

TITAGARH SINGAPORE
PTE. LIMITED
Registration Number: 200816406G
(Incorporated in Singapore)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

TITAGARH SINGAPORE PTE. LIMITED

(Registration Number: 200816406G)

(Incorporated in Singapore)

SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

Contents	Page
Directors' Statement	1 - 2
Independent Auditor's Report	3 - 6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 35

TITAGARH SINGAPORE PTE. LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

The directors are pleased to present their statement to the member together with the audited separate financial statements of Titagarh Singapore Pte. Limited. (the "Company") for the financial year ended 31 March 2021.

1. Opinion of the directors

In the opinion of the directors,

- (a) the separate financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are as follows:

Rita Bhalotia
Agarwal Anil Kumar

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

TITAGARH SINGAPORE PTE. LIMITED

DIRECTORS' STATEMENT

For the financial year ended 31 March 2021

4. Directors' interests in shares and debentures (continued)

Name of directors	No. of ordinary shares			
	Holdings registered in the name of directors		Holdings in which directors are deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
Ultimate Holding Company - Titagarh Wagons Limited Agarwal Anil Kumar	56,000	70,000	56,000	70,000

5. Share options

There were no share options granted during the financial year to subscribe for the unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. Auditor

Bestar Assurance PAC have expressed their willingness to accept re-appointment as auditor.

Rita Bhalotia

Rita Bhalotia
Director

Anil Kumar

Agarwal Anil Kumar
Director

29 NOV 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TITAGARH SINGAPORE PTE. LIMITED.

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Titagarh Singapore Pte. Limited (the "Company"), which comprise the separate statement of financial position as at 31 March 2021, the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and separate statement of cash flows for the financial year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Continued.....

23 New Industrial Road, #04-08, Solstice Business Center, Singapore 536209
Tel: +65 6299 4730
Fax: +65 6631 8594

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TITAGARH SINGAPORE PTE. LIMITED.

(continued)

Responsibilities of Management and Directors for the Separate Financial Statements

Management is responsible for the preparation of separate financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Continued.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TITAGARH SINGAPORE PTE. LIMITED.

(continued)

Auditor's Responsibilities for the Audit of the Separate Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Continued.....

23 New Industrial Road, #04-08, Solstice Business Center, Singapore 536209
Tel: +65 6299 4730
Fax: +65 6631 8594

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
TITAGARH SINGAPORE PTE. LIMITED.**
(continued)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Bestar Assurance PAC
Public Accountants and
Chartered Accountants
Singapore

29 NOV 2021

TITAGARH SINGAPORE PTE. LIMITED.**SEPARATE STATEMENT OF FINANCIAL POSITION***As at 31 March 2021*

	Note	<u>2021</u> Euro	<u>2020</u> Euro
ASSETS			
Non-current assets			
Investment in associate company	4	2,585,130	3,730,812
Other receivables and prepayments	5	-	-
Total non-current assets		<u>2,585,130</u>	<u>3,730,812</u>
Current assets			
Other receivables and prepayments	5	164,019	85,689
Cash and cash equivalents	6	58,694	1,816,011
Total current assets		<u>222,713</u>	<u>1,901,700</u>
Total assets		<u>2,807,843</u>	<u>5,632,512</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	895,771	17,915,420
Accumulated losses		(1,612,972)	(17,372,940)
Total equity		<u>(717,201)</u>	<u>542,480</u>
Current liabilities			
Other payables	8	25,044	90,032
Borrowings	9	1,500,000	3,000,000
Provisions	10	2,000,000	2,000,000
Total current liabilities		<u>3,525,044</u>	<u>5,090,032</u>
Total liabilities		<u>3,525,044</u>	<u>5,090,032</u>
Total equity and liabilities		<u>2,807,843</u>	<u>5,632,512</u>

TITAGARH SINGAPORE PTE. LIMITED.**SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the financial year ended 31 March 2021*

	Note	<u>2021</u> Euro	<u>2020</u> Euro
Revenue		-	-
Other income		-	-
Other gains / (losses)	11	6,036	(456,091)
Finance expense	12	(107,494)	(682,308)
Administrative and other operating expenses		(12,541)	(485,916)
Exceptional items		(1,145,682)	(5,739,188)
Loss before income tax	13	<u>(1,259,681)</u>	<u>(7,363,503)</u>
Income tax expense	14	-	-
Net loss for the financial year		<u>(1,259,681)</u>	<u>(7,363,503)</u>
Other comprehensive loss net of tax		-	-
Total comprehensive income for the financial year		<u><u>(1,259,681)</u></u>	<u><u>(7,363,503)</u></u>

