TITAGARH

29th May, 2018

1. **The National Stock Exchange of India Limited**
   Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051
   Scrip Code: TWL

2. **BSE Limited**
   Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
   Scrip Code: 532966

Dear Sirs,

Sub: Audited Financial Results - FYE 2017-18

Pursuant to the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we enclose herewith Standalone and Consolidated Audited Financial Results of the Company for the quarter and year ended 31st March, 2018 along with Auditors' Report thereon.

The Statement of Impact on Audit Qualifications on the Consolidated Financial Results is also attached herewith. There was no qualified opinion expressed by the statutory auditors in their report on the Standalone Financial Results and hence the Statement of Impact on Audit Qualifications on the Standalone Financial Results being inapplicable is not attached.

The Board has also recommended dividend of 20% (Rs. 0.40 per share) on the Equity Shares of Rs. 2/- each fully paid up subject to declaration by the shareholders at the ensuing Annual General meeting.

Please take this on record.

Thanking you,

Yours faithfully,
For TITAGARH WAGONS LIMITED

Dinesh Arya
Company Secretary

Enclosed: As stated above

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TITAGARH WAGONS LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Titagarh Wagons Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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FRN 304026E/E-300009
Kolkata

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 19, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Avijit Mukerji
Partner
Membership Number 056155

Kolkata
May 29, 2018

TITAGARH WAGONS LIMITED

REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
		Audited (Refer Note 3)	Unaudited	Audited	Audited	Audited
1	Revenue from Operations (Refer Note 2)	6,719.85	8,715.63	10,683.27	31,652.05	37,033.60
2	Other Income	704.40	412.14	966.44	2,328.20	2,431.36
3	**Total Income**	**7,424.25**	**9,127.77**	**11,649.71**	**33,980.25**	**39,464.96**
4	**Expenses**					
	a) Cost of Raw Materials & Components Consumed	5,036.88	4,355.30	6,699.48	15,842.90	21,357.12
	b) Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	(781.12)	61.72	(2,105.65)	1,968.89	(1,638.90)
	c) Excise Duty Expense (Refer Note 2)	-	-	848.01	256.17	2,115.42
	d) Employee Benefits Expense	704.96	655.81	574.52	2,873.03	2,255.15
	e) Finance Costs	324.61	224.47	154.37	864.45	438.44
	f) Depreciation and Amortisation Expense	333.15	339.62	440.58	1,297.20	1,156.02
	g) Other Expenses	3,066.76	2,921.58	4,233.12	10,956.40	11,150.30
	Total Expenses (a to g)	**8,685.24**	**8,558.50**	**10,844.43**	**34,059.04**	**36,833.55**
5	**Profit/(Loss) before Exceptional Items and Tax (3-4)**	**(1,260.99)**	**569.27**	**805.28**	**(78.79)**	**2,631.41**
6	Exceptional Items	-	-	-	-	-
7	**Profit/(Loss) before Tax (5-6)**	**(1,260.99)**	**569.27**	**805.28**	**(78.79)**	**2,631.41**
8	**Tax Expense**					
	a) Current tax including tax relating to earlier years	(17.32)	125.69	(212.53)	171.87	531.64
	b) Deferred Tax - Charge / (Credit)	(710.68)	51.07	316.45	(542.20)	171.40
	Total Tax Expense	**(728.00)**	**176.76**	**103.92**	**(370.33)**	**703.04**
9	**Profit/(Loss) for the Period (7-8)**	**(532.99)**	**392.51**	**701.36**	**291.54**	**1,928.37**
10	**Other Comprehensive Income**					
	Item that will not be reclassified to profit or loss:					
	Remeasurement gains/(losses) on defined benefit plans	(33.88)	15.79	5.15	(5.63)	(21.04)
	Income tax relating to above	11.75	(5.47)	(1.78)	1.97	7.28
	Total Other Comprehensive Income	**(22.13)**	**10.32**	**3.37**	**(3.66)**	**(13.76)**
11	**Total Comprehensive Income for the Period (9+10)**	**(555.12)**	**402.83**	**704.73**	**287.88**	**1,914.61**
12	Paid up Equity Share Capital (Face value Rs. 2/- each)	2,310.01	2,309.03	2,308.24	2,310.01	2,308.24
13	**Earnings/(Loss) per Equity Share (of Rs. 2/- each) (Not Annualised)**					
	- Basic (Rs.)	(0.46)	0.34	0.61	0.25	1.67
	- Diluted (Rs.)	(0.46)	0.34	0.60	0.25	1.66

