Clients' Copy

TITAGARH SINGAPORE PTE. LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE

TITAGARH SINGAPORE PTE. LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31st March 2017.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements set out on pages 6 to 26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2017 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards; 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 in office at the date of this statement are:-

TALUKDAR SUNIRMAL	
TALGERI RAMCHANDRA RANGANATHRAO	
BHALOTIA RITA	(Appointed on 1st July 2016)
CHOWDHARY UMESH	(Appointed on 31st August 2016)
AGARWAL ANIL KUMAR	(Appointed on 31st August 2016)
SINGHANIA SAURAV	(Appointed on 31st August 2016)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year and their interests in the share capital or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 were as follows:-

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

Name of Directors and Companies in which Interests are held	Number of Shares As at 01/04/2016 or Date of Appointment	As at 31/03/2017
The Company TITAGARH SINGAPORE PTE. LIMITED		
TALUKDAR SUNIRMAL	-	-
TALGERI RAMCHANDRA RANGANATHRAO	-	-
BHALOTIA RITA	-	-
CHOWDHARY UMESH	-	-
AGARWAL ANIL KUMAR	-	-
SINGHANIA SAURAV	-	-
Subsidiary Company TITAGARH FIREMA ADLER S.p.A		
TALUKDAR SUNIRMAL	-	-
TALGERI RAMCHANDRA RANGANATHRAO	-	-
BHALOTIA RITA	-	-
CHOWDHARY UMESH	-	-
AGARWAL ANIL KUMAR	-	-
SINGHANIA SAURAV	-	-
Immediate and Ultimate Holding Company TITAGARH WAGONS LIMITED		
TALUKDAR SUNIRMAL	-	-
TALGERI RAMCHANDRA RANGANATHRAO	-	-
BHALOTIA RITA	-	-
CHOWDHARY UMESH	77,530	77,530
AGARWAL ANIL KUMAR	-	5,000
SINGHANIA SAURAV	-	2,500

5. SHARE OPTIONS

During the year, no option to take up unissued shares of the Company has been granted, and there were no shares issued by virtue of the exercise of options. As at 31st March 2017, there were no unissued shares under option outstanding.

6. INDEPENDENT AUDITORS

The independent auditors, JACHIN PUBLIC ACCOUNTING CORPORATION, have expressed their willingness to accept re-appointment.

On behalf of the Board

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

Saurav Singhania

SINGHANIA SAURAV
Director

AGARWAL ANIL KUMAR
Director

SINGAPORE
18TH MAY 2017

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE
(Company Registration No: 201200048H)

3 Shenton Way #12-06 Shenton House Singapore 068805 Tel: (65) 62227275 Fax: (65) 62226926

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TITAGARH SINGAPORE PTE. LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TITAGARH SINGAPORE PTE. LIMITED, which comprise the statement of financial position as at 31st March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 31st March 2017 and of the financial performance, changes in equity and cash flows of the Company for the 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 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 Statement by Directors but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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.

.../2

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE
(Company Registration No: 201200048H)

3 Shenton Way #12-06 Shenton House Singapore 068805 Tel: (65) 62227275 Fax: (65) 62226926

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITAGARH SINGAPORE PTE. LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

(2)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

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 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.

.../3

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE
(Company Registration No: 201200048H)

3 Shenton Way #12-06 Shenton House Singapore 068805 Tel: (65) 62227275 Fax: (65) 62226926

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TITAGARH SINGAPORE PTE. LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

(3)

- 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 financial statements, including the disclosures, and whether the 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.

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.