TITAGARH SINGAPORE PTE. LIMITED.**SEPARATE STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2021*

	Share capital Euro	Fair value reserve Euro	Accumulated losses Euro	Total Euro
At 1 April 2019	17,915,420	(5,402,742)	(4,606,695)	7,905,983
Loss for the financial year	-	-	(7,363,503)	(7,363,503)
Other comprehensive loss	-	5,402,742	(5,402,742)	-
At 31 March 2020	<u>17,915,420</u>	<u>-</u>	<u>(17,372,940)</u>	<u>542,480</u>
Loss for the financial year	-	-	(1,259,681)	(1,259,681)
Capital reduction during the year	(17,019,649)	-	17,019,649	-
Transfer of fair value reserve	-	-	-	-
At 31 March 2021	<u>895,771</u>	<u>-</u>	<u>(1,612,972)</u>	<u>(717,201)</u>

TITAGARH SINGAPORE PTE. LIMITED.**SEPARATE STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2021*

	<u>2021</u>	<u>2020</u>
	Euro	Euro
Cash flows from operating activities		
Loss before income tax	(1,259,681)	(7,363,503)
Adjustments for:		
Fair value loss/(gains) on derivative financial instruments	-	456,670
Impairment loss on investment in associate	-	3,739,188
Provision for corporate guarantee	-	2,000,000
Diminution in the value of investment of associate	1,145,682	-
Finance expenses	107,494	682,308
Operating loss before changes in working capital	(6,505)	(485,337)
Changes in working capital:		
Other receivables and prepayment	(78,330)	840,007
Other payables	(64,988)	3,581
Cash used in operations	(149,823)	358,251
Interest received	-	-
Finance expenses paid	(107,494)	(682,308)
Income tax paid	-	-
Net cash (used in) / generated from operating activities	(257,317)	(324,057)
Cash flows from investing activities		
Disposal of investment in subsidiary	-	17,550,000
Discontinuation of financial instruments	-	(697,343)
Loans and advances to a holding company	-	(85,689)
Loans and advances to an associate	-	-
Repayment of loans and advances to/(by) a subsidiary	-	3,350,000
Net cash generated from investing activities	-	20,116,968
Cash flows from financing activities		
Repayment to a holding company	-	(315,051)
Proceeds from borrowings	-	3,000,000
Repayment of borrowings	(1,500,000)	(21,577,880)
Net cash used in financing activities	(1,500,000)	(18,892,931)
Net increase / (decrease) in cash and cash equivalents	(1,757,317)	899,980
Cash and cash equivalents at the beginning of the financial year	1,816,011	916,031
Cash and cash equivalents at the end of the financial year (Note 7)	58,694	1,816,011

TITAGARH SINGAPORE PTE. LIMITED.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

These notes form an integral part of and should be read in conjunction with the accompanying separate financial statements.

1. General

Titagarh Singapore Pte Limited (the “Company”) is incorporated and domiciled in Singapore with its registered office and principal place of business at 24 Sin Ming Lane, #05-104, Midview City, Singapore 573970.

The principal activities of the Company are those of business and management consultancy services and investment holdings. There have been no significant changes to the Company’s principal activities during the financial year.

On 8 December 2020, the shares of the Company held by Titagarh Wagons Limited were transferred to Titagarh Bridges and International Private Limited, a company incorporated in India. Therefore, with effect from that date, Titagarh Bridges and International Private Limited became the immediate holding company, while Titagarh Wagons Limited remained as the ultimate holding company of the Company.

The principal activities of its subsidiary and associate are set out in Notes 4 and 5.

The separate financial statements of the Company for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors as stated in Directors’ Statement.

2. Summary of significant accounting policies

(a) Basis of preparation

The separate financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

The separate financial statements of the Company are presented in Euro which is the Company’s functional currency and are prepared in accordance with the historical cost convention except as disclosed in the accounting policies.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year.

