


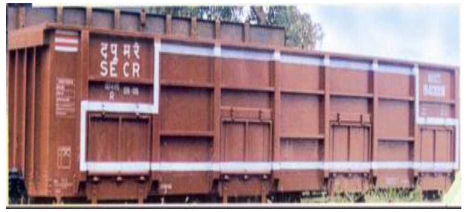

Titagarh Group of Companies

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Presentation Outline

1. **Introduction & Group Companies**
2. TWL: Discussion on Business Verticals
3. Cimmco Limited
4. Arbel Fauvet Rail
5. Shareholding & Financial Performance
6. Sustainable Growth Strategies

Introduction

- Largest wagon manufacturing group in India with a capacity to produce approx 10,000 per annum
- 4 manufacturing units in India and 1 in France
- Land area with the group : 282 acres in India and 42 acres in France
- Diverse revenue base : Passenger Coaches, Bailey Bridge, Heavy Earth Moving and Mining Equipment, Steel Casting

Vision and Mission

TWL aspires to be a leader in the manufacture of heavy engineering and a world class service provider for the railways and the infrastructure sector

Group Companies

Titagarh Group-Companies

Titagarh Wagons Limited

- Flagship Company
- Three production facilities near Kolkata, India
- Capable of producing all types of wagons for the Indian Railways including stainless steel wagons
- Diversifying in other areas of heavy engineering such as bridges, specialized equipments for defense, passenger coaches, metro coaches
- Listed entity : Market Cap of Rs. 800 crore (approx.)

Cimmco Limited

- Took over the company in 2010 from BIFR
- Successful revival within a short span of time in spite of the fact that it was shut for 10 years.
- Was one of the largest wagon manufacturing companies before operations being suspended
- Basic infrastructure available for further expansion
- Production unit in Bharatpur, Rajasthan
- Listed entity : Market Cap of Rs. 145 crore (approx.)

Arbel Fauvet Rail

- Wagon manufacturing company in France
- Facilitated entry into international market
- Very strong Research & Development team
- Enhance design capabilities in India
- Facilitates introduction of newer wagons in India, primarily to cater to the demand in growing private sector

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Discussion on Business Verticals

Titagarh Wagons Limited-Business Verticals

Wagons	Passenger Coaches	Steel Castings	Heavy Earth Moving and Mining Equipments	Special Projects
❑ All types of wagons including stainless steel and special purpose wagons	❑ Electric Multiple Unit ❑ Metro Coaches ❑ Other Coaches (DEMU and MEMU)	❑ Bogies ❑ Couplers ❑ Crossing	❑ Crawler Crane ❑ Hydraulic Excavators	❑ Bailey Bridge ❑ NBC Shelter ❑ Hydro mechanical equipments

TWL: Wagons Business: Overview

- Capacity to produce 5,000 wagons per annum
- Many "first time" products developed by us in India- Bottom Discharge Coal Wagons for Power Houses and Bulk Cement Carrying Wagons
- IR (Indian Railways) wagons business ~ 65% of the total revenues
- Execution risks hardly any; stable margins
- Non-performance by other wagon manufacturers has benefitted TWL by way of quantity diversion; reason for IR lower procurement than tendered quantity
- Got orders from IR for 2,699 wagons in Jan 2012; 25% higher than original quota of last year despite not being L1/L2/L3; signifies strong performance over the last 5 years
- Major head start over competition for next leg of growth in non-IR business; design, customer tie-ups, etc in place to leverage demand in SFTO, Wagon Leasing Scheme
- Export of wagons to South-East Asia and Africa to pick up

TWL: Wagons Business: Overview (cont.)

