	11,537.92	13,972.20
	Sub total - Current Liabilities	<u>150,458.60</u>	<u>138,653.73</u>
TOTAL - LIABILITIES		<u>176,510.28</u>	<u>165,552.73</u>
TOTAL - EQUITY AND LIABILITIES		<u>281,137.08</u>	<u>270,191.10</u>



Notes:

- 1 The consolidated unaudited financial results of Titagarh Wagons Limited (herein referred to as "the Company") include results of subsidiaries / step down subsidiaries and jointly controlled entity namely- Cimmco Limited (Cimmco), Titagarh Wagons AFR (TWAFR), Titagarh Firema S.p.A (TFA), Titagarh Singapore Pte Limited (TSPL), Titagarh Capital Private Limited (TCPL), Titagarh Agrico Private Limited (TAPL) and Matiere Titagarh Bridges Private Limited collectively referred to as "the Group".
- 2 Operating segments based on the Group's products have been identified as "Wagons & Coaches", "Specialised Equipments & Bridges", "Shipbuilding" and "Others". Segment "Others" consists of miscellaneous business like heavy earth moving machineries, tractors etc. Segment "Shipbuilding" has been shown separately from the current period as it is expected to become a separate reportable segment from the current financial year.
- 3 The Company has received letter of acceptance for its bid for supply of Modular Bridges to Nepal valued at US Dollar 9 million. The order for road development in Nepal is funded by World Bank and such Modular Panel Truss Bridges, an upgraded type of bridges will be manufactured with the technology provided by Matiere SAS, France pursuant to an agreement with the Company. This is in addition to the Bailey Bridges manufactured by the Company.
- 4 In case of Cimmco Limited, the Auditors in their audit report for the year ended March 31, 2017 and limited review report for the quarter ended June 30, 2017 had commented upon the recoverability of claims of Rs. 854.81 lacs (net of expected credit loss of Rs. 3,097.53 lacs) receivable from Indian Railways against which the arbitration award has been upheld against Cimmco Limited and Cimmco Limited has filed an appeal in the Hon'ble Delhi High Court against the said arbitration award which is pending adjudication. The Auditors in their limited review report for the quarter ended September 30, 2017 has also commented on above. The management is hopeful to recover these claims in full.
- 5 In case of Cimmco Limited, the Board of Directors of Cimmco Limited at its meeting held on September 9, 2016 has approved a Scheme of Amalgamation of its fellow subsidiary Titagarh Agrico Private Limited with it in terms of the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act 1956 and Companies Act 2013 to the extent applicable, subject to necessary approvals. The Company is yet to receive certified copy of the Order of the Hon'ble National Company Law Tribunal approving the Scheme, pending which the Scheme is yet to be effective and hence no adjustment has been made in those financial results.
- 6 Post applicability of Goods and Service Tax (GST) w.e.f July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and other expenses for the quarter and half year ended September 30, 2017 are not comparable with the previous periods presented in the results.
- 7 Figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to current period's classification.
- 8 Current tax is net of MAT credit entitlement.
- 9 During the quarters ended June 30, 2017 and September 30, 2017, 33,750 equity shares and 6,000 equity shares respectively of Rs.2/- each fully paid up were allotted pursuant to Employee Stock Option Scheme, 2014 of the Company to the eligible employees which has resulted in increase of the paid up capital of the Company by Rs 0.79 lacs to Rs 2,309.03 lacs.
- 10 There were no exceptional items during the quarter and the half year ended September 30, 2017. Exceptional items for the previous periods included the following relating to Cimmco:
(a) Rs. 325.00 lacs provided in September 2016 and paid in October 2016 in terms of settlement agreement towards full and final settlement of entire claim of a subcontractor.
(b) Rs. 124.91 lacs paid in February 2017 under the amnesty scheme of Government of Rajasthan in relation to Sales tax due for the year relating to pre lock out period.
- 11 The above consolidated financial results for the quarter and the half year ended September 30, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 9, 2017. The Auditors of the Company have carried out a Limited Review of the above consolidated financial results for the quarter ended September 30, 2017 in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors



UMESH CHOWDHARY
Vice Chairman & Managing Director

Place: Kolkata
Date: November 9, 2017