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TITAGARH WAGONS LIMITED

REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107

SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lacs)

Sl. No.	PARTICULARS	STANDALONE				
		QUARTER ENDED			YEAR ENDED	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017
		Audited (Refer Note 3)	Unaudited	Audited	Audited	Audited
1	**Segment Revenue**					
	a) Wagons & Coaches	5,115.49	6,237.27	8,485.05	23,260.62	29,341.56
	b) Specialised Equipments & Bridges	144.11	856.52	2,011.17	4,150.84	7,171.51
	c) Shipbuilding	1,383.05	1,238.71	-	3,516.72	-
	d) Others	77.20	383.13	187.05	723.87	520.53
	Sales/ Income from Operations	**6,719.85**	**8,715.63**	**10,683.27**	**31,652.05**	**37,033.60**
2	**Segment Results [Profit / (Loss) before tax and interest]**					
	a) Wagons & Coaches	(758.40)	555.95	453.10	18.83	2,023.09
	b) Specialised Equipments & Bridges	(244.03)	59.60	409.18	619.93	1,398.55
	c) Shipbuilding	180.61	214.63	(9.39)	549.08	(192.19)
	d) Others	47.18	109.54	150.19	248.84	298.48
	Total	**(774.64)**	**939.72**	**1,003.08**	**1,436.68**	**3,527.93**
	(Add) / Less :					
	i Interest Income - Net	(45.73)	(100.54)	(183.02)	(683.71)	(992.33)
	ii Unallocable expenditure net of income	532.08	470.99	380.82	2,199.18	1,888.85
	Total Profit before Tax	**(1,260.99)**	**569.27**	**805.28**	**(78.79)**	**2,631.41**
3	**Segment Assets**					
	a) Wagons & Coaches	47,843.20	46,678.95	50,108.67	47,843.20	50,108.67
	b) Specialised Equipments & Bridges	7,252.16	5,532.15	5,366.14	7,252.16	5,366.14
	c) Shipbuilding	6,121.34	3,664.46	653.85	6,121.34	653.85
	d) Others	605.34	1,117.18	757.05	605.34	757.05
	e) Unallocable	56,432.01	53,725.83	50,909.05	56,432.01	50,909.05
	Total	**118,254.05**	**110,718.57**	**107,794.76**	**118,254.05**	**107,794.76**
4	**Segment Liabilities**					
	a) Wagons & Coaches	6,026.55	3,962.57	6,299.61	6,026.55	6,299.61
	b) Specialised Equipments & Bridges	2,259.30	2,090.84	2,394.44	2,259.30	2,394.44
	c) Shipbuilding	7,182.45	2,063.33	817.09	7,182.45	817.09
	d) Others	327.68	484.80	113.26	327.68	113.26
	e) Unallocable	13,471.39	12,651.23	8,687.64	13,471.39	8,687.64
	Total	**29,267.37**	**21,252.77**	**18,312.04**	**29,267.37**	**18,312.04**

