

Price Waterhouse & Co Chartered Accountants LLP

Review Report

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

1. We have reviewed the consolidated unaudited financial results of Titagarh Wagons Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net loss after tax and total comprehensive income of its joint venture (refer Note 1 on the Statement) for the quarter ended June 30, 2022, which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the Quarter Ended June 30, 2021' (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

1.	Titagarh Wagons Limited
Subsidiaries	
2.	Titagarh Bridges and International Private Limited
3.	Titagarh Singapore Pte Ltd
4.	Titagarh Firema S.p.A
Joint Venture	
5.	Titagarh Mermec Private Limited



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no. LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E).

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to the following Emphasis of Matter (as reproduced), which has been communicated to us by the auditors of Titagarh Firema S.p.A, a subsidiary of the Parent, vide their report dated August 10, 2022

“Significant uncertainty relating to going concern

In the special purpose financial information ended as at 30 June 2022, the Company reported a net loss for some Euro 2,8 million, has a shareholders' equity for some Euro 3,5 million and has a significant bank debt for some Euro 84,4 million, of which some Euro 50,7 million expiring beyond twelve months. Current assets exceed current liabilities by some Euro 27,2 million. Trade payables, equal to some Euro 22,9 million as at 30 June 2022, decreased by some Euro 5,7 million during the three-month period, and include an overdue payable to suppliers for some Euro 14,6 million at same date. The Company is currently proceeding with the rescheduling and the payment of the overdue commercial debt for its main suppliers. Therefore, the Company does not currently have the necessary financial resources for the full repayment of its overdue debt position.

In the explanatory note accompanying the special purpose financial information (the “explanatory note”), the directors of the Company indicate that the special purpose financial information as at 30 June 2022 has been prepared according to the assumption of the going concern and illustrate the reasons. These reasons are based on the expectation that the Company implements an important growth plan, envisaged by the Budget 1 July 2022 - 30 June 2023 (the “Budget”) approved by the Board of Directors on 10 August 2022, with the generation of significantly higher margins compared to the historical values achieved and the collection of important contractual amounts on account from customers, the failure of which could affect the overall value of cash generation, also to meet the overdue debt to suppliers. In particular, the Budget provides for the payment of the trade payables and the rescheduling of the overdue commercial debt, which is in progress so far with the main suppliers of the Company.

The directors indicate in the aforementioned paragraph of the explanatory notes that, despite the aforementioned material uncertainty that may raise doubts on the Company's ability to continue as a going concern, the special purpose financial information have been drawn up on a going-concern basis, as they have a reasonable expectation that the Company will be able to reach a financial balance in the short term through the successful conclusion of the actions indicated above.

Our conclusion is not modified in respect of this matter.”

Refer Note 4 to the consolidated financial results in this regard.

Our conclusion on the Statement is not modified in respect of the above matter.

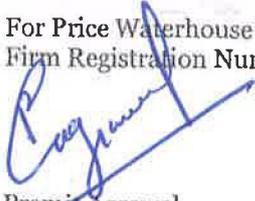


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7. We did not review the interim financial information of two subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 11,265.28 lakhs, total net loss after tax of Rs. 2,261.69 lakhs and total comprehensive income of Rs. (2,344.12) lakhs, for the quarter ended June 30, 2022, as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by other auditors and their reports dated August 10, 2022 and August 13, 2022, vide which they have issued an unmodified conclusion, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
8. The consolidated unaudited financial results includes the interim financial information of one subsidiary which has not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. Nil, total net loss after tax of Rs. 127.15 lakhs and total comprehensive income of Rs. (54.93) lakhs for the quarter ended June 30, 2022, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. Nil and total comprehensive income of Rs. Nil for the quarter ended June 30, 2022, as considered in the consolidated unaudited financial results, in respect of one joint venture, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matters stated in paragraph 7 and 8 above.