JACHIN PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

SINGAPORE
18TH MAY 2017

TITAGARH SINGAPORE PTE. LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2017

	NOTE	2017 Euro	2016 Euro
NON-CURRENT ASSETS			
Investment in subsidiary	4	8,820,000	8,820,000
Investment in associated company	5	5,402,742	3,819,976
Derivative financial instruments	10	435,332	-
Loans and advances to related party	6	18,000,000	-
Other receivables	7	170,010	170,010
		32,828,084	12,809,986
CURRENT ASSETS			
Loans and advances to related parties	6	4,000,000	5,432,345
Other receivables and prepayment	7	523,278	356,789
Cash and cash equivalents	8	586,557	2,244,647
		5,109,835	8,033,781
LESS: **CURRENT LIABILITIES**			
Other payables	9	368,010	234,028
Bank loans	11	6,000,000	-
Provision for taxation	16	35,000	-
		6,403,010	234,028
NET CURRENT (LIABILITIES) / ASSETS		(1,293,175)	7,799,753
LESS: NON CURRENT LIABILITIES			
Derivative financial instruments	10	-	(884,848)
Bank loans	11	(16,766,581)	(12,752,910)
		(16,766,581)	(13,637,758)
		14,768,328	6,971,981
REPRESENTING:			
EQUITY			
Share capital	12	15,552,334	7,961,483
Accumulated loss		(784,006)	(989,502)
		14,768,328	6,971,981

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

TITAGARH SINGAPORE PTE. LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2017

	NOTE	2017 Euro	2016 Euro
REVENUE		-	-
Other income	13	2,258,001	505,860
Administrative expenses		(1,391,485)	(1,024,811)
Finance costs	14	(626,020)	(172,173)
PROFIT/(LOSS) BEFORE TAX	15	240,496	(691,124)
Income tax expense	16	(35,000)	-
NET PROFIT/(LOSS) FOR THE YEAR		205,496	(691,124)
Other comprehensive income/(loss) for the year, **net of tax**		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		205,496	(691,124)

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

TITAGARH SINGAPORE PTE. LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2017

	NOTE	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL
		Euro	Euro	Euro
2017				
BALANCE AS AT 1ST APRIL 2016		7,961,483	(989,502)	6,971,981
Total comprehensive income				
Net profit for the year		-	205,496	205,496
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		-	205,496	205,496
Contributions by and distributions to owners				
Issuance of ordinary shares	12	7,590,851	-	7,590,851
Total transactions with owners		7,590,851	-	7,590,851
BALANCE AS AT 31ST MARCH 2017		15,552,334	(784,006)	14,768,328
2016				
BALANCE AS AT 1ST APRIL 2015		1,137,045	(298,378)	838,667
Total comprehensive loss				
Net loss for the year		-	(691,124)	(691,124)
Other comprehensive loss for the year, net of tax		-	-	-
Total comprehensive loss for the year		-	(691,124)	(691,124)
Contributions by and distributions to owners				
Issuance of ordinary shares	12	6,824,438	-	6,824,438
Total transactions with owners		6,824,438	-	6,824,438
BALANCE AS AT 31ST MARCH 2016		7,961,483	(989,502)	6,971,981

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

TITAGARH SINGAPORE PTE. LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 200816406G)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2017

	NOTE	2017 Euro	2016 Euro
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT/(LOSS) BEFORE TAX		240,496	(691,124)
Adjustments for:			
Fair value (gain)/loss on derivative financial instruments	13	(1,320,180)	884,848
Dividend income	13	(112,680)	-
Interest income	13	(825,141)	(26,178)
Interest expense	14	626,020	172,173
Unrealised exchange loss/(gain) on bank loan		1,013,671	(247,090)
OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES		(377,814)	92,629
Other receivables and prepayment		(49,489)	(526,799)
Other payables		(7,184)	58,783
CASH USED IN OPERATIONS		(434,487)	(375,387)
Interest received		708,141	26,178
Interest paid		(484,854)	-
NET CASH USED IN OPERATING ACTIVITIES		(211,200)	(349,209)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in subsidiary	4	-	(8,820,000)
Investment in associate	5	(1,582,766)	(3,000,000)
Dividend received	13	112,680	-
NET CASH USED IN INVESTING ACTIVITIES		(1,470,086)	(11,820,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from term loan		9,000,000	13,000,000
Proceeds from issuance of ordinary shares	12	7,590,851	6,824,438
Loans and advances to related parties		(16,567,655)	(5,432,345)
NET CASH GENERATED FROM FINANCING ACTIVITIES		23,196	14,392,093
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,658,090)	2,222,884
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,244,647	21,763
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	586,557	2,244,647

