

TITAGARH WAGONS LIMITED
39, SHAKESPEARE SARANI, KOLKATA - 700 017
AUDITED FINANCIAL RESULTS FOR YEAR ENDED MARCH 31, 2011

(Rs.in Lacs)

SL.	PARTICULARS	STANDALONE		CONSOLIDATED	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Audited	Audited	Audited	Audited
1	a) Gross Sales/Income from Operations	68,590.16	57,172.53	74,451.13	57,172.53
	Less: Excise Duty & Cess	1,919.38	1,750.21	2,009.96	1,750.21
	Net Sales/ Income from Operations	66,670.78	55,422.32	72,441.17	55,422.32
	b) Other Operating Income	516.99	954.64	898.70	955.06
	Sub-total (a to b)	67,187.77	56,376.96	73,339.87	56,377.38
2	Expenditure	(637.76)	865.00	(3,658.75)	865.00
	a) (Increase)/ Decrease in stock in trade and Work in progress	39,431.64	32,956.86	43,881.22	32,956.86
	b) Consumption of Raw Materials, Components, etc.	2,740.69	2,069.90	3,152.07	2,069.90
	c) Power and Fuel	7,384.48	5,967.59	8,273.12	5,967.59
	d) Other Manufacturing Expenses	1,850.77	1,558.13	3,765.66	1,611.73
	e) Employees Cost	576.92	443.58	831.01	452.82
	f) Depreciation	4,536.49	3,420.17	5,811.15	3,593.99
	Other Expenditure	55,883.23	47,281.23	62,055.48	47,517.89
	Sub-total (a to f)				
3	Profit from Operations before Other Income, Interest, Exceptional, Extraordinary Items & Taxes (1-2)	11,304.54	9,095.73	11,284.39	8,859.49
4	Other Income	4.25	99.33	4.25	15.13
5	Profit before Interest, Exceptional, Extraordinary Items & Taxes (3-4)	11,308.79	9,195.06	11,288.64	8,874.62
6	Interest Income (Net)	(952.36)	(688.66)	(399.50)	(488.99)
7	Profit before Exceptional, Extraordinary Items & Taxes (5-6)	12,261.15	9,883.72	11,688.14	9,363.61
8	Exceptional Items			317.98	
9	Profit before Extraordinary Items & Taxes (7-8)	12,261.15	9,883.72	11,370.16	9,363.61
10	Tax Expenses	4,189.29	3,003.00	4,190.35	3,003.00
	a) Current Tax (including Wealth Tax)	(35.68)	20.54	(35.68)	20.54
	b) For Earlier Years	(31.88)	323.13	(232.98)	323.13
	c) Deferred Tax Charge/(Credit)	8,139.42	6,537.05	7,448.47	6,016.94
11	Net Profit before Extraordinary Items (9-10)			(194.85)	
12	Extraordinary Items (Net of Taxes)	8,139.42	6,537.05	7,253.62	6,016.94
13	Net Profit for the Period (11-12)			124.15	1.30
14	Share of Minority Interest	8,139.42	6,537.05	7,129.47	6,018.24
15	Profit after Minority Interest (13-14)	1,880.91	1,880.91	1,880.91	1,880.91
16	Paid up equity share capital (Face value Rs. 10/- each)	49,197.49	42,806.90	47,637.78	42,316.50
17	Reserves excluding Revaluation Reserves				
18	Earning Per Share (EPS) (Not Annualised)	43.27	34.75	38.94	32.00
	Basic EPS before Extraordinary Items (Rs)	42.88	34.75	38.58	32.00
	Diluted EPS before Extraordinary Items (Rs)	43.27	34.75	37.90	32.00
	Basic EPS after Extraordinary Items (Rs)	42.88	34.75	37.56	32.00
	Diluted EPS after Extraordinary Items (Rs)				
19	Public Shareholdings	9,406,362	9,583,740	9,406,362	9,583,740
	- Number of Shares	50.01%	50.95%	50.01%	50.95%
	- Percentage of Shareholding				
20	Promoters and Promoter Group Shareholding				
	a) Pledged/ Encumbered	NIL	NIL	NIL	NIL
	- Number of Shares				
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	N.A	N.A	N.A	N.A
	- Percentage of Shares (as a % of the total share capital of the Company)	N.A	N.A	N.A	N.A
	b) Non-Encumbered	9,402,738	9,225,329	9,402,738	9,225,329
	- Number of Shares				
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	49.99%	49.05%	49.99%	49.05%

