

Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
Titagarh Wagons Limited
756, Anandapur
F 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 December 31, 2017 which are included in the accompanying 'STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2017' (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 7 to the Statement regarding certain claims of a subsidiary company amounting to Rs. 854.81 lacs (Rs. 854.81 lacs as at September 30, 2017) net of expected credit loss of Rs. 3,097.53 lacs (Rs. 3,097.53 lacs as at September 30, 2017), 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 Hon'ble High Court of Delhi, we are unable to comment on the recoverability of the above, and its consequential impact on these financial results.
5. We draw attention to Note 5 to the Statement regarding the following qualification in the review conclusion on the financial results of Titagarh Firema SpA, Italy (a subsidiary of the Company), issued by independent auditors vide report dated February 13, 2018:

"Based on information provided to us by management, the Company has in place certain construction contracts with the Italian customer EAV Srl, owned by Regione Campania. The contracts provide for the recognition of penalties to the customer in case of delay in the delivery of rolling stock, amounting to 6.6 million of Euro as of 31 December 2017. The Company, although contractually regulated, has not recognized that provision in the reporting package as of 31 December 2017. This information indicates that if these provisions were booked at 31 December 2017, provisions would be increased by some 6.6 million of Euro and Net Result of the quarter ending 31 December 2017 and Net Equity as at 31 December 2017 would be decreased by some 4.8 million of Euro, net of tax effect, respectively."



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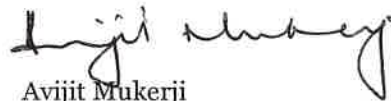
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6. We did not review the financial results / statements of two subsidiaries considered in the preparation of the Statement and which constitute total revenue of Rs. 20,540.89 lacs and Rs. 67,588.72 lacs and total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. (3,950.28) lacs and Rs. (4,817.06) lacs for the quarter and the nine months period then ended. These financial results / 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 results / statements is based solely on the report of such other auditors.
7. We did not review the financial results of one jointly controlled entity considered in the preparation of the Statement and which constitute net loss of Rs 10.35 lacs and Rs. 24.35 lacs for the quarter and the nine months period ended December 31, 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.
8. Based on our review conducted as above, except for the effects of the matter stated in paragraph 5 above and 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.
9. (a) The consolidated financial results of the Group for the quarter and the nine months period ended December 31, 2016 were reviewed by another firm of chartered accountants who issued their modified conclusion vide their report dated February 6, 2017.

(b) The consolidated financial statements of the Group for the year ended March 31, 2017 was 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 056155