Existing Fleet of IR: 220,000 wagons

Replacement Demand

Estimated life of wagon = 25 years. Thus 4% of the existing fleet would be the minimum replacement demand

Replacement demand = 8,800 wagons

Growth Demand

Estimated GDP growth rate of India = 8%

Multiplier Effect = 1.0 times

Growth demand= 17,600 wagons

Total estimated demand = **26,400 wagons**

TWL: Passenger Coach Business: Overview

- Started the division in the year 2007
- Supplied the first rake of EMU in the year 2008
- The only Indian Company in the Private Sector to have manufactured and supplied Coaches to Indian Railways
- Extending its reach to other passenger coaches like DEMU, MEMU being used for inter-city and intra-city traffic
- As per the Vision 2020 document, IR would require 50,880 coaches from 2009 to 2020
- Participated in a number of tenders for coaches; in advance stage of getting orders for 12 rakes of MEMU and 10 rakes of EMU
- Foraying into the Loco production as the next phase of diversification
- Foraying into the Metro Coaches in partnership with world reputed producers

TWL: Steel Casting Business: Overview

- Primarily catering to the inhouse requirement for wagon business and HEMM Business.
- Operates **two** full-fledged Class-A foundries, both certified by ISO:9001 certification
- Capable of producing up to 30,000 MT of liquid metal annually
- In-House R&D facilities are recognized by the Ministry of Science & Technology, Govt. of India
- Largest installed capacity of Casnub bogies in India
- With the increased focus on the HEMM segment, additional demand for casting for HEMM business will come.
- Huge shortage of castings in Europe

TWL: HEMM Business: Overview

- TWL Group acquired this division in 2005 from Hyderabad Industries Limited

- Manufacturer of wide range of HEMM equipment
  - Crawler Mounted Cranes up to 100 tons capacity under technical assistance from Marion, USA
  - Hydraulic Excavators from 2.5 cbm to 14 cbm capacity for mining sector under technical assistance from DEMAG of Germany

- Main Customers: Coal India, SAIL, Nuclear Power Corporation of India, National Mineral Development Corporation, etc

- Increase its Product portfolio to target bigger share in the market

- Increase revenue from complete package of product sale plus service

TWL: Special Projects Business: Overview

- Developed and supplied specialized wagons for Indian Defense needs
- Industry Partner to DRDO - development of new specialized equipments for Indian Defense such as NBC Shelter
- Leading manufacturer of Bailey Bridges in India having supplied more than 250 bridges
- Partnering with world leaders for foraying into long structural steel bridges
- The huge expansion of railway network would lead to major demand for bridges across rivers and small water bodies. In addition, there are enough tender from the Defense.
- Market for bridges is very bright in country like Myanmar where TWL has executed a number of orders
- Catering to growing needs of Nuclear Power sector

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Cimmco Ltd.

- TWL has joined hands as co-promoters for revival of Cimmco Ltd. in 2010
- Successfully turned around the company in a period of 9 months
- TWL has an option to increase its stake in Cimmco by conversion of debentures into shares at a pre-determined price on or before March 2014
- Use the existing capabilities to build equipments for cement, coal and other plants
- Designing, Engineering, Manufacturing & Installation of Equipment for Water flow control and Hydropower generation plants
- Build a portfolio of products to target the Hydro Mechanical Division
- Making healthy profits; reducing its debt through internal accruals
- Enjoys interest subsidy from the Government of Rajasthan @ 5% for 7 years starting from April 2011

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Arbel Fauvet Rail

- First ever overseas acquisition by an Indian wagon manufacturing company in the same industry in July 2010
- Paid an amount of only €1.92 million for the entire assets without any liability; book value of assets was € 60 million
- Capacity to produce 2000 wagons per annum
- Plant located on an area of 17 hectares with a covered space of 70000 sq. metre.
- Specializes in the design, construction and marketing of all types of railroad cars and goods trucks; patented design for wagons and bogies- some of them only in the world
- Turned around the company in a year; revenue of € 17.5 million & profit of € 0.5 million
- Support from French Government: received/allocated € 3 million as subsidy and interest free loan.
- Existing order book € 65 million; mostly replacement demand