Exemption from preparing consolidated financial statements

The financial statements are the separate financial statements of the Company. The Company is exempted from the preparation of consolidated financial statements and from applying equity accounting to its investment in associate as the Company is a wholly-owned subsidiary of Titagarh Briges and International Private Limited, a company incorporated in India, which produces consolidated financial statements available for public use.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies

(a) Basis of preparation *(continued)*

The registered office of the immediate and ultimate holding company, Titagarh Bridges and International Private Limited and Titagarh Wagons Limited respectively, where those consolidated financial statements can be obtained, is as follows:

756, Anandapur
E M Bypass
Kolkata- 700107
India

Interpretations and amendments to published standards effective from 1 April 2019

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019. Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

FRS 116 Leases

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The Company has did not enter any lease agreement. Before the adoption of FRS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2 (m). Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2 (m). The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

2. Summary of significant accounting policies *(continued)*

(a) Basis of preparation *(continued)*

FRS 116 Leases *(continued)*

Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e the right of use of assets and lease liabilities equal the lease assets and liabilities recognised under FRS 17). The requirements of FRS 116 were applied to these leases from 1 January 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

(b) Investment in associate

Associates are entities over which the Company has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

As the Company meets the exemption criteria in FRS 28 Investment in Associates and Joint Venture, it does not apply equity method of accounting to its investment in the associated company and only presents the Company's separate financial statements.

Investment in an associated company is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of associated company, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

Impairment loss on investment in associate is charged to other comprehensive income.

(c) Investment in subsidiary

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary companies are carried at cost less accumulated impairment losses. On disposal of investments in subsidiary companies, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit and loss.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

(d) Exemption from consolidation

These financial statements are the separate financial statements of the Company. The Company is exempted from the preparation of consolidated financial statements as the Company's holding company, Titagarh Bridges and International Private Limited, a company incorporated in India, produces consolidated financial statements available for public use. The registered office of Titagarh Bridges and International Private Limited is at 756, Anandapur, E.M. Bypass, Kolkata 700107, India.

(e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is recognised as considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

As previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine that asset's recoverable amount since the last impairment loss was recognised amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal recognised in profit or loss.

(f) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies *(continued)*

(f) Financial assets

(i) Initial recognition and measurement *(continued)*

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

(ii) Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(iii) De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subjected to an insignificant risk of changes in value.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

(h) Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors’ ability to pay.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Share capital

Proceeds from the issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(j) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All the financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

(j) Financial liabilities (continued)

(ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise other payables.

(iii) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(k) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Interest income

Interest income is recognised on the time proportion basis using the effective interest method.

(l) Derivative financial instruments

Derivative financial instruments are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged. The company has not designated any of its derivatives as hedging instruments in the current or previous financial year.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies *(continued)*

(m) Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2 (d).

The Company's right-of-use assets are presented within plant and equipment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

(m) Leases

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office space that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

As lessee

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Contingent rents are recognised as an expense in profit or loss when incurred.

(n) Borrowings

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of significant accounting policies *(continued)*

(o) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the financial year end date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method or temporary differences at the financial year end date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each financial year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each financial year.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right to exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

3. Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Company's accounting policies

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Functional currency

FRS 21 The effects of Changes in Foreign Exchange Rates requires the company to determine its functional currency to prepare the financial statements. When determining its functional currency, the company considers the primary economic environment in which they operate i.e. the one in which it primarily generates and expends cash. The company may also consider the funds from financial and investing activities are generated. Management applied its judgement and determined that the functional currency of the company is the Euro on the basis that its funding and investing activities are denominated in Euro and it expects its transactions to be in Euro.

Impairment of investment in subsidiary and associated company

The company follows the guidance of FRS 109 in determining when an investment is impaired. The determination requires significant judgement. The company evaluates, among other factors, the financial health of the near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the performance of the subsidiary and associated company and / or market condition was to deteriorate which will affect the company's share of net assets of the investee company, impairment may be required.

3. Critical accounting judgement and key sources of estimation uncertainty *(continued)*

Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 7.