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


Pramit Agrawal
Partner

Membership Number 099903
UDIN: 22099903AOYXOE8974
Place: Gurugram
Date: August 13, 2022

TITAGARH WAGONS LIMITED
CIN NO:- L27320WB1997PLC084819
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

SL. NO.	PARTICULARS	(Rs. in Lacs)			
		QUARTER ENDED			YEAR ENDED
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	52,859.56	48,093.64	50,725.53	193,079.19
2	Other Income	995.34	1,773.71	902.86	3,583.56
3	Total Income	53,854.90	49,867.35	51,628.39	196,662.75
4	Expenses				
a)	Cost of Raw Materials & Components Consumed	40,475.11	30,333.76	33,017.18	122,625.04
b)	Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	(4,016.90)	(1,029.67)	286.71	(1,797.09)
c)	Employee Benefits Expense	4,917.83	5,008.32	6,245.44	22,350.93
d)	Finance Costs	2,378.21	2,776.86	2,039.81	9,339.50
e)	Depreciation and Amortisation Expense	890.47	914.87	781.51	3,327.48
f)	Other Expenses	8,607.21	12,313.05	6,727.62	36,607.93
5	Total Expenses (a to f)	53,251.93	50,317.19	49,098.27	192,453.79
6	Profit / (Loss) before Share of Profit / (Loss) of Joint Ventures, Exceptional Items and Tax (3-5)	602.97	(449.84)	2,530.12	4,208.96
7	Share of Profit / (Loss) of Joint Ventures	-	-	-	-
8	Profit / (Loss) before Exceptional Items and Tax (6-7)	602.97	(449.84)	2,530.12	4,208.96
9	Exceptional Items	-	1,313.44	-	1,313.44
10	Profit / (Loss) before Tax (8-9)	602.97	(1,763.28)	2,530.12	2,895.52
11	Tax Expense				
a)	Current tax	825.88	308.85	883.36	2,751.37
b)	Deferred Tax -Charge/(Credit)	(216.44)	458.44	(92.66)	212.70
	Total Tax Expense	609.44	767.29	790.70	2,964.07
12	Profit / (Loss) for the Period (10-11)	(6.47)	(2,530.57)	1,739.42	(68.55)
	Attributable to:				
	Shareholders of the Company	120.18	(2,494.86)	1,739.42	(32.84)
	Non-Controlling Interest	(126.65)	(35.71)	-	(35.71)
13	Other Comprehensive Income				
a)	Items that will be reclassified to profit or loss:				
i)	Net Gain/(Loss) on Foreign Currency Translation Differences	(67.12)	25.88	199.83	1.89
ii)	Fair value change of cash flow hedges	(206.89)	243.72	24.92	743.00
iii)	Tax expenses on above	52.07	(61.34)	(6.27)	(187.00)
b)	Items that will not be reclassified to profit or loss:				
i)	Remeasurement gains/(losses) on defined benefit plans	4.88	(11.93)	10.48	19.50
ii)	Tax expenses on above	(1.23)	3.00	(2.64)	(4.91)
	Total Other Comprehensive Income	(218.29)	199.33	226.32	572.48
14	Total Comprehensive Income for the Period (12+13)	(224.76)	(2,331.24)	1,965.74	503.93
	Attributable to:				
	Shareholders of the Company	(98.11)	(2,295.53)	1,965.74	539.64
	Non-Controlling Interest	(126.65)	(35.71)	-	(35.71)
15	Paid-up Equity Share Capital (Face value Rs. 2/- each)	2,391.42	2,391.42	2,387.75	2,391.42
	Other Equity	-	-	-	81,821.40
16	Earnings/(Loss) Per Equity Share (of Rs. 2/- each) (Not Annualised)				
	- Basic (Rs.)	0.10	(2.09)	1.46	(0.03)
	- Diluted (Rs.)	0.10	(2.09)	1.46	(0.03)



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CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