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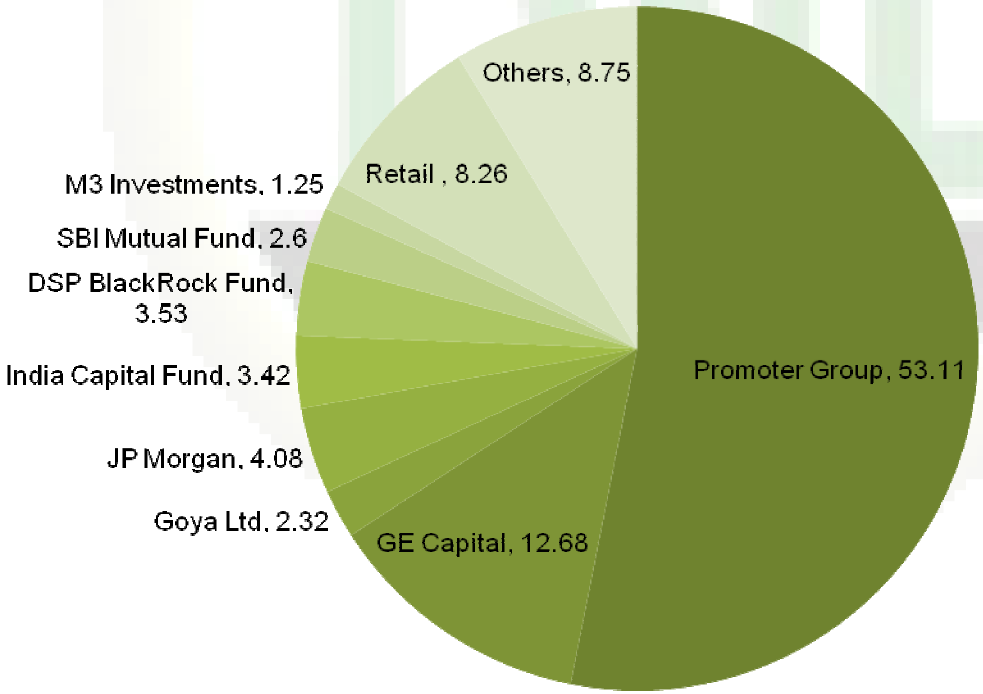
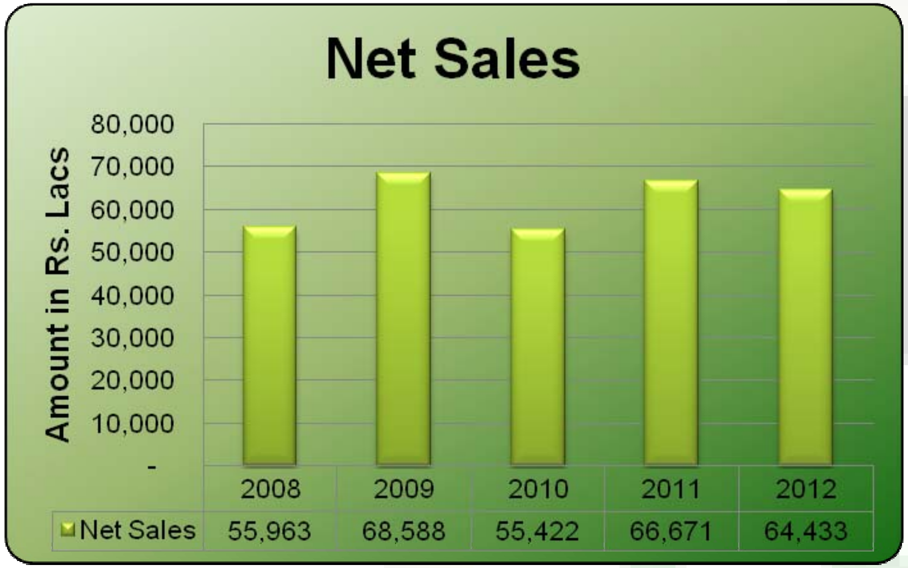
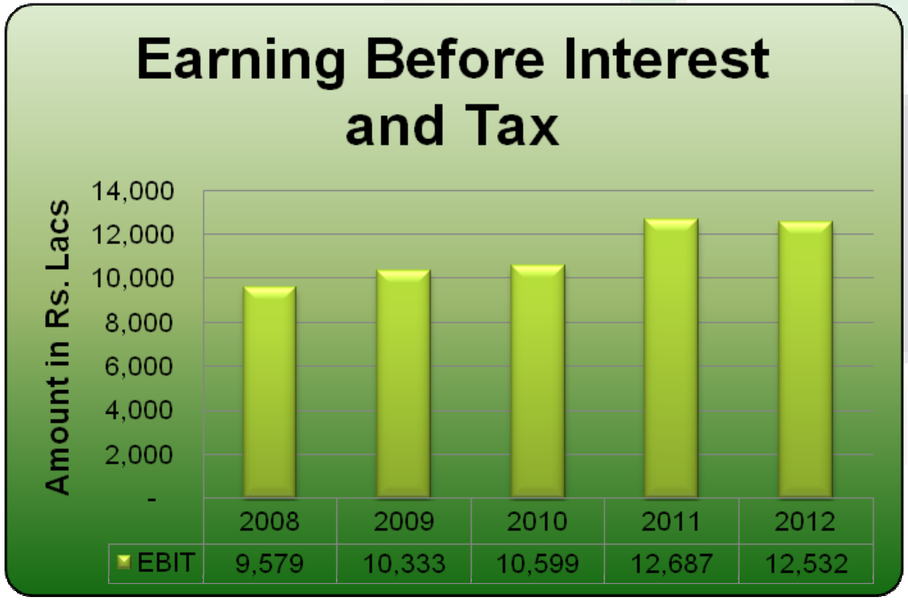
Strong Institutional Investors