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

Sl. No.	PARTICULARS	(Rs in Lacs) As at March 31, 2018 Audited	March 31, 2017 Audited
	ASSETS		
1	**Non-current Assets**		
	a) Property, Plant and Equipment	28,865.72	29,142.79
	b) Capital Work-in-progress	1,210.56	172.70
	c) Intangible Assets (Other than Goodwill)	1,336.90	1,580.59
	d) Intangible Assets under Development	387.29	315.73
	e) Financial Assets		
	i) Investments	38,356.86	36,308.82
	ii) Trade Receivables	88.11	169.98
	iii) Loans and Deposits	183.20	164.90
	iv) Other Financial Assets	192.37	173.77
	f) Non-current Tax Assets (Net)	1,633.46	2,458.87
	g) Other Non-current Assets	276.37	733.98
	Sub total - Non-current Assets	**72,530.84**	**71,222.13**
2	**Current Assets**		
	a) Inventories	13,261.33	15,007.14
	b) Financial Assets		
	i) Trade Receivables	10,497.90	11,005.52
	ii) Cash and Cash Equivalents	272.84	468.55
	iii) Bank Balances other than (ii) above	1,244.48	1,146.89
	iv) Loans and Deposits	7,629.33	2,858.44
	v) Other Financial Assets	6,873.70	3,281.94
	c) Current Tax Assets (Net)	1,010.99	306.77
	d) Other Current Assets	4,932.64	2,497.38
	Sub total - Current Assets	**45,723.21**	**36,572.63**
	TOTAL - ASSETS	**118,254.05**	**107,794.76**
	EQUITY AND LIABILITIES		
	EQUITY		
	a) Equity Share Capital	2,310.01	2,308.24
	b) Other Equity	86,676.67	87,174.48
	Sub total - Equity	**88,986.68**	**89,482.72**
	LIABILITIES		
1	**Non-current Liabilities**		
	a) Provisions	275.25	318.07
	b) Deferred Tax Liabilities (Net)	2,968.07	3,512.23
	c) Other Non-current Liabilities	11.01	25.71
	Sub total - Non-current Liabilities	**3,254.33**	**3,856.01**
2	**Current Liabilities**		
	a) Financial Liabilities		
	i) Borrowings	9,916.30	4,336.63
	ii) Trade Payables	3,699.95	3,653.30
	iii) Other Financial Liabilities	416.01	610.89
	b) Other Current Liabilities	10,753.55	4,537.60
	c) Provisions	1,227.23	1,317.61
	Sub total - Current Liabilities	**26,013.04**	**14,456.03**
	TOTAL - LIABILITIES	**29,267.37**	**18,312.04**
	TOTAL - EQUITY AND LIABILITIES	**118,254.05**	**107,794.76**

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TITAGARH WAGONS LIMITED

REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

Notes:

1 Operating segments based on the Company'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 etc. Segment "Shipbuilding" has been shown separately from the financial year ended March 31, 2018 as it has become a separate reportable segment.

2 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 year ended March 31,2018 are not comparable with the corresponding periods presented in the results.

3 The figures for last quarter are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the published year to date figures upto December 31, 2017, being the date of end of the third quarter of the financial year ended March 31, 2018 which were subject to limited review.

4 Figures for the previous periods have been regrouped / rearranged whereever necessary to conform to the current period's classification.

5 During the year, there was delay in release of bulk orders by Indian Railways due to which Company did not have sufficient wagon orders for major part of the year. However, the bulk order for 1147 wagons worth Rs. 270.18 crores has been received from Indian Railways on 28th Dec 2017 and also orders from private customers have been booked during the quarter ended March 31, 2018, execution of which has started from the first quarter of FY18-19.

6 During the quarter ended March 31, 2018, the Board has allotted 48,750 equity shares of Rs.2/- each fully paid up 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 0.97 lacs to Rs 2,310.01 lacs.

7 The Board of Directors has recommended a dividend of Re 0.30 per equity share of face value of Rs 2/- each (i.e. @ 15%) subject to approval of the shareholders in the ensuing Annual General Meeting.

8 The above standalone financial results for the quarter and year ended March 31, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2018.