TITAGARH WAGONS LIMITED
39, SHAKESPEARE SARANI, KOLKATA - 700 017
SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs.in Lacs)

SL.	PARTICULARS	STANDALONE		CONSOLIDATED	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Audited		Audited	
1	Segment Revenue (Net of Excise Duty)	61,173.31	50,546.60	66,944.10	49,804.89
	a) Wagons & Coaches	1,413.30	2,595.46	1,413.30	2,595.46
	b) HEMM	12,045.25	11,296.54	12,045.25	11,296.54
	c) Steel Castings	1,831.73	742.74	1,831.33	1,484.45
	d) Others	76,463.59	65,181.34	82,233.98	65,181.34
	Total	9,792.81	9,759.02	9,792.81	9,759.02
	Less: Inter Segment Revenue	66,670.78	55,422.32	72,441.17	55,422.32
	Net Sales/ Income from Operations				
2	Segment Results	12,553.55	8,952.08	12,007.01	9,025.90
	a) Wagons & Coaches	139.18	177.14	139.18	177.14
	b) HEMM	1,278.57	1,148.40	1,278.57	1,148.40
	c) Steel Castings	474.42	305.00	474.42	231.18
	d) Others	14,445.72	10,582.62	13,899.18	10,582.62
	Total	(952.36)	(688.66)	(399.50)	(489.00)
	Less :				
	i Interest (net)	3,136.93	1,387.56	2,928.52	1,708.01
	ii Unallocable expenditure net of income	12,261.15	9,883.72	11,370.16	9,363.61
	Total Profit before tax				
3	Capital Employed	20,964.80	15,448.93	32,082.99	12,031.35
	a) Wagons & Coaches	1,242.51	1,206.67	1,242.51	1,206.67
	b) HEMM	6,634.69	8,508.43	6,634.69	8,407.66
	c) Steel Castings	835.65	1,649.18	835.65	4,751.29
	d) Others	23,601.90	19,039.33	16,844.02	18,965.16
	e) Unallocated	53,279.55	45,852.54	57,639.86	45,362.13
	Total				

TITAGARH WAGONS LIMITED
39, SHAKESPEARE SARANI, KOLKATA - 700 017
STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

SL.	PARTICULARS	STANDALONE		CONSOLIDATED	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Audited		Audited	
	Shareholder's Funds	1,880.91	1,880.91	1,880.91	1,880.91
	a) Share Capital	1,209.38	-	1,209.38	-
	b) Advance towards Equity Warrants	50,189.26	43,971.63	54,549.57	43,481.22
	b) Reserves & Surplus	-	-	1,936.41	58.03
	Minority interest	-	-	-	-
	Loan Funds	7,137.78	7,368.16	13,301.12	15,726.35
	a) Secured Loans	56.65	63.43	109.82	76.25
	b) Unsecured Loans	-	12.35	-	-
	Deferred Tax Liability (net)	-	-	-	-
	Total	60,473.98	53,296.48	72,987.21	61,222.76
	Fixed Assets (including Capital Work in Progress and Goodwill on Consolidation)	10,717.86	10,884.15	25,705.45	14,591.53
	Investments	7,441.24	4,916.28	255.25	594.89
	Deferred Tax Assets (net)	19.53	-	451.92	218.93
	Current Assets, Loans & Advances	16,709.17	18,959.13	24,851.31	22,796.73
	a) Inventories	12,066.44	9,548.96	14,377.04	9,671.06
	b) Sundry Debtors	9,575.98	10,604.92	12,775.15	11,509.59
	c) Cash & Bank Balances	1,431.77	854.06	831.27	632.04
	d) Other Current Assets	17,987.33	13,867.17	15,150.59	18,422.55
	e) Loans & Advances	57,770.69	53,834.24	67,985.36	63,031.97
	Sub Total	10,987.30	13,496.83	16,916.79	14,367.56
	Less: Current Liabilities & Provisions	4,488.04	2,841.36	4,493.98	2,847.00
	a) Current Liabilities	15,475.34	16,338.19	21,410.77	17,214.56
	b) Provisions	-	-	-	-
	Sub Total	42,295.35	37,496.05	46,574.59	45,817.41
	Net Current Assets	60,473.98	53,296.48	72,987.21	61,222.76
	Total	60,473.98	53,296.48	72,987.21	61,222.76