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

TITAGARH SINGAPORE PTE. LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 200816406G)

NOTES ON THE FINANCIAL STATEMENTS – 31ST MARCH 2017

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

1. GENERAL

The Company is incorporated in Singapore and with its registered office address and principal place of business at 391B Orchard Road, #23-01 Ngee Ann City Tower B, Singapore 238874.

The principal activities of the Company are those of business and management consultancy services and investment holdings.

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

The immediate and ultimate holding company is Titagarh Wagons Limited, a public company incorporated in India.

The financial statements of the Company for the year ended 31st March 2017, were authorised for issue by the directors on 18th May 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted in the preparation of these financial statements:-

(a) BASIS OF PREPARATION

These financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) including related interpretations, and the provisions of the Singapore Companies Act.

The financial statements are presented in Euro, which is the functional currency of the Company.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates are based on management's best knowledge of current events and actions and the actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) BASIS OF PREPARATION (cont'd)

Adoption of New and Revised Standards

In the current financial year, the Company had adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1st April 2016. The adoption of these new/revised FRSs and INT FRSs has no material effect on the amounts reported for the current or prior financial years.

The directors do not anticipate that the adoption in future periods of FRSs, INT FRSs and amendment to FRSs that were issued at the date of authorisation of these financial statements but not yet effective, to have a material impact on these financial statements in the period of their initial adoption.

(b) GROUP ACCOUNTING

These financial statements are the separate financial statements of Titagarh Singapore Pte. Limited. The Company is exempted from the requirement to prepare consolidated financial statements and from applying equity accounting to its investment in associate as the Company is a wholly-owned subsidiary of Titagarh Wagons Limited, a public listed company incorporated in India, which produces consolidated financial statements available for public use.

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

756, Anandapur
E M Bypass
Kolkata – 700107
India

(c) SUBSIDIARY COMPANIES

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 rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments 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 or loss.

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) ASSOCIATED COMPANIES

Associated companies 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 Ventures*, 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.

(e) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, loans and other receivables, payables and bank borrowings.

FINANCIAL ASSETS

The Company initially recognises financial assets on the date that they are originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

FINANCIAL LIABILITIES

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, other than derivatives, these financial liabilities are measured at amortised cost using the effective interest method.

(f) LOANS AND OTHER RECEIVABLES

Loans and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) CASH AND CASH EQUIVALENTS

Cash consists of cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(h) OTHER PAYABLES

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(i) BORROWINGS

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(j) BORROWING COSTS

Borrowing costs are recognised in profit or loss using the effective interest method.

(k) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities.

Dividend income is recognised when the right to receive payment is established.

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

(l) PROVISIONS

Provisions, if any, are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(m) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) INCOME TAXES

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all deductible temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted at the balance sheet date.

(o) RELATED PARTIES

A related party is a person or entity that is related to the Company.

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (iv) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (v) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.

(p) IMPAIRMENT OF ASSETS

At each balance sheet date, the Company reviews the carrying amounts of its assets so as to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) IMPAIRMENT OF ASSETS (cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in the profit or loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) FUNCTIONAL AND PRESENTATION CURRENCY

The accounting records of the Company are maintained in Euro. The functional currency of the Company is the Euro as it reflects the economic substance of the underlying events and circumstances of their transactions. Transactions in foreign currencies that are not denominated in Euro are recorded using the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are not denominated in Euro are reported at the rates ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit or loss statement.

(r) 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.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

In the process of applying the accounting policies of the Company, the management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described 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 financing 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.

(b) KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:-

Impairment of Investment in Subsidiary and Associated Company

The Company follows the guidance of FRS 36 in determining when an investment is impaired. This determination requires significant judgement. The Company evaluates, among other factors, the financial health of and 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.

