



31st May, 2019

1. National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051
Scrip Code: TWL(EQ)

2. Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
Scrip Code: 532966

Re: Press Release

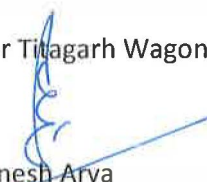
Dear Sirs,

Please find attached the press release titled "*Titagarh announces financial results for FYE 31/03/2019*" which is self explanatory.

Please take this on record.

Thanking You,
Yours faithfully,

For Titagarh Wagons Limited


Dinesh Arya
Company Secretary

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

Registered & Corporate Office: Titagarh Towers, 756 Anandapur, E. M. Bypass, Kolkata - 700 107, India
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TITAGARH WAGONS LIMITED

PRESS RELEASE

Titagarh announces financial results for FYE 31/03/2019

Highlights

- 1) Titagarh Wagons Limited (TWL), on a standalone basis, has improved its overall performance with sales from Rs. 316.52 Crores in FY1718 to Rs. 910.11 Crores in FY1819; EBIDTA from Rs.20.50 Crores in FY1718 to Rs. 75.83 Crores in FY1819 and PBT (before exceptional items) from Rs. -1.22 Crores in FY1718 to Rs. 39.59 Crores in FY1819. This is the highest standalone revenue of Titagarh wagons Limited ever.
- 2) The order book of TWL on standalone basis stood at Rs. 2200 Crores today as against Rs. 800 crores on the same date last year.
- 3) Cimmco Limited (Cimmco), the Indian subsidiary of TWL, has increased its sales to Rs. 257.18 Crores in FY1819 as against Rs. 136.62 crores in FY1718 and EBIDTA to Rs. 26.53 crores in FY1819 from Rs. 2.94 crores in FY1718. The order book of Cimmco stood at Rs. 500 crores as against Rs. 400 crores at the same date last year.
- 4) In order to drive better operational and synergies and efficiencies, the board of TWL and its subsidiary Cimmco have approved a draft scheme (the Scheme) for merger of the two companies subject to such approvals as may be necessary including the SEBI/ Stock Exchanges and sanction by the Hon'ble National Company Law Tribunal. Cimmco plant at Bharatpur will be primarily used as a centre of excellence for production of tank wagons like wagons for petroleum, gas etc. and also specialised equipment for the Ministry of Defence and DRDO. The Bharatpur plant has recently successfully executed projects for the DRDO and also for the Nuclear Power Corporation of India limited. The Scheme provides for issue of 13 equity shares of Rs. 2/- each fully paid up of TWL for every 24 equity shares of Rs. 10/- each fully paid up held by the Shareholders of Cimmco. Due to this merger, the overall equity capital of TWL will increase by Rs. 0.61 crore.
- 5) During the year, apart from the conventional wagons, where the Company continued to maintain its leadership position having bagged an order for 5058 wagons out of 11790 wagons order finalised by the Indian railways, TWL has also successfully launched 3 ships for the Indian Navy and National Institute of Ocean Technology. The Company has also received development orders for train propulsion and electrical from Indian Railways thanks to the credentials and technology of its Italian subsidiary, Titagarh Firema S.p.A.
- 6) The total order book of Titagarh and Cimmco combined was at Rs 2700 crores, long term debt stood at Rs. 94 crores and short term working capital (net of cash and cash equivalent) stood at Rs. 130 crores.

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7) In view of the growing wagon business and ship building prospects, the Board has decided to acquire by way of merger of Titagarh Enterprises Limited (TEL), the balance part of the factory area of its main plant at Titagarh thereby increasing the land area from 25.77 acres to 61.26 acres. TWL proposes to issue 11 equity shares of Rs. 2 each fully paid up against 13 equity shares of Rs. 10/- each fully paid up held by the shareholders of TEL. Due to this merger, the overall equity capital of TWL will increase by Rs 3.52 crores.

8) TWL's board has also recommended merger of its wholly owned subsidiary, Titagarh Capital Private Limited into TWL to simplify the corporate structure. There will be no equity dilution due to this merger.