For and on behalf of the Board of Directors

UMESH CHOWDHARY

Vice Chairman & Managing Director

Place: Caserta, Italy

Date: May 29, 2018

TITAGARH WAGONS LIMITED Kolkata 107

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Titagarh Wagons Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Titagarh Wagons Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture; [refer Note 1(a) to the attached consolidated Ind AS financial statements], comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group and joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

7. We draw attention to Note 7(a) to the consolidated Ind AS financial statements regarding certain claims lying in the books of a subsidiary of the Holding 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 (Rs. 3,097.53 lacs as at March 31, 2017), which has been considered good and recoverable by the management. Pending outcome of 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 consolidated Ind AS financial statements.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint venture as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of Rs. 156,858.54 lacs and net assets of Rs. 23,169.92 lacs as at March 31, 2018, total revenue of Rs. 87,848.37 lacs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (12,327.01) lacs and net cash flows amounting to Rs. 1,960.68 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. (32.36) lacs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of one joint venture whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the

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Act insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

10. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 19, 2017, expressed a modified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the report of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and joint venture – Refer Note 37 to the consolidated Ind AS financial statements.

ii. The Group and joint venture had long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses other than in respect of a subsidiary where provision has been made in the consolidated Ind AS financial statements, as required under the accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2018 – Refer Note 38 to the consolidated Ind AS financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company's subsidiary companies and joint venture incorporated in India during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

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

Avijit Mukerji
Partner
Membership Number 056155

Kolkata
May 29, 2018

TITAGARH WAGONS LIMITED

REGISTERED OFFICE- 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs.in Lacs)

SL. NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
		Audited (Refer Note 13)	Unaudited	Audited	Audited	Audited
1	Revenue from Operations (Refer Note 2 and 6)	30,141.47	27,398.28	66,187.23	127,143.84	173,918.93
2	Other Income	1,355.15	525.61	773.64	2,987.86	2,901.78
3	**Total Income**	**31,496.62**	**27,923.89**	**66,960.87**	**130,131.70**	**176,820.71**
4	Expenses					
	a) Cost of Raw Materials & Components Consumed	18,545.20	15,161.68	34,652.31	69,239.63	91,519.83
	b) Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	790.75	881.35	6,524.50	6,484.22	16,460.11
	c) Excise Duty Expense (Refer Note 6)	-	-	981.54	325.20	2,559.05
	d) Employee Benefits Expense	6,370.64	6,181.51	5,687.75	23,932.13	21,213.14
	e) Finance Costs	1,356.80	982.82	990.72	4,405.99	3,130.89
	f) Depreciation and Amortisation Expense	1,317.16	1,281.21	1,557.88	5,083.59	5,152.44
	g) Other Expenses (Refer Note 2)	15,001.67	7,706.66	14,757.93	36,837.05	31,359.88
5	**Total Expenses (a to g)**	**43,382.22**	**32,195.23**	**65,152.63**	**146,307.81**	**171,395.34**
6	**Profit/(Loss) before Share of loss of a Joint Venture, Exceptional Items and Tax (3-5)**	**(11,885.60)**	**(4,271.34)**	**1,808.24**	**(16,176.11)**	**5,425.37**
7	Share of loss of a Joint Venture	8.01	10.35	5.80	32.36	5.80
8	**Profit before Exceptional Items and Tax (6-7)**	**(11,893.61)**	**(4,281.69)**	**1,802.44**	**(16,208.47)**	**5,419.57**
9	Exceptional Items (Refer Note 8)	509.12	-	124.91	509.12	449.91
10	**Profit/(Loss) before Tax (8-9)**	**(12,402.73)**	**(4,281.69)**	**1,677.53**	**(16,717.59)**	**4,969.66**
11	**Tax Expense**					
	a) Current tax including tax relating to earlier years (Refer Note 7)	(224.34)	52.43	797.10	340.53	2,528.11
	b) Deferred Tax - Charge/(Credit)	(2,146.42)	(372.16)	(318.50)	(2,334.69)	(301.52)
	Total Tax Expense	**(2,370.76)**	**(319.73)**	**478.60**	**(1,994.16)**	**2,226.59**
12	**Profit/(Loss) for the Period (10-11)**	**(10,031.97)**	**(3,961.96)**	**1,198.93**	**(14,723.43)**	**2,743.07**
	Attributable to:					
	Shareholders of the Company	(9,734.40)	(3,871.05)	1,132.29	(14,362.26)	2,690.27
	Non-Controlling Interest	(297.57)	(90.91)	66.64	(361.17)	52.80
13	**Other Comprehensive Income**					
	Items that will be reclassified to profit or loss:					
	Net Gain/(Loss) on Foreign Currency Translation Differences	1,269.94	(212.65)	(913.14)	3,530.99	(1,181.30)
	Items that will not be reclassified to profit or loss:					
	Remeasurement gains/(losses) on defined benefit plans	(28.87)	14.96	(61.47)	(6.25)	(69.41)
	Income tax relating to above	11.75	(5.47)	16.98	1.97	26.04
14	**Total Other Comprehensive Income**	**1,252.82**	**(203.16)**	**(957.63)**	**3,526.71**	**(1,224.67)**
15	**Total Comprehensive Income for the Period (12+14)**	**(8,779.15)**	**(4,165.12)**	**241.30**	**(11,196.72)**	**1,518.40**
	Attributable to:					
	Shareholders of the Company	(8,482.52)	(4,073.47)	176.85	(10,835.33)	1,466.38
	Non-Controlling Interest	(296.63)	(91.65)	64.45	(361.39)	52.02
16	Paid-up Equity Share Capital (Face value Rs. 2/- each)	2,310.01	2,309.03	2,308.24	2,310.01	2,308.24
	Reserves excluding revaluation reserve				83,156.69	94,449.06
17	**Earnings/(Loss) Per Equity Share (of Rs. 2/- each) (Not Annualised)**					
	- Basic (Rs.)	(8.43)	(3.35)	1.04	(12.44)	2.38
	- Diluted (Rs.)	(8.43)	(3.35)	1.04	(12.44)	2.38