Impairment of Loans and Receivables

The Company assesses at each balance sheet date whether there is any objective evidence that a receivable is impaired. The Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of trade, intercompany and other receivables are disclosed in the balance sheet.

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

4. INVESTMENT IN SUBSIDIARY

	2017 Euro	2016 Euro
Unquoted equity shares at cost	8,820,000	8,820,000

Details of the subsidiary company are as follows:-

Name of Subsidiary	Country of Incorporation and Operation	Proportion of Ownership Interests 2017 %	2016 %	Principal Activities
* Titagarh Firema Adler SpA	Italy	88.2	88.2	Passenger/Metro Coaches, High Speed/Semi High Speed Trains and equipment.

The financial statements of the subsidiary have not been consolidated with the Company's financial statements as the Company itself is a wholly-owned subsidiary of Titagarh Wagons Limited, incorporated in India, which prepares consolidated financial statements which are available for public use and kept at its registered address at 756 Anandapur, E M Bypass, Kolkata 700017, India.

* Audited by Ernst & Young S.p.A

5. INVESTMENT IN ASSOCIATED COMPANY

	2017 Euro	2016 Euro
Equity securities		
- Unquoted shares at cost		
At beginning of financial year	3,819,976	-
Addition	1,582,766	3,819,976
At end of financial year	5,402,742	3,819,976

Details of the associated company are as follows:-

Name of Associate	Country of Incorporation and Operation	Proportion of Ownership Interests 2017 %	2016 %	Principal Activities
* Titagarh Wagons AFR	France	47.67	39.65	Rail, wagon and related accessories.

* Audited by Philippe de LA CHAISE

6. LOANS AND ADVANCES TO RELATED PARTIES

	2017 Euro	2016 Euro
Loans to subsidiary		
- Current	4,000,000	4,026,178
- Non-current	18,000,000	-
Advances to associated company	-	1,406,167
	22,000,000	5,432,345

Loans to subsidiary are unsecured, interest-bearing at 6.5% (2016 : 6.5%) per annum and have a repayment tenure of two years which can be further extended for a period of two years. The loans and advances are denominated in Euro.

7 OTHER RECEIVABLES AND PREPAYMENT

	2017 Euro	2016 Euro
Current		
Interest receivable from subsidiary	117,000	-
Prepaid processing fees	406,278	356,789
	523,278	356,789
Non-Current		
DSRA security deposit	170,010	170,010

Other receivables are denominated in Euro.

8. CASH AND CASH EQUIVALENTS

	2017 Euro	2016 Euro
Cash at bank	586,557	2,244,647

Cash and cash equivalents are denominated in the following currencies at 31st March:-

	2017 Euro	2016 Euro
Euro	5,035	2,196,474
United States dollar	581,522	48,173
	586,557	2,244,647

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

9. OTHER PAYABLES

	2017 Euro	2016 Euro
Other payables - immediate and ultimate holding company	40,526	56,022
- third parties	5,412	1,233
Interest payable	313,339	172,173
Accruals	8,733	4,600
	368,010	234,028

The amounts due to immediate and ultimate holding company are non-trade, unsecured and repayable on demand.

Other payables are denominated in Euro.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/Notional Amount Euro	Assets Euro	Liabilities Euro
2017			
Foreign exchange contracts	16,000,000	435,332	-
2016			
Foreign exchange contracts	13,000,000	-	884,848

The derivative contracts mature between 9th October 2018 to 5th October 2023.

The fair values of the foreign exchange contracts at the end of the balance sheet date are provided by counter party bank. All fair values changes are recognised in profit or loss.

11. BANK LOANS

	2017 Euro	2016 Euro
Current		
Loan 1	6,000,000	-

	2017 Euro	2016 Euro
Non-Current		
Loan 2	16,766,581	12,752,910

Loan 1

During the current financial year, the Company has taken a revolving demand loan of Euro 6 million from a foreign bank based in London. The full loan amount has been drawndown as at 31st March 2017.