9) In respect of overseas subsidiaries, the French subsidiary of Titagarh, Titagarh Wagons AFR (TWA) continued to face several financial and operational problems during the year resulting in a revenue of Euro 21.28 million as against Euro 39.53 million last year and loss before tax (before exceptional items) of Euro 5.58 million as against a loss of Euro 5.84 million last year. The exceptional losses for the year were Euro 3.30 million bringing the total loss before tax of Euro 8.88 million as against Euro 5.84 million in the last year. TWA has undertaken several restructuring steps including change of the top management including the CEO in January 2019 and implemented several cost cutting and business improvement measures. The benefits of these will start showing from Q3 of FY20 onwards subject to the successful completion of restructuring plan which is undergoing in the French unit which includes financial and other support from various stakeholders of TWA including the regional government, the French State, etc. While the indications of the support from all the stakeholders have been positive, the final outcome will be clear in 8-12 weeks from now. As a matter of prudence and precaution, the Board of TWL has decided to provide for impairment of 100% value of investment in the French subsidiary amounting to Euro 12 million. However, considering the past performance of TWA when it had a revenue of Euro 49 million, 48 million and 38 million in 2015, 2016, 2017 respectively and EBIDTA of Euro 4.4 mln, 4.7 mln, and 2.3 mln respectively in 2015, 2016 and 2017 coupled with a buoyant market with healthy order book/commitment of Euro 50 million, added with a support from the main customers of TWA to finalise 3 year contracts booking almost full capacity of TWA, the management believes that TWA can be well revived if and once the restructuring package is approved and TWA is fully funded and restructured. The total debt of TWA guaranteed by TWL is Euro 3 million but it is secured by mortgage of land and building and for which the local municipality has given an offer to buy and lease it back to TWA for 4 million Euros thereby reducing the risk on this guarantee substantially.

10) In respect of Italian subsidiary, Titagarh Firema S.p.A. (TFA), the company has made some good progress in curtailing the large losses made last year and has reported a revenue of Euro 62 million against Euro 69.97 million last year with a positive EBIDTA (before exceptional items) of Euro 2.19 million against a loss of Euro 6.33 million last year. The PBT of TFA was Euro 2.4 million negative this year against Euro 12.58 million negative last year and the order book of TFA stood at around Euro 310 million against an order of Euro 100 million last year thanks to a framework contract signed with an important Italian customer to

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deliver 54 trains to the Catania (Sicily) railway system. TFA had also been able to optimise cost by consolidating the operations from 4 sites to 2 sites and is continuing to pursue consolidation and cost optimisation on one side, with participating in global tenders on the other side. TFA has excellent products and technology with the main site of production in Caserta being one of the largest train manufacturing sites in Europe. The company successfully executed all the legacy contracts acquired with the company most of them were under technical and commercial disputes for more than 10 years. TFA has already absorbed the losses from executing these contracts which it considers as a part of the cost of acquisition. The total debt of TFA stood at Euro 52.52 million with a cash and cash equivalents in the bank of Euro 11.49 million. The Italian subsidiary is not only active in the European market, but considering the huge thrust of the new government in infrastructure in India, will be a key strategic player to grow the Indian business as well.



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Financial Highlights

The financial highlights of the Company and its subsidiaries are as under:

Amount: INR in Crores

Company	Total Income*		EBIDTA*		PBT (before exceptional item)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Titagarh Wagons Limited (TWL)	932.21	338.56	75.83	20.50	39.55	(1.11)
Cimmco Limited (Cimmco)	273.92	136.61	26.53	2.94	1.04	(17.56)
Titagarh Firema SPA, Italy (TFA)	502.65	580.31	17.78	(47.75)	(12.24)	(94.83)
Titagarh Wagons AFR, France (TWA)	172.23	298.17	(28.59)	(24.80)	(45.12)	(44.06)
Others (net of inter-company eliminations)	(116.85)	(52.33)	(4.20)	(18.08)	(0.40)	(4.52)
Consolidated	1,764.14	1,301.32	87.36	(67.19)	(17.17)	(162.08)

*Includes Other Income.

- The consolidated total income for the year was Rs 1764.14 crores as compared to Rs 1,301.32 crores in the previous year (increased by 36% YoY).
- The consolidated EBIDTA has shown a substantial improvement for the year at Rs 87.36 crores as against negative EBIDTA of Rs 67.19 crores in the previous year.
- The consolidated PBT (before exceptional item) also has improved quite substantially for all the companies except TWA. Excluding the performance of TWA (due to reasons as explained in the detailed note below) the consolidated PBT has shown a substantial improvement from previous year i.e Rs 27.96 crores of PBT as against negative PBT of Rs 118.03 crores in the previous year.

Order Book

The order book of the Company including its subsidiaries stands at Rs 5500 crores as on date. The breakup of the order book across the various Companies is as under:

Amount: INR in crores

Company	Order Book position	
	As on date	Same date previous year
TWL	2,200	800
Cimmco	500	400
TFA	2,400	1100
TWA	400	320
Total	5,500*	2,620

*Highest ever consolidated order book in the history of the Company.

Dividend

The Board of directors of TWL recommended a dividend of Rs.0.30/- per share subject to approval of the shareholders.

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