Kolkata
February 14, 2018

TITAGARH WAGONS LIMITED							
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107							
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2017							
(Rs. in Lacs)							
SL. NO.	PARTICULARS	QUARTER ENDED			NINE MONTHS PERIOD ENDED		YEAR ENDED
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations (Refer Note 2 and 8)	27,398.28	36,722.93	38,000.02	97,002.37	107,731.70	173,918.93
2	Other Income	525.61	606.31	592.90	1,632.71	2,128.14	2,901.78
3	Total Income	27,923.89	37,329.24	38,592.92	98,635.08	109,859.84	176,820.71
4	Expenses						
a)	Cost of Raw Materials & Components Consumed	15,161.68	17,387.14	21,946.59	50,694.43	56,867.52	91,519.83
b)	Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	881.35	6,048.51	2,473.08	5,693.47	9,935.61	16,460.11
c)	Excise Duty Expense (Refer Note 8)	-	-	546.98	325.20	1,577.51	2,559.05
d)	Employee Benefits Expense	6,181.51	5,198.02	5,239.52	17,561.49	15,525.39	21,213.14
e)	Finance Costs	982.82	1,171.59	892.24	3,049.19	2,140.17	3,130.89
f)	Depreciation and Amortisation Expense	1,281.21	1,250.21	1,168.01	3,766.43	3,594.56	5,152.44
g)	Other Expenses (Refer Note 2)	7,706.66	6,812.54	5,263.39	21,835.38	16,601.95	31,359.88
5	Total Expenses (a to g)	32,195.23	37,868.01	37,529.81	102,925.59	106,242.71	171,395.34
6	Profit/(Loss) before Share of loss of a Joint Venture, Exceptional Items and Tax (3-5)	(4,271.34)	(538.77)	1,063.11	(4,290.51)	3,617.13	5,425.37
7	Share of loss of a Joint Venture	10.35	6.51	-	24.35	-	5.80
8	Profit before Exceptional Items and Tax (6-7)	(4,281.69)	(545.28)	1,063.11	(4,314.86)	3,617.13	5,419.57
9	Exceptional Items (Refer Note 10)	-	-	-	-	325.00	449.91
10	Profit/(Loss) before Tax (8-9)	(4,281.69)	(545.28)	1,063.11	(4,314.86)	3,292.13	4,969.66
11	Tax Expense						
a)	Current tax including tax relating to earlier years (Refer Note 9)	52.43	251.69	346.17	564.87	1,731.01	2,528.11
b)	Deferred Tax - Charge/(Credit)	(372.16)	13.43	118.21	(188.27)	16.98	(301.52)
	Total Tax Expense	(319.73)	265.12	464.38	376.60	1,747.99	2,226.59
12	Profit/(Loss) for the Period (10-11)	(3,961.96)	(810.40)	598.73	(4,691.46)	1,544.14	2,743.07
	Attributable to:						
	Shareholders of the Company	(3,871.05)	(794.90)	542.76	(4,627.86)	1,557.98	2,690.27
	Non-Controlling Interest	(90.91)	(15.50)	55.97	(63.60)	(13.84)	52.80
13	Other Comprehensive Income						
	Items that will be reclassified to profit or loss:						
	Net Gain/(Loss) on Foreign Currency Translation Differences	(212.65)	931.66	720.57	2,261.05	(268.13)	(1,181.30)
	Items that will not be reclassified to profit or loss:						
	Remeasurement gains/(losses) on defined benefit plans	14.96	70.02	(2.65)	22.62	(7.94)	(69.41)
	Income tax relating to above	(5.47)	(24.89)	3.02	(9.78)	9.06	26.04
14	Total Other Comprehensive Income	(203.16)	976.79	720.94	2,273.89	(267.01)	(1,224.67)
15	Total Comprehensive Income for the Period (12+14)	(4,165.12)	166.39	1,319.67	(2,417.57)	1,277.13	1,518.40
	Attributable to:						
	Shareholders of the Company	(4,073.47)	182.11	1,263.88	(2,352.81)	1,289.56	1,466.38
	Non-Controlling Interest	(91.65)	(15.72)	55.79	(64.76)	(12.43)	52.02
16	Paid-up Equity Share Capital (Face value Rs. 2/- each)	2,309.03	2,309.03	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.)	(3.35)	(0.70)	0.52	(4.01)	1.34	2.38
	- Diluted (Rs.)	(3.35)	(0.70)	0.52	(4.01)	1.34	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			NINE MONTHS PERIOD ENDED		YEAR ENDED
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a) Wagons & Coaches	24,847.69	33,854.24	36,306.35	90,046.70	101,926.38	165,829.60
	b) Specialised Equipments & Bridges	856.52	2,200.72	1,445.52	4,006.73	5,160.34	7,171.52
	c) Shipbuilding	1,238.71	427.11	-	2,133.67	-	-
	d) Others	455.36	240.86	248.15	815.27	644.98	917.81
	Sales/ Income from Operations	27,398.28	36,722.93	38,000.02	97,002.37	107,731.70	173,918.93
2	Segment Results [Profit / (Loss) before Tax and Interest]						
	a) Wagons & Coaches	(3,044.22)	101.45	1,506.78	(1,402.03)	4,386.29	6,478.13
	b) Specialised Equipments & Bridges	41.05	603.64	247.48	839.61	989.37	1,392.75
	c) Shipbuilding	214.63	72.47	-	368.47	-	(192.19)
	d) Others	(178.63)	(304.71)	37.71	(746.03)	(550.34)	(555.05)
	Total	(2,967.17)	472.85	1,791.97	(939.98)	4,825.32	7,123.64
	Less :						
	i Interest Expense - Net	588.37	448.42	304.64	1,476.83	538.31	938.51
	ii Unallocable expenditure net of income	726.15	569.71	424.22	1,898.05	994.88	1,215.47
	Total Profit/(Loss) before Tax	(4,281.69)	(545.28)	1,063.11	(4,314.86)	3,292.13	4,969.66
3	Segment Assets						
	a) Wagons & Coaches	219,280.67	246,219.23	224,741.79	219,280.67	224,741.79	235,847.79
	b) Specialised Equipments & Bridges	5,532.15	6,139.99	5,418.68	5,532.15	5,418.68	5,366.14
	c) Shipbuilding	3,664.46	1,961.33	-	3,664.46	-	653.85
	d) Others	8,466.20	9,959.24	4,332.97	8,466.20	4,332.97	7,010.75
	e) Unallocable	20,559.78	16,857.29	16,693.36	20,559.78	16,693.36	21,312.57
	Total	257,503.26	281,137.08	251,186.80	257,503.26	251,186.80	270,191.10
4	Segment Liabilities						
	a) Wagons & Coaches	99,881.73	119,215.52	141,644.63	99,881.73	141,644.63	126,601.43
	b) Specialised Equipments & Bridges	2,090.84	1,142.13	2,505.86	2,090.84	2,505.86	2,394.44
	c) Shipbuilding	2,063.33	1,859.18	-	2,063.33	-	817.09
	d) Others	689.10	461.60	529.04	689.10	529.04	461.75
	e) Unallocable	52,262.90	53,831.85	26,848.76	52,262.90	26,848.76	35,278.02
	Total	156,987.90	176,510.28	171,528.29	156,987.90	171,528.29	165,552.73