SL. NO.	PARTICULARS	QUARTER ENDED			(Rs. in Lacs)
		June 30, 2022	March 31, 2022	June 30, 2021	YEAR ENDED March 31, 2022
		Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue				
	a) Freight Rolling Stock	32,455.69	33,404.04	31,732.33	121,436.40
	b) Passenger Rolling Stock	17,926.26	12,157.23	18,337.25	65,771.68
	c) Shipbuilding, Bridges and Defence	2,477.61	2,532.37	655.95	5,871.11
	Revenue from operation/ Income from Operations	52,859.56	48,093.64	50,725.53	193,079.19
2	Segment Results [Profit / (Loss) before Tax]				
	a) Freight Rolling Stock	3,186.98	3,748.97	4,421.37	15,781.12
	b) Passenger Rolling Stock	(1,230.00)	(3,381.49)	422.24	(4,077.62)
	c) Shipbuilding, Bridges and Defence	534.16	708.71	(57.45)	1,521.34
	Total	2,491.14	1,076.19	4,786.16	13,224.84
	Less :				
	i Interest Expense - Net	1,726.03	1,836.10	1,287.37	6,044.36
	ii Unallocable expenditure net of income	162.14	1,003.37	968.67	4,284.96
	Total Profit / (Loss) before Tax	602.97	(1,763.28)	2,530.12	2,895.52
	Less: Tax Expenses	609.44	767.29	790.70	2,964.07
	Total Profit / (Loss) after Tax	(6.47)	(2,530.57)	1,739.42	(68.55)
3	Segment Assets				
	a) Freight Rolling Stock	94,211.58	74,928.27	73,424.64	74,928.27
	b) Passenger Rolling Stock	154,183.76	146,729.78	140,911.12	146,729.78
	c) Shipbuilding, Bridges and Defence	9,595.45	6,801.60	6,494.55	6,801.60
	d) Unallocable	45,247.42	39,431.14	36,524.76	39,431.14
	Total	303,238.21	267,890.79	257,355.07	267,890.79
4	Segment Liabilities				
	a) Freight Rolling Stock	41,208.16	29,284.38	10,576.71	29,284.38
	b) Passenger Rolling Stock	71,698.90	57,868.53	64,790.44	57,868.53
	c) Shipbuilding, Bridges and Defence	4,673.07	3,876.40	1,838.06	3,876.40
	d) Unallocable	99,998.80	92,634.25	94,122.89	92,634.25
	Total	217,578.93	183,663.56	171,328.10	183,663.56
5	Geographical Segment Revenue				
	a) India	43,185.69	42,124.80	32,388.28	146,753.97
	b) Rest of the World	9,673.87	5,968.84	18,337.25	46,325.22
	Total	52,859.56	48,093.64	50,725.53	193,079.19

Amal Ghosh



TITAGARH WAGONS LIMITED

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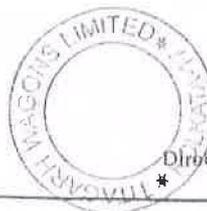
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

Notes:

