

Price Waterhouse & Co Chartered Accountants LLP

Review Report

To
The Board of Directors
Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited)
756, Anandapur
E M Bypass
Kolkata 700 107

1. We have reviewed the unaudited standalone financial results of Titagarh Rail Systems Limited (Formerly known as Titagarh Wagons Limited) (the "Company") for the quarter ended June 30, 2023 which are included in the accompanying 'Statement of Unaudited Standalone Financial Results for the Quarter Ended June 30, 2023' (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (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 the 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 company personnel and analytical procedures applied to 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. Based on our review conducted as 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.
5. In accordance with the Scheme referred to in Note 3 to the Statement, the comparative figures for quarter ended June 30, 2022 have been restated to include the special purpose financial information of the Titagarh Bridges and International Private Limited, its subsidiary ("Transferor Company") which reflect total revenue of 1,317.44 lakhs, total net profit after tax of Rs. 51.34 lakhs and total comprehensive income of Rs. 51.34 lakhs for the quarter ended June 30, 2022. The said special purpose financial information of the Transferor Company has been reviewed by another auditor, whose report have been furnished to us and on which we have relied upon. We have audited the adjustments made by the management consequent to the amalgamation of the Transferor Company with the Company to arrive at restated comparative figures for the aforesaid period presented. Our conclusion is not modified in respect of this matter.

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


Prant Agrawal
Partner

Membership Number 099903
UDIN: 23099903BGWLPG2738
Place: Gurugram
Date: July 22, 2023

Price Waterhouse & Co Chartered Accountants LLP, Plot No. 56 & 57, Block DN, Sector V, Salt Lake
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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)

TITAGARH RAIL SYSTEMS LIMITED (FORMERLY TITAGARH WAGONS LIMITED)
CIN NO:- L27320WB1997PLC084819
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
TEL: 033-4019 0800/FAX: 033-4019 0823, WEB SITE: WWW.TITAGARH.IN, EMAIL: INFO@TITAGARH.IN
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs. in Lacs)

Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited Refer Note 3	Audited
1	Revenue from Operations	91,075.87	97,421.55	43,370.62	278,052.90
2	Other Income	968.19	831.10	900.48	4,398.39
3	Total Income	92,044.06	98,252.65	44,271.10	282,451.29
4	Expenses				
	a) Cost of Raw Materials & Components Consumed	72,669.26	75,296.10	36,426.91	216,541.91
	b) Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	(1,465.23)	(558.41)	(4,016.90)	(1,536.56)
	c) Employee Benefits Expense	1,580.14	1,689.62	1,242.90	5,652.64
	d) Finance Costs	1,910.27	2,224.95	1,555.75	8,074.67
	e) Depreciation and Amortization Expense	663.49	637.74	540.23	2,250.35
	f) Other Expenses	7,681.04	11,445.50	5,609.00	30,963.52
	Total Expenses (a to f)	83,038.97	90,735.60	41,357.89	261,946.53
5	Profit before Exceptional Items and Tax (3-4)	9,005.09	7,517.15	2,913.21	20,504.76
6	Exceptional Item (Refer Note 5)	-	-	-	4,627.55
7	Profit before Tax (5-6)	9,005.09	7,517.15	2,913.21	15,877.21
8	Income Tax Expense				
	a) Current tax	2,348.44	1,787.05	796.56	5,305.50
	b) Deferred Tax - Charge / (Credit)	(100.54)	429.36	(185.05)	235.07
	Total Income Tax Expense	2,247.90	2,216.41	611.51	5,540.57
9	Profit for the Period/ Year (7-8)	6,757.19	5,300.74	2,301.70	10,336.64
10	Other Comprehensive Income				
	Item that will be reclassified to profit or loss:				
	Fair Value change in Cash Flow hedges	137.60	145.46	(206.89)	(1,361.11)
	Income tax on above	(34.63)	(36.61)	52.07	342.56
	Item that will not be reclassified to profit or loss:				
	Remeasurement gains on defined benefit plans	(0.47)	(16.73)	4.88	(2.10)
	Income tax on above	0.12	4.21	(1.23)	0.53
	Total Other Comprehensive Income	102.62	96.33	(151.17)	(1,020.12)
11	Total Comprehensive Income for the Period (9+10)	6,859.81	5,397.07	2,150.53	9,316.52
12	Equity Share Capital (Face value Rs. 2/- each)	2,391.42	2,391.42	2,391.42	2,391.42
13	Other Equity	-	-	-	93,900.81
14	Earnings per Equity Share (of Rs. 2/- each) (Not Annualised except for March 31, 2023)				
	- Basic (Rs.)	5.65	4.43	1.92	8.64
	- Diluted (Rs.)	5.65	4.43	1.92	8.64



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UNAUDITED STANDALONE SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(Rs. in Lacs)

Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited Refer Note 3	Audited
1	Segment Revenue				
	a) Freight Rail Systems	74,607.94	80,810.11	35,118.23	225,093.47
	b) Passenger Rail Systems	16,467.93	16,611.44	8,252.39	52,959.43
	Revenue from Operations	91,075.87	97,421.55	43,370.62	278,052.90
2	Segment Results [Profit before tax and interest]				
	a) Freight Rail Systems	9,719.63	8,527.69	3,581.14	23,570.92
	b) Passenger Rail Systems	638.07	1,001.35	253.26	2,198.14
	Total	10,357.70	9,529.04	3,834.40	25,769.06
	(Add) / Less :				
	i Interest Expense / (Income) - Net	1,074.93	1,427.75	774.30	4,572.41
	ii Unallocable expenditure net of income	277.68	584.14	146.89	691.89
	Profit before Exceptional Items and Tax	9,005.09	7,517.15	2,913.21	20,504.76
	Exceptional Item	-	-	-	4,627.55
	Profit before Tax	9,005.09	7,517.15	2,913.21	15,877.21
	Less: Tax Expenses	2,247.90	2,216.41	611.51	5,540.57
	Total Profit after Tax	6,757.19	5,300.74	2,301.70	10,336.64
3	Segment Assets				
	a) Freight Rail Systems	126,922.62	117,946.12	104,343.80	117,946.12
	b) Passenger Rail Systems	70,400.04	61,807.28	53,403.17	61,807.28
	c) Unallocable	46,883.02	44,983.18	36,405.60	44,983.18
	Total	244,205.68	224,736.58	194,152.57	224,736.58
4	Segment Liabilities				
	a) Freight Rail Systems	55,324.46	63,270.39	45,811.30	63,270.39
	b) Passenger Rail Systems	33,910.88	36,407.46	30,388.25	36,407.46
	c) Unallocable	51,818.27	28,766.50	28,821.03	28,766.50
	Total	141,053.61	128,444.35	105,020.58	128,444.35
5	Geographical Segment				
	a) India	91,075.87	97,140.75	43,370.62	277,749.57
	b) Rest of the World	-	280.80	-	303.33
	Total	91,075.87	97,421.55	43,370.62	278,052.90



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

- Notes:**
- 1 The Operating segment based on the Company's products has been identified as "Freight Rail Systems" (which includes shipbuiding, bridges and defence) and "Passenger Rail Systems".
 - 2 Pursuant to approval by the Board of Directors and the Shareholders of the Company in their meetings held on June 10, 2023 and on July 4, 2023 respectively, and in principle approval of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), on July 7, 2023, the Audit Committee as authorised by the Board of Directors, allotted 76,00,000 Equity Shares on Preferential basis to Smallcap World Fund Inc, a SEBI Registered FPI, at a price of Rs.380 per share (Face Value: Rs. 2 each fully paid up) including premium of Rs.378 per share. The Company has received listing approval from BSE and NSE on July 19, 2023 and July 20, 2023 respectively and is in process of obtaining trading approval. These allotted equity shares shall be under lock in for six months from the date of trading approval as per existing regulations.
 - 3 The results for the quarter ended June 30, 2022 has been restated taking into consideration the impact of the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT), Kolkata vide its order dated October 26, 2022 of Titagarh Bridges and International Private Limited (TBIPL) - a wholly owned subsidiary with the Company with April 01, 2021 as the Appointed Date.
 - 4 A Joint Venture Company named Ramkrishna Titagarh Rail Wheels Limited ("RTRWL") has been incorporated on June 09, 2023 having Titagarh Rail Systems Limited ("TRSL") and Ramkrishna Forgings Limited ("RKFL") as Joint Venturers. RTRWL will be engaged in manufacturing and supply of forged wheels under long term agreement under Aatma Nirbhar Bharat. RTRWL has not yet commenced operations as at June 30, 2023. No investment has been made by TRSL in RTRWL till June 30, 2023.
 - 5 (i) Exceptional Items for the year ended March 31, 2023 Includes:
 - a. an amount of Rs. 4,972.82 lacs being the impairment loss of investment in TFA based on the valuation report obtained from an independent valuer. The residual value of investment in TFA as on March 31, 2023 is Rs 1,272.63 lacs.
 - b. an amount of Rs. 345.27 lacs being the claim partially awarded in favour of the Company by the Commercial Court of Paris with respect to its claim relating to its erstwhile subsidiary Titagarh Wagons AFR, France (under liquidation).
 - 6 The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2023 and the published year to date figures upto December 31, 2022.
 - 7 The above standalone financial results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 21, 2023 and July 22, 2023 respectively.



For and on behalf of the Board of Directors

UMESH CHOWDHARY
Vice-Chairman & Managing Director

Place: Kolkata
Dated : July 22, 2023