TITAGARH SINGAPORE PTE. LIMITED.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. Investment in associate

	<u>2021</u> Euro	<u>2020</u> Euro
Unquoted equity shares:		
At beginning of financial year	3,730,812	-
Transfer from Subsidiary company	-	25,020,000
Diminution of shares	(1,145,682)	(17,550,00)
Allowance for impairment	-	(3,739,188)
At end of financial year	<u>2,585,130</u>	<u>3,730,812</u>

Details of the associates are as follows:

<u>Name of associate</u>	<u>Principal activities</u>	<u>Principal place of business / country of incorporation</u>	<u>Effective ownership interest</u>	
			<u>2021</u> %	<u>2020</u> %
<u>Held by the Company</u>				
(1) Titagarh Wagons AFR	Rail, Wagon and related accessories Passenger/Metro Coaches, High Speed/Semi High Speed Trains and Equipment	France	36.94%	36.94%
(2) Titagarh Firema S.p.A.		Italy	22.60%	29.38%

The associate company (1), Titagarh Wagons AFR is under liquidation vide order from the Commercial court of Paris dated 13 August 2019 and hence allowance of 100% of the cost of the investment has been provided in financial year 2019. Since the Company was under judicial rehabilitation with effective of 4 June 2019, the management was not in control of the Company and financial statements were not furnished thereafter.

During the year, the share capital of Titagarh Firema S.p.A. has increased from 10,000,000 Euro to 13,000,000 Euro. This has caused the percentage holding of the Company to be reduced to 22.60% (2020: 29.38%) for the financial year ended 31 March 2021.

TITAGARH SINGAPORE PTE. LIMITED.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS***For the financial year ended 31 March 2021*

5. Other receivables

	<u>2021</u> Euro	<u>2020</u> Euro
Current		
- Receivable from holding company	<u>164,019</u>	<u>85,689</u>

6. Cash and cash equivalents

	<u>2021</u> Euro	<u>2020</u> Euro
Cash at banks	58,694	316,011
Fixed deposits	-	1,500,000
	<u>58,694</u>	<u>1,816,011</u>

Cash and cash equivalents presented in the statement of cash flows comprise the following amounts in the statement of financial position:

	<u>2021</u> Euro	<u>2020</u> Euro
Cash at bank	58,694	316,011
Fixed deposits	-	1,500,000
	<u>58,694</u>	<u>1,816,011</u>
Less: Fixed deposits with maturity period of more than 3 months	-	(1,500,000)
	<u>58,694</u>	<u>316,011</u>

Cash and cash equivalents are denominated in the following currencies:

	<u>2021</u> Euro	<u>2020</u> Euro
United States Dollar	50,059	215,772
Euro	8,635	1,600,239
	<u>58,694</u>	<u>1,816,011</u>

TITAGARH SINGAPORE PTE. LIMITED.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS***For the financial year ended 31 March 2021*

7. Share capital

	<u>2021</u>		<u>2020</u>	
	<u>No of shares</u>	<u>Euro</u>	<u>No of shares</u>	<u>Euro</u>
Issued and fully paid ordinary				
At beginning of financial year	20,000,000	17,915,420	20,000,000	17,915,420
Issued / (reduced) during the financial year	<u>(19,000,000)</u>	<u>(17,019,649)</u>	<u>-</u>	<u>-</u>
At end of financial year	<u>1,000,000</u>	<u>895,771</u>	<u>20,000,000</u>	<u>17,915,420</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares have no par value and carry one vote per share without restriction.

During the year, the Company has reduced its share capital from 20,000,000 fully paid-up ordinary shares with par value of USD 1 per share amounting to 17,915,420 Euro, to 1,000,000 fully paid-up ordinary shares with par value of USD 1 per share amounting to 895,771 Euro pursuant to the filing of a special resolution under section 78E.

8. Other payables

	<u>2021</u>	<u>2020</u>
	<u>Euro</u>	<u>Euro</u>
Other payables		
- Holding company	20,480	64,800
- Third parties	-	7,861
Interest payable to Holding company	-	10,192
Accruals	-	7,179
Withholding tax payable	<u>4,564</u>	<u>-</u>
	<u>25,044</u>	<u>90,032</u>

Amounts due to the holding company are non-trade, unsecured and repayable on demand.