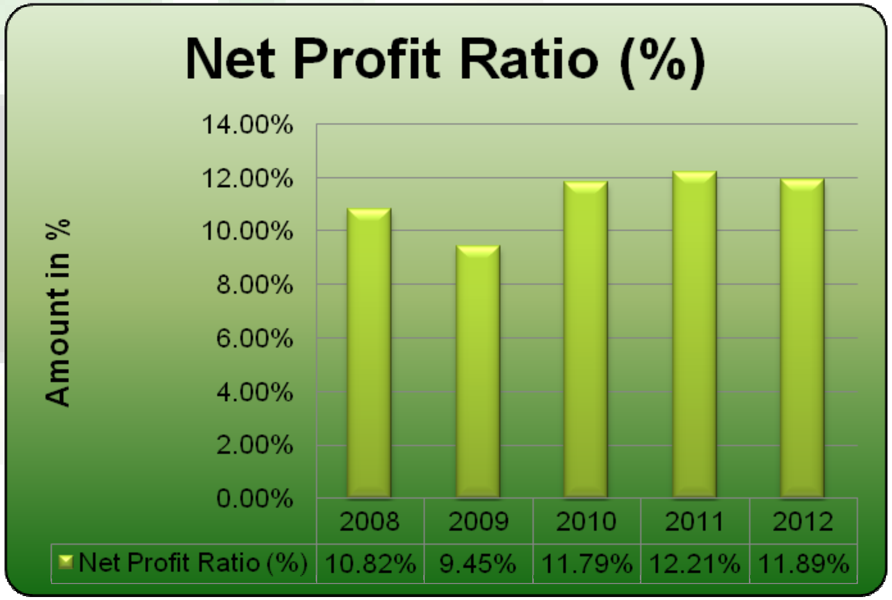
- Strong investment by Institutional investors including GE Capital, JP Morgan, etc, part of which was done through pre-placement
- Institutional investors enable strong monitoring of the company
- Enables strong corporate governance
- Consistent track record and high growth potential have attracted reputed institutional and private investors



Financial Performance







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Strategies for Sustainability

- Focus to increase revenue from non-IR segment enhancing profitability
- No long term debt on the books of the company
- Inorganic growth has been funded through internal accruals without taking much debt
- Receivables are well managed with significant realization before the due dates
- Improvement in dividend payout expected to be maintained

TWL: Looking forward

- Ventured into new line of business: Shipbuilding
- Subsidiary of TWL: Titagarh Marine Limited
- Nature of industry similar to wagons; steel fabrication
- Products to make: Boats, barges, bunkers, tugs, etc
- Would also provide services like maintenance, etc to customers

Thank You