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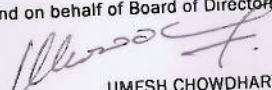
Notes:

- Figures for the previous years have been rearranged / regrouped wherever considered necessary to make them comparable.
- The Consolidated Financial Statement are prepared in accordance with the principles and procedures for the preparation and presentation of Consolidated Accounts as set out in the Accounting Standard (AS 21 and AS 27) notified by the by the Companies' Accounting Standards Rules, 2006, (as amended). The financial statements of the Company and its subsidiary have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profits/losses. The excess of the cost of investments over the proportionate value of interest in the subsidiaries has been recognised as "Goodwill". The Company's proportionate interests in the Joint Ventures are consolidated as separate line items in the financial statements along with the book values of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and unrealized profit and losses resulting from the transactions between the Company and the joint ventures.
- The consolidated financial results include results of subsidiaries- Titagarh Singapore Pte Limited (TSPL), Flourish Securities & Finance Private Limited, Titagarh Wagons AFR (AFR) and Greysham and Co. Private Limited (a subsidiary by virtue of the Company's control over the composition of its board of directors) as well as Joint Venture Entities - Cimco Equity Holdings Private Limited (CEHPL) and Titagarh FreightCar Private Limited (TFPL) (collectively referred as "The Group"). Out of the above, the results of AFR are based on unaudited financial statements, subjected to limited review by its auditors, while the results of TSPL and TFPL are based on unaudited financial statements as certified by the management.
- Business segments based on the Group's products have been identified as "Wagons & Coaches", "Heavy Earth Moving & Mining Equipments (HEMM)", "Steel Castings" and "Others". Segment "Others" consists of miscellaneous business comprising of less than 10% of total revenue.

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Notes:

