



Date: 16.06.2022

The Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, Bandra- Kurla Complex
Bandra (E), Mumbai- 400051
Scrip Code: TWL

Sub: Clarification for Financial results - TWL

Madam/Sir(s),

We refer to your e-mail dated 15th June, 2022 on the captioned subject, and enclose herewith the signed copy of the Statement on Impact of Audit Qualifications on the Consolidated Financial Results of the Company for the financial year ended March 31, 2022. Further, kindly note that the Company by its letter dated 30th May, 2022 earlier submitted to your office had informed that there was no qualified opinion expressed by the statutory auditors in their report on the Standalone Financial Results for the said year.

Hope you will find the above in order. Please take the above on record.

Thanking you,
Yours faithfully,

Sumit Jaiswal
Company Secretary

Encl.: as above

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

Registered & Corporate Office: Titagarh Towers, 756 Anandapur, E. M. Bypass, Kolkata - 700 107, India
Phone : +91 33 4019 0800 | Fax: + 91 33 4019 0823 | Email : corp@titagarh.in | Web: www.titagarh.in

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, 2022

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33 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) (Refer Note below)
	1	Revenue / Total income (including other income)	196,662.75	196,662.75
	2	Total Expenditure (including tax expenses)	196,731.30	196,731.30
	3	Net Profit/(Loss) (attributable to Shareholders of the Company).	(32.84)	(32.84)
	4	Earning/(Loss) Per Share	(0.03)	(0.03)
	5	Total Assets	267,890.79	267,890.79
	6	Total Liabilities	183,663.56	183,663.56
	7	Net Worth (total equity)	84,227.23	84,227.23
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
Note: Not applicable as the subject matter of qualification is reclassification of certain non-current borrowing to current borrowings for which there will be no impact of aforesaid information.				
II.	Audit Qualification			
	a. Details of Audit Qualification (as reproduced from the audit report) We draw your attention to the following paragraph (as reproduced) included in the audit report on the special purpose financial information of Titagarh Firema S.p.A (a subsidiary of the Holding Company) issued by other auditors vide their report dated May 27, 2022: “As of 31 March, 2022 the Company has a financial debt with two financial institution, according to the provisions of the reference accounting standards, that have to be classified as due within 12 months due to failure to comply with some financial parameters, pending the formalization of waiver letters with the banking class. As of 31 st March 2022, however in the absence of a specific request by the banking class for an immediate repayment of the debt exposure, the company continues to report the financial debt as long term and specifically (i) to the Italian credit institution, equal to Euro 10 million (of which Euro 0.6 million within twelve months and Euro 9.4 million beyond twelve months), and (ii) to the foreign credit institution, equal Euro 75.3 million (of which Euro 32.3 million within twelve months and Euro 42.90 million beyond twelve months), maintaining the original classification in the special purpose financial information as required by the financial agreements. So, the Company, although contractually regulated, has not classified the previous amounts in the current liabilities in the special purpose financial information as of 31 March 2022.”			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Appeared first time.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: 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: The qualification as mentioned in Para (ii) pertains to Titagarh Firema S.p.A (TFA) which is a step down subsidiary company of Titagarh Wagons Limited. We have been informed by TFA that it has financial debts (term debts) with two financial institutions for an aggregate amount of Euro 85.30 million of which Euro 52.30 million is repayable over 1 year and balance is repayable within one year. Despite of the breach in the financial covenant TFA's management continues to disclose the borrowings as non-current in the special purpose financial information of TFA for the purpose of consolidated financial statements, because of the fact			

	that there has been no communication from the banks for the immediate repayment of the above debts and based on the ongoing discussion and the email correspondences with the banks the management is reasonably certain to obtain such waiver from the banks shortly. Further the qualification is pertaining to the disclosure in the financial statements and will not have any impact on the reported numbers as per the table included above.
	(ii) Management response and reasons for inability to estimate the impact: Impact of audit qualification cannot be quantified.
	(iii) Auditors' Comments on (i) or (ii) above: Refer details of audit qualification [para II (a) above]
III	For Titagarh Wagons Limited  Umesh Chowdhary Vice Chairman & Managing Director (PLACE : CASERTA, ITALY)
	 Anil Kumar Agarwal Director (Finance) & CFO (PLACE : KOLKATA)
	 Atul Joshi Chairman of Audit Committee (PLACE : Musorie India)
	For Price Waterhouse & Co. Chartered Accountants LLP ICAI Firm Registration No.: 304026E/E-300009  Avijit Mukerji Partner (Place : Kolkata) Membership No. 056155
	Place: Kolkata
	Date: May 30, 2022