The loan will be repayable by a single repayment in full eleven months from the commencement date in March 2017.

Interest on the loan facility is payable at EURIBOR + 1.5% per annum.

The loan facility is secured by way of bonds pledged from the immediate and ultimate holding company.

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

11. BANK LOANS (cont'd)

Loan 2

In the previous financial year, the Company secured a Foreign Currency Term Loan Facility of United States dollar equivalent of Euro 16 million from a foreign bank based in Dubai, UAE, and the full amount of Euro 16 million (2016 : Euro 13 million) has been drawndown as at 31st March 2017.

The loan will be repayable over a period of 8 years in eleven structured instalments commencing in September 2018 and ending in September 2023.

Interest on the loan facility is payable at 6 monthly EURIBOR + 4.0% per annum for the tenure of the facility.

The loan facility is secured by way of a Deed of Guarantee from the immediate and ultimate holding company and legal charges on the following:-

(i) Exclusive security interest of 100% shares of the Company held by the immediate and ultimate holding company.

(ii) Exclusive security interest of 88% shares of the subsidiary company held by the Company.

(iii) Exclusive security interest of 47% shares of the associated company held by the Company.

(iv) Charge over The Debt Service Reserve Account (DSRA) (Note 7).

12. SHARE CAPITAL

	2017		2016	
	No. of Shares	Euro	No. of Shares	Euro
Issued and fully paid:-				
Balance at beginning of the year	9,025,000	7,961,483	1,225,000	1,137,045
Issuance of ordinary shares	8,358,612	7,590,851	7,800,000	6,824,438
Balance at end of the year	17,383,612	15,552,334	9,025,000	7,961,483

During the financial year, the Company issued 8,358,612 (2016 : 7,800,000) ordinary shares for Euro 7,590,851 (2016 : Euro 6,824,438) to its holding Company to provide for additional working capital.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

13. OTHER INCOME

	2017 Euro	2016 Euro
Fair value gain on derivative financial instruments	1,320,180	-
Gain on exchange	-	479,682
Interest income from subsidiary	825,141	26,178
Dividend income from an associated company	112,680	-
	2,258,001	505,860

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

14. FINANCE COSTS

	2017 Euro	2016 Euro
Interests on bank loans	626,020	172,173
	========	========

15. PROFIT/(LOSS) FROM OPERATIONS

This is arrived at after charging and (crediting) the following:-

	2017 Euro	2016 Euro
Auditors' remuneration	7,500	4,500
Employee benefit expenses	3,436	20,836
Fair value (gain)/loss on derivative financial instruments	(1,320,180)	884,848
Guarantee commission	90,682	56,022
Legal and professional fees	115,947	20,754
Marketing office expense	-	1,811
Processing fees	123,991	23,786
Rental expense	-	8,538
	========	========

16. TAXATION

	2017 Euro	2016 Euro
Current taxation	35,000	-
	========	========

Reconciliation of effective tax rate:-

	2017 Euro	2016 Euro
Profit/(loss) before tax	240,496	(691,124)
	=======	=======
Income tax using Singapore tax rate of 17% (2016 : 17%)	40,884	(117,491)
Losses disallowed	-	117,491
Income not subject to tax	(241,546)	-
Expenses not deductible for tax purposes	233,984	-
Tax rebate	(6,602)	-
Others	8,280	-
	------------	------------
	35,000	-
	=======	=======

17. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the Company has significant transactions with related parties on terms agreed between the parties as follows:-

	2017 Euro	2016 Euro
Interest received from subsidiary	825,141	26,178
	========	========
Guarantee fee paid to Immediate and ultimate holding company	90,682	56,022
	========	========

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

18. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of directors reviews and agrees policies and procedures for the management of the risks.

(a) FOREIGN CURRENCY RISK

The Company's currency exposure at the financial year-end arises primarily with respect to United States dollar. The Company mainly utilises foreign