- 5 The Auditors in their Audit Report for the year ended March 31, 2010, had drawn attention to the following, whose impact if any, on the Group's profit was not ascertainable:
 - a. Loans and advances aggregating to Rs. 11,103.91 lacs as at March 31, 2010 given by the Group to the subsidiary of a joint venture Company for the purpose of acquiring certain financial assets like leased wagons, debts/loans and investments in a sick company, rehabilitation of which pursuant to sanctioned scheme of Board for Industrial and Financial Reconstruction (BIFR) was under implementation.
The net worth of the said company has since turned positive and BIFR has also de-registered the company from its purview based on progress of rehabilitation scheme. Since the said company has started operations and has also started making profits, the above amounts are considered good of recovery by the management.
Further, since the revival plan of the said company is under implementation, the statutory auditors have drawn attention to the above matter for Rs 7,019.11 lacs in their audit report for the year ended March 31, 2011.
 - b. Based on the latest audited financial statements as at June 30, 2009 of Titagarh Papers Ltd., there is a diminution in the value of investments to the extent of Rs. 329.03 Lacs. However, considering the strategic nature of these investments and also because the current realisable value of the assets held by the aforesaid company is likely to be significantly higher than the book value, no provision towards such diminution in the value of investments is considered necessary.
As a matter of prudent accounting policy, the management has however, made provision for the above diminution in the value of investment during the year.
 - c. Debts amounting to Rs. 746.57 lacs as at March 31, 2010 recoverable from a customer had not been realised since earlier years.
The Company has recovered Rs 475.00 lacs from the above customer during the year and has further received Rs 40.00 lacs after March 31, 2011. The Customer has confirmed the balance of Rs. 231.57 Lacs, which has been considered good of recovery. Further, the auditors had also drawn attention to the related pending terminal excise duty claim of Rs. 195.34 lacs from Director General of Foreign Trade, a claim of which has now been filed by the Company as a result of the above recovery from the party and the Company expects to recover this claim very shortly.
 - d. Non recognition of income from sublease of wagons, relating to secondary lease period, pending renewal of the sub lease agreement with the Indian Railways.
The Company is following up the matter with Indian Railways.
Since the above sublease agreement is still pending renewal, the statutory auditors have drawn attention to the above matter in their audit report for the year ended March 31, 2011.
- 6 The Auditors in their Audit Report for the year ended March 31, 2010 had commented upon the non provisioning of possible loss by Cimmco Limited "Cimmco" (subsidiary of CEHPL) arising from auction proceedings of Inventory initiated by customs authorities. Pending further development, the statutory auditors have also drawn attention to the above matter in their audit report for the year ended March 31, 2011. The management expects to recover the carrying value of these inventories.
- 7 a. The Auditors in their Audit Report for the year ended March 31, 2011 have commented upon the recoverability of proportionate share in debts and advances amounting to Rs 794.21 lacs and non reconciliation/pending confirmation of account of Cimmco with Asset Reconstruction Company (India) Limited, the impact whereof on the profits of the Group is not presently ascertainable. The management is taking necessary steps to recover these balances/reconcile the account.
- b. Further, the Auditors in their Audit Report for the year ended March 31, 2011 have also drawn attention to proportionate share in loans and advances of Rs. 2,524.68 lacs. The management is taking necessary steps to recover these balances.
- 8 During the year, the Company has set up Titagarh Wagons AFR (formerly, La Compagnie AFR Titagarh), a 90% subsidiary in France which has taken over the wagon manufacturing facility of another Company in France.
- 9 During the year, the Company has implemented a new ERP system which required a change in the method of valuation of raw materials & components and stores & spares parts inventories from "First in First out" to weighted average basis. Further, the management also believes that such change in the method of valuation of inventories will result in a more appropriate presentation of these inventories and will give a systematic basis of charge for raw materials & components and stores & spares parts consumption and would be more representative of the time pattern in which the economic benefits will be derived from the use of such inventories. Had the Company continued to use the earlier basis of valuation, the charge to profit & loss account for the quarter and year ended March 31, 2011 would have been lower by Rs 33.45 lacs (approximately) and higher by Rs 18.99 lacs (approximately) respectively.
- 10 During the year, the Company has issued 1,250,000 convertible equity warrants to its promoter group on preferential basis at a resultant price of Rs 387 each per share (Face value - Rs 10/- each) and has received a sum of Rs. 1209.38 Lacs as advance payment thereagainst. The warrants are convertible into one equity share at the option of warrant holders within 18 months from the date of allotment of the warrants subject to receipt of full consideration.
- 11 The management, based on confirmed sales orders, believes that it will earn sufficient taxable profits in the future to set-off proportionate share in the deferred tax asset recognised as at March 31, 2011 arising on timing differences due to unabsorbed depreciation, carry-forward business losses and other timing differences, which is in compliance with the requirements of Accounting Standard 22 "Accounting for Taxes on Income".
- 12 The Board of Directors have recommended dividend of Rs. 8/- per share for the financial year 2010-11 subject to approval of the shareholders.
- 13 The position of investor complaints pursuant to clause 41 of the Listing Agreement pertaining to the Quarter is, Opening: NIL, Received and resolved during the Quarter: 22 and outstanding at the end of the Quarter: NIL.
- 14 The above financial results for the year ended March 31, 2011 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 24, 2011.

For and on behalf of Board of Directors

UMESH CHOWDHARY
Vice Chairman & Managing Director

Place: Kolkata
Date: May 24, 2011