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TITAGARH WAGONS LIMITED
REGISTERED OFFICE- 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs.in Lacs)

		CONSOLIDATED				
		QUARTER ENDED			YEAR ENDED	
SL. NO.	PARTICULARS	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
		Audited (Refer Note 13)	Unaudited	Audited	Audited	Audited
1	**Segment Revenue**					
	a) Wagons & Coaches	28,622.26	24,847.69	63,903.22	118,668.96	165,829.60
	b) Specialised Equipments & Bridges	144.11	856.52	2,011.18	4,150.84	7,171.52
	c) Shipbuilding	1,383.05	1,238.71	-	3,516.72	-
	d) Others	(7.95)	455.36	272.83	807.32	917.81
	Sales/ Income from Operations	30,141.47	27,398.28	66,187.23	127,143.84	173,918.93
2	**Segment Results [Profit / (Loss) before Tax and Interest]**					
	a) Wagons & Coaches	(10,151.78)	(3,044.22)	2,251.93	(11,553.81)	6,478.13
	b) Specialised Equipments & Bridges	(482.14)	41.05	409.18	357.47	1,392.75
	c) Shipbuilding	180.61	214.63	(9.39)	549.08	(192.19)
	d) Others	(1,034.82)	(178.63)	(193.31)	(1,780.85)	(555.05)
	Total	(11,488.13)	(2,967.17)	2,458.41	(12,428.11)	7,123.64
	Less :					
	i Interest Expense - Net	796.79	588.37	400.20	2,273.62	938.51
	ii Unallocable expenditure net of income	117.81	726.15	380.68	2,015.86	1,215.47
	Total Profit/(Loss) before Tax	(12,402.73)	(4,281.69)	1,677.53	(16,717.59)	4,969.66
3	**Segment Assets**					
	a) Wagons & Coaches	235,889.32	219,280.67	235,847.79	235,889.32	235,847.79
	b) Specialised Equipments & Bridges	7,252.16	5,532.10	5,366.14	7,252.16	5,366.14
	c) Shipbuilding	6,121.34	3,664.46	653.85	6,121.34	653.85
	d) Others	1,154.03	8,466.20	7,010.75	1,154.03	7,010.75
	e) Unallocable	21,542.77	20,559.78	21,312.57	21,542.77	21,312.57
	Total	271,959.62	257,503.21	270,191.10	271,959.62	270,191.10
4	**Segment Liabilities**					
	a) Wagons & Coaches	115,102.80	99,881.73	126,601.43	115,102.80	126,601.43
	b) Specialised Equipments & Bridges	2,259.30	2,090.84	2,394.44	2,259.30	2,394.44
	c) Shipbuilding	7,182.45	2,063.33	817.09	7,182.45	817.09
	d) Others	462.79	689.10	461.75	462.79	461.75
	e) Unallocable	55,129.42	52,262.90	35,278.02	55,129.42	35,278.02
	Total	180,136.76	156,987.90	165,552.73	180,136.76	165,552.73