- 1 The consolidated financial results of Titagarh Wagons Limited (hereinafter referred to as "the Parent Company") include results of subsidiaries (including step down subsidiaries) namely - Titagarh Bridges & International Private Limited (formerly Matlere Titagarh Bridges Private Limited), Titagarh Firema S.p.A (TFA) and Titagarh Singapore Pte Limited (TSPL), collectively referred to as "the Group" and Joint Venture namely Titagarh Mermec Private Limited.
- 2 The figures for quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year ended March 31, 2022 and the published year to date figures upto December 31, 2021 (which has not been subjected to audit by the statutory auditors) being the date of end of the third quarter of the financial year ended March 31, 2022 which were subject to limited review.
- 3 The Board of Directors of Parent Company at its meeting held on January 10, 2022 approved a draft scheme (the Scheme) for amalgamation of Titagarh Bridges and International Private Limited (TBIPL) - a wholly owned subsidiary with the Parent Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2021 as the Appointed Date, subject to intimation thereof to the stock exchanges concerned and such approvals as may be applicable including the sanction by the Hon'ble National Company Law Tribunal (NCLT). TBIPL being a wholly owned subsidiary of the Parent Company, no consideration is payable and the equity shares and optionally fully convertible debentures held by the Parent Company in TBIPL shall stand cancelled upon the Scheme becoming effective. The Scheme was approved by the shareholders and creditors of the Parent Company on May 10, 2022 at their respective meetings held pursuant to the order dated March 16, 2022 of NCLT. The Parent Company has filed the final confirmation petition for sanction of the Scheme before the NCLT on May 28, 2022 and the next date for hearing has been fixed on August 25, 2022.
- 4 In case of Titagarh Firema SpA, a step down subsidiary, in the special purpose financial information ended as at 30 June 2022, the Company reported a net loss for some Euro 2,8 million, has a shareholders' equity for some Euro 3,5 million and has a significant bank debt for some Euro 84,4 million, of which some Euro 50,7 million expiring beyond twelve months. Current assets exceed current liabilities by some Euro 27,2 million. Trade payables, equal to some Euro 22,9 million as at 30 June 2022, decreased by some Euro 5,7 million during the three-month period, and include an overdue payable to suppliers for some Euro 14,6 million at same date. The Company is currently proceeding with the rescheduling and the payment of the overdue commercial debt for its main suppliers. Therefore, the Company does not currently have the necessary financial resources for the full repayment of its overdue debt position.
The special purpose financial information as at 30 June 2022 have been prepared according to the assumption of the going concern, that is based on the expectation that the Company implements an important growth plan, envisaged by the Budget 1 July 2022 - 30 June 2023 (the "Budget") approved by the Board of Directors on 10 August 2022, with the generation of significantly higher margins compared to the historical values achieved and the collection of important contractual amounts on account from customers, the failure of which could affect the overall value of cash generation, also to meet the overdue debt to suppliers. In particular, the Budget provides for the payment of the trade payables and the rescheduling of the overdue commercial debt, which is in progress so far with the main suppliers of the Company.
Despite the aforementioned material uncertainty that may raise doubts on the Company's ability to continue as a going concern, the special purpose financial information as at 30 June 2022 have been drawn up on a going-concern basis, as the Directors have a reasonable expectation that the Company will be able to reach a financial balance in the short term through the successful conclusion of the actions indicated above.
Moreover, as of 30 June 2022, the Company entered non-current financial debt toward an Italian bank and foreign bank for a total amount of Euro 84,4 million (of which Euro 10,0 million and Euro 74,4 million respectively), in relation to which the Company did not meet certain financial covenants calculated on Company's figures as of 31 March 2022. The Italian and foreign credit institutions issued the waiver letters relating to the violation of the aforementioned financial parameters respectively on 16 June 2022 and on 8 August 2022. Therefore, the Company has kept the original classification of the financial debt in the special purpose financial information as of 30 June 2022 as long term debt, as required by the financial agreements.
- 5 The Company has entered into an Investment and Shareholders' Agreement dated 20th July, 2022 with Agenzia nazionale per l'attrazione degli Investimenti e lo sviluppo di impresa S.p.A "(Invitalia)" a company/ agency owned by the Government of Italy. The purpose of this agreement is to infuse fresh capital into Titagarh Firema spa by Invitalia along with a third-party investor. The investment by Invitalia is to support inter alia in the process of industrial growth of the company. The proposed investment is subject to certain approvals and completion of conditions precedent and the actions for these have already been initiated.
- 6 Exceptional costs of Rs. Nil (March 31, 2022: Rs. 1,313.44 Lacs) is of Titagarh Firema S.p.A, a step down subsidiary, which represents costs incurred towards one time employee costs for shifting the production of Tilo to Caserta w.e.f January 01, 2022 and settlement of litigation claims in relation to the ongoing disputes with ex-employees of Firema Trasporti (in extraordinary administration) as part of the acquisition process.
- 7 The above consolidated financial results for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2022.



For and on behalf of the Board of Directors



ANIL KUMAR AGARWAL
Director (Finance) & Chief Financial Officer

Place: Kolkata

Date: August 13, 2022