9. Borrowings

	<u>2021</u>	<u>2020</u>
	<u>Euro</u>	<u>Euro</u>
<i>Current</i>		
Short term loan from holding company	<u>1,500,000</u>	<u>3,000,000</u>

TITAGARH SINGAPORE PTE. LIMITED.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

10. Provisions

The Company has in the past issued certain comfort letter /guarantees (“guarantees”) on behalf of Titagarh Wagons AFR , guaranteeing certain obligations (performance and financial) to be met by Titagarh Wagons AFR. Although the obligations against some of the guarantees has been completed but there are certain obligations that is still continuing. Due to passing of the liquidation order of Titagarh Wagons AFR by the Commercial court of Paris dated 13th August 2019, the Company has, as a matter of abundant precaution made provision against the same in the books.

11. Other gains / (losses)

	<u>2021</u> Euro	<u>2020</u> Euro
Gains / (Losses) on foreign exchange fluctuations	-	579
Add / (Less): Derivative instruments at fair value through profit and loss	-	(456,670)
Income tax refund	2,710	-
Write-back of liabilities	3,326	-
	<u>6,036</u>	<u>(456,091)</u>

12. Finance expense

	<u>2021</u> Euro	<u>2020</u> Euro
Interest on bank borrowings	-	309,884
Processing fees on bank loans	-	191,466
Bank charges	5,067	29,177
Exchange differences	8,744	-
Interest on holding company short term loan	69,207	151,781
Withholding tax	24,477	-
	<u>107,494</u>	<u>682,308</u>

13. Loss before income tax

This is arrived at after charging the following items:

	<u>2021</u> Euro	<u>2020</u> Euro
Finance expenses	107,494	-
Legal & professional fees	12,541	-
Provision for impairment in associate	<u>1,145,682</u>	<u>3,739,188</u>

TITAGARH SINGAPORE PTE. LIMITED.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS***For the financial year ended 31 March 2021*

14. Income tax expense

	<u>2021</u> Euro	<u>2020</u> Euro
Current income tax		
- Current year	-	-
- Over provision in respect of prior years	-	-
	<u>-</u>	<u>-</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit before income tax as a result of the following difference.

	<u>2021</u> Euro	<u>2020</u> Euro
Profit before income tax and impairment loss	<u>(1,259,681)</u>	<u>(7,363,503)</u>
Income tax expense at statutory rate	(214,146)	(1,251,796)
Non-deductible expenses	<u>214,146</u>	<u>1,251,796</u>
	<u>-</u>	<u>-</u>

15. Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related party if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place, and balances as at the financial year end, between the Company and related parties at terms agreed between the parties:

	<u>2021</u> Euro	<u>2020</u> Euro
Interest income on loans and advances to subsidiary	-	-
Interest income on loans and advances to associate	-	-
Corporate guarantee commission to holding company	-	29,562
Interest expense on loan payable to holding company	69,207	151,781
Sales of investment to holding company	-	17,550,000
Loan received from holding company	-	6,000,000
Loan repaid to holding company	(1,500,000)	(3,000,000)
Amount due from related company	164,019	85,689
Amount due to related company	<u>(20,480)</u>	<u>(64,800)</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the debtor.
- Significant increases in credit risk on other financial instruments of the same debtor.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. Financial risk management (continued)

Credit risk (continued)

- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >60 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk rating categories:

TITAGARH SINGAPORE PTE. LIMITED.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS***For the financial year ended 31 March 2021***16. Financial risk management (continued)***Credit risk (continued)*

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				Euro	Euro	Euro
31 March 2021						
		Note 1	Lifetime ECL (simplified)			
Trade receivables						
Other receivables (excluding prepayments)	8	I	12-month ECL	164,019	-	164,019
1 April 2020						
Other receivables (excluding prepayments)	8	I	12-month ECL	85,689	-	85,689

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

TITAGARH SINGAPORE PTE. LIMITED.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS***For the financial year ended 31 March 2021*

16. Financial risk management (continued)***Liquidity risk***

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

		2021		
	Carrying amount Euro	Contractual cash flows Euro	One year or less Euro	Two to five years Euro
Financial assets				
Other receivables	164,019	164,019	164,019	-
Cash and bank balances	58,694	58,694	58,694	-
	<u>222,713</u>	<u>222,713</u>	<u>222,713</u>	<u>-</u>
Financial liabilities				
Other payables	25,044	25,044	25,044	-
Borrowings	1,500,000	1,500,000	1,500,000	-
	<u>1,525,044</u>	<u>1,525,044</u>	<u>1,525,044</u>	<u>-</u>
Total net undiscounted financial assets / (liabilities)	<u>(1,302,331)</u>	<u>(1,302,331)</u>	<u>(1,302,331)</u>	<u>-</u>