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TITAGARH WAGONS LIMITED
REGISTERED OFFICE- 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs.in Lacs)

SL No	PARTICULARS	Mar 31, 2018	Mar 31, 2017
		Audited	Audited
	ASSETS		
1	**Non-current Assets**		
	a) Property, Plant and Equipment	91,430.80	88,491.36
	b) Investment Property	821.24	821.24
	c) Capital Work-in-progress	2,323.16	1,230.06
	d) Intangible Assets	3,095.43	3,591.37
	e) Intangible Assets under Development	387.29	315.73
	f) Goodwill on Consolidation	402.25	402.25
	g) Financial Assets		
	(i) Investments	8,317.08	8,190.88
	(ii) Trade Receivables	171.68	301.59
	(iii) Loans and Deposits	233.79	302.23
	(iv) Others Financial Assets	1,047.19	1,903.99
	h) Deferred Tax Assets (Net)	3,076.72	694.12
	i) Non-current Tax Assets (Net)	1,692.76	1,933.98
	j) Other Non-current Assets	463.71	767.17
	Sub total - Non-current Assets	113,463.10	108,945.97
2	**Current Assets**		
	a) Inventories	44,153.96	53,728.43
	b) Financial Assets		
	(i) Trade Receivables	27,614.08	23,401.49
	(ii) Cash and Cash Equivalents	5,840.23	3,382.25
	(iii) Bank Balances other than (ii) above	1,531.47	1,238.19
	(iv) Loans and Deposits	9,467.35	4,253.91
	(v) Others Financial Assets	46,622.75	56,114.02
	c) Current Tax Assets (Net)	1,010.99	306.77
	d) Other Current Assets	22,255.69	18,820.07
	Sub total - Current Assets	158,496.52	161,245.13
	TOTAL - ASSETS	271,959.62	270,191.10
	EQUITY AND LIABILITIES		
	EQUITY		
	a) Share Capital	2,310.01	2,308.24
	b) Other Equity	83,156.69	94,449.06
	c) Money received against Share Warrants	-	-
	Sub total - Equity attributable to Owners of Titagarh Wagons Limited	85,466.70	96,757.30
	Non Controlling Interest	6,356.16	7,881.07
	Total Equity	91,822.86	104,638.37
	Liabilities		
1	**Non-current Liabilities**		
	a) Financial Liabilities		
	(i) Long-term Borrowings	18,725.05	15,978.01
	(ii) Other Finanical Liabilities	4,548.12	3,657.25
	b) Provisions	298.08	339.80
	c) Deferred Tax Liabilities (Net)	6,391.41	6,923.94
	d) Other long term liabilities	-	-
	Sub total - Non-current Liabilities	29,962.66	26,899.00
2	**Current Liabilities**		
	a) Financial Liabilities		
	(i) Borrowings	38,920.94	18,206.23
	(ii) Trade Payables	30,630.55	44,249.17
	(iii) Other Financial Liabilities	11,498.58	8,086.61
	b) Other Current Liabilities	51,042.72	54,139.52
	c) Provisions	18,081.31	13,972.20
	Sub total - Current Liabilities	150,174.10	138,653.73
	TOTAL - LIABILITIES	180,136.76	165,552.73
	TOTAL - EQUITY AND LIABILITIES	271,959.62	270,191.10

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TITAGARH WAGONS LIMITED
REGISTERED OFFICE- 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
NOTES TO THE STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