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TITAGARH WAGONS LIMITED
 REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2017

Notes:

- 1 The consolidated unaudited financial results of Titagarh Wagons Limited (hereinafter referred to as "the Company") include results of subsidiaries / step down subsidiaries 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 (Refer Note 7 below) and jointly controlled entity namely Matiere Titagarh Bridges Private Limited collectively referred to as "the Group".
- 2 In case of TFA, revenue from operations and other expenses includes adjustment arising on account of one-time provision / write off of losses incurred / to be incurred aggregating Euro 4.2 million i.e. Rs. 3,133.91 lacs (Euro 2.9 million i.e. Rs. 2,127.35 lacs netted off in revenue from operations and Euro 1.3 million i.e. Rs. 1,006.56 lacs included in other expenses) on account of re-estimation of certain long term contracts that were inherited alongwith the acquisition of the business from the seller, Firema Trasporti SA (FAS). The above re-estimation has resulted into increase in the total cost of the contract as compared to the original estimates at the time of acquisition.
- 3 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 has become a separate reportable segment from the current financial year.
- 4 A Scheme of amalgamation approved by the Board of Directors of Cimmco for amalgamation of its fellow subsidiary, Titagarh Agrico Private Limited (TAPL) with Cimmco was sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench, by an Order dated October 16, 2017 with Apointed Date being 1st April, 2016. A certified copy of the said Order issued on November 9, 2017 was filed with the Ministry of Corporate Affairs on November 14, 2017 ("Effective Date"). As per the terms of the said Order, TAPL is deemed to have been dissolved without winding up from the Effective Date and has therefore ceased to be a subsidiary of the Company. Effect of amalgamation has been given in the accounts of Cimmco during the Quarter ended December 31, 2017.
- 5 In case of TFA, the Auditors in their review report for the quarter ended December 31, 2017 have commented upon the non-provisioning of estimated penalties, amounting to Euro 6.6 million (Equivalent Rs. 5,027.74 lacs), net of tax effects amounting to Euro 4.8 million (equivalent Rs. 3,703.02 lacs), likely to arise due to expected delay in supply of trains against contracts that were inherited alongwith the acquisition of the business from the seller, Firema Trasporti SA (FAS). Considering the various circumstances that led to the delay, TFA is in active negotiations with the customer to renegotiate and reduce the total amount of this penalty. Pending the final outcome of such negotiations, TFA has not accounted for this penalty in its books for the quarter ended December 2017.
- 6 During the quarter ended December 31, 2017, the Group has received orders from Indian Railways for manufacture and supply of 2338 wagons aggregating Rs 55,601.30 lacs (1147 wagons amounting to Rs 27,018.46 lacs in Titagarh Wagons Limited and 1191 wagons amounting to Rs 28,582.84 lacs in Cimmco Limited), execution of which is expected to start from next quarter.
- 7 In case of Cimmco, the Auditors in their audit report for the year ended March 31, 2017 and limited review report for the quarter ended September 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 and Cimmco 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 December 31, 2017 have also commented on above. The management is hopeful to recover these claims in full.
- 8 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 the nine months ended December 31, 2017 are not comparable with the corresponding periods presented in the results.
- 9 Current tax is net of MAT credit entitlement.
- 10 There were no exceptional items during the quarter and the nine months period ended December 31, 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 Figures for the previous periods have been regrouped/ rearranged wherever necessary to conform to current period's classification.
- 12 The above consolidated financial results for the quarter and the nine months period ended December 31, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 14, 2018. The Auditors of the Company have carried out a Limited Review of the above consolidated financial results for the quarter ended December 31, 2017 in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Place: Kolkata
 Date: February 14, 2018



For and on behalf of the Board of Directors

[Signature]
UMESH CHOWDHARY
 Vice Chairman & Managing Director



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