TITAGARH SINGAPORE PTE. LIMITED.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. Financial risk management (continued)

Liquidity risk (continued)

	Carrying amount Euro	Contractual cash flows Euro	<u>2020</u> One year or less Euro	Two to five years Euro
Financial assets				
Trade and other receivables	85,689	85,689	85,689	85,689
Cash and bank balances	1,816,011	1,816,011	1,816,011	1,816,011
	<u>1,901,700</u>	<u>1,901,700</u>	<u>1,901,700</u>	<u>1,901,700</u>
Financial liabilities				
Trade and other payables	90,032	90,032	90,032	90,032
Borrowings	3,000,000	3,000,000	3,000,000	3,000,000
Other Financial Liabilities	3,090,032	3,090,032	3,090,032	3,090,032
	<u>3,090,032</u>	<u>3,090,032</u>	<u>3,090,032</u>	<u>3,090,032</u>
Total net undiscounted financial assets / (liabilities)	<u>(1,188,332)</u>	<u>(1,188,332)</u>	<u>(1,188,332)</u>	<u>(1,188,332)</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

The Company's foreign currency risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances. The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar ("USD").

The Company's currency exposures to USD exposures at the end of the financial year were as follows:

	<u>2021</u> Euro	<u>2020</u> Euro
Financial assets		
Cash and cash equivalents	58,694	215,772
Net currency exposure	<u>58,694</u>	<u>215,772</u>

TITAGARH SINGAPORE PTE. LIMITED.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS***For the financial year ended 31 March 2021*

16. Financial risk management (continued)**Market risk (continued)****(i) Foreign currency risk (continued)**

A 10% strengthening of United States Dollar against the foreign currencies denominated balances as at the reporting date would increase / (decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after tax	
	<u>2021</u> Euro	<u>2020</u> Euro
United States Dollar	<u>50,059</u>	<u>17,909</u>

A 10% weakening of United States Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

17. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	<u>2021</u> Euro	<u>2020</u> Euro
Financial assets measured at amortised cost		
Other receivables (excluding prepayments and withholding tax)	164,019	85,689
Cash and cash equivalents	<u>58,694</u>	<u>1,816,011</u>
	<u>222,713</u>	<u>1,901,700</u>
Financial liabilities measured at amortised cost		
Other payables	25,044	90,032
Borrowings	<u>1,500,000</u>	<u>3,000,000</u>
	<u>1,525,044</u>	<u>3,090,032</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

18. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year. The Company's overall strategy remains unchanged from previous financial year.

19. Events occurring after the reporting date

On 30 January 2020, the World Health Organization ("WHO") announced a global health emergency due to a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

20. New or revised FRS and INT FRS issued but not yet effective

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 April 2020. However, management anticipates that the adoption of these standards and interpretations will not have a material impact on the separate financial statements of the Company in the period of their initial adoption.

-----End of audited financial statements-----

TITAGARH SINGAPORE PTE. LIMITED.**DETAILED INCOME STATEMENT***As at 31 March 2021*

	<u>2021</u> Euro	<u>2020</u> Euro
Other income		
Interest income	-	-
Other gains / (losses)	<u>6,036</u>	<u>(456,091)</u>
Less: Administrative and other operating expenses		
Audit fees	-	7,507
Filing fees	-	-
Guarantee commission	-	29,562
Legal and professional fees	12,541	142,206
Rates and taxes	-	96,951
Rating fees	-	-
SBF subscription fees	-	-
Tax service fees	-	-
Write-off of associate loan	-	209,690
	<u>12,541</u>	<u>485,916</u>
Less: Exceptional items		
Provision for impairment of associate	-	3,739,188
Provision for claim of guarantee issued	-	2,000,000
Diminution in the value of investment of associate	1,145,682	-
	<u>1,145,682</u>	<u>5,739,188</u>
Less: Finance expenses	<u>107,494</u>	<u>682,308</u>
Loss before income tax	<u>(1,259,681)</u>	<u>(7,363,503)</u>

The above statement does not form part of the audited financial statements.