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, the auditors in their quarterly results for Q3 had commented upon the non-provisioning of estimated penalties amounting to Rs 4,963.29 lacs (Euro 6.58 million) 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, while management is in active negotiation with the customer to renegotiate and reduce the total amount of this penalty, and the final amount will be known on conclusion of the negotiation, however, as a matter of prudence and abundant precaution necessary provision towards the above penalties has been made in the books of accounts during the quarter ended March 31, 2018 and is disclosed under the head other expenses in the above results.
(b) Also revenue from operations and other expenses during the previous quarter includes adjustment arising on account of one-time provision / write off of losses incurred aggregating Euro 4.2 million i.e. Rs. 3,133.91 lacs (Euro 2.8 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. 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 In case of Cimmco Limited, the Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated October 16, 2017 has sanctioned the Scheme of Amalgamation (the "Scheme") of Titagarh Agrico Private Limited (TAPL), a fellow subsidiary with the Company. The certified true copy of the said Order has been received and filed with the Ministry of Corporate Affairs on November 14, 2017, thus making the Scheme effective. Since the appointed date of the Scheme was April 1, 2016, the effect of amalgamation has been considered in the books during the current quarter retrospectively as per the requirements of IND AS 103. The revised figures for the quarter and for the year ended March 31, 2017 included in the financial results have neither been audited nor been subject to review.

5 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 December 31, 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 year ended March 31, 2018 have also commented on above. The management is hopeful to recover these claims in full.

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 the year ended March 31,2018 are not comparable with the corresponding periods presented in the results.

7 Current tax is net of MAT credit entitlement.

8 In case of Cimmco Limited:
In view of the loss incurred during the year in tractors division and after evaluation of the expected future performance of the division, the management has performed an impairment testing and impaired the value of its Plant and Machinery and Intangible assets, acquired by the Company through merger of Titagarh Agrico Private Limited (refer note 4 above), to the extent of Rs. 614.12 lacs. Exceptional items for the previous periods included the following:
(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.

10 In case of Cimmco Limited: During the year, there was delay in release of bulk orders by Indian Railways due to which Company did not have wagon orders for major part of the year. However, the bulk order for 1191 wagons worth Rs. 285.82 crores from Indian Railways has been received on 28th Dec 2017, execution of which has started from the first quarter of FY18-19.
In case of Titagarh Wagons Limited: During the year, there was delay in release of bulk orders by Indian Railways due to which Company did not have sufficient wagon orders for major part of the year. However, the bulk order for 1147 wagons worth Rs. 270.18 crores has been received from Indian Railways on 28th Dec 2017 and also orders from private customers have been booked during the quarter ended March 31, 2018, execution of which has started from the first quarter of FY18-19.

11 The Board of Directors has recommended a dividend of Re 0.30 per equity share of face value of Rs 2/- each (i.e. @ 15%) subject to approval of the shareholders in the ensuing Annual General Meeting.

12 Figures for the previous periods have been regrouped/ rearranged wherever necessary to confirm to current period's classification.

13 The figures for last quarter are the balancing figures between audited figures in respect of the full financial year ended March 31, 2018 and the published year to date figures upto December 31, 2017, being the date of end of the third quarter of the financial year ended March 31, 2018 which were subject to limited review.

14 The above consolidated financial results for the quarter and the year ended March 31, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2018.

For and on behalf of the Board of Directors

Place: Caserta, Italy
Date: May 29, 2018

UMESH CHOWDHARY
Vice Chairman & Managing Director

TITAGARH WAGONS LIMITED Kolkata 107

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results of Titagarh Wagons Limited – *Consolidated for the financial year ended March 31, 2018*

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications) (Rs in lacs)**	**Adjusted Figures (audited figures after adjusting for qualifications) (Rs in lacs)**
	1	Turnover / Total income (including other income)	130,131.70	130,131.70
	2	Total Expenditure (including tax expenses and before minority interest)	144,855.13	144,855.13
	3	Net Profit/(Loss) (after minority interest)	14,362.26	14,362.26
	4	Earnings Per Share - Basic	(12.44)	(12.44)
	5	Total Assets	271,959.62	271,959.62
	6	Total Liabilities	180,136.76	180,136.76
	7	Net Worth (total equity)	91,822.86	91,822.86
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a. **Details of Audit Qualification (as reproduced from the audit report):** We draw attention to Note 7(a) to the consolidated Ind AS financial statements regarding certain claims lying in the books of a subsidiary of the Holding 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 (Rs. 3,097.53 lacs as at March 31, 2017), which has been considered good and recoverable by the management. Pending outcome of 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 consolidated Ind AS financial statements.			
	b. **Type of Audit Qualification :** Qualified Opinion			
	c. **Frequency of qualification:** Was Emphasis of matter for FYE 2011-12, and qualification for FYE 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18			
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Impact not quantified by the auditors and therefore, not applicable.			
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**			
	(i) **Management's estimation on the impact of audit qualification:** Impact of audit qualification cannot be quantified.			
	(ii) **Management response and reasons for inability to estimate the impact:**			

	Rs 854.81 lacs (Rs 759.83 lacs as at March 31, 2016), net of expected credit loss amounting to Rs. 3097.53 lacs recoverable from Indian Railways on account of difference of lease rental for the wagons leased to Indian Railways: In the year 1997-98 the Company (Cimmco) had entered into 3 separate sub-lease rental agreements with Indian Railways (IR) for lease to IR of 1200 wagons for a primary period of 10 years. However, owing to changes in the rate of Income Tax as well as the depreciation rate as per the Income Tax Act, the sub-lease rentals payable by IR to Cimmco in terms of the sub-lease agreements were impacted and IR, on a misinterpretation of the relevant clause in the sub-lease agreements, did not release the differential sub-lease rental to the Company. Although the issues were clarified, IR continued to withhold the differential payment and being compelled by non-recovery of its dues Cimmco invoked the Arbitration Clause and referred the matter to Arbitration on 27/10/2004. Due to the erosion of the net worth of Cimmco as at 30.06.2000 and Cimmco having become sick, the operations of Cimmco were suspended/closed with effect from 13.11.2000. As such, only a skeleton staff/personnel were available in Cimmco to actively pursue the matter. This led to lack of attention to the arbitration in the matter for a long time. Cimmco has been aggressively pursuing with the Arbitration Tribunal to expeditiously complete the Arbitration proceedings which had been kept in abeyance for the parties to explore the possibilities of amicable settlement. However, since the Tribunal did not fix further dates of hearing, a petition was filed before the Hon'ble High Court of Delhi on 14th August, 2014 seeking reconstitution of the Arbitration Tribunal. The matter was heard on 22nd August, 2014, however the Tribunal recommenced the proceedings and arguments have been concluded on May 2, 2015. Thereafter, the Tribunal has fixed September 7, 8 and 9, 2015 for making and publishing the award. The Tribunal passed an award on 03/02/2016 whereby the Company's claims were rejected. Being aggrieved by the award the Company has filed an appeal under section 34 of the Arbitration & Conciliation Act, 1996 (as amended) before the Hon'ble High Court, Delhi on 29/04/2016 and the matter was heard on 02/06/2016 when the Court directed issue of the notice to Indian Railways. The matter was last heard on 17/05/2018 when an adjournment was requested by Indian Railways on ground of their Counsel being unwell. Matter has been directed to be listed on 29.08.2018. Cimmco is convinced of merit of the case. The management is hopeful of getting a favourable order from the Hon'ble High Court, Delhi for recovery of the amount and hence this amount has been considered good of recovery.
	(iii) **Auditors' Comments on (i) or (ii) above:** Refer details of audit qualification [para II (a) above]
III	**For Titagarh Wagons Limited** Sd/- Umesh Chowdhary Vice Chairman & Managing Director * Signed at Caserta, Italy
	Sd/- Anil Agarwal Chief Financial Officer

	Sd/- D N Davar Chairman of Audit Committee
	For Price Waterhouse & Co. Charterered Accountants LLP **ICAI Firm Registration No.: 304026E/E-300009** **CHARTERED ACCOUNTANTS** Sd/- per Avijit Mukerji Partner Membership No. 56155
	Place: Kolkata
	Date: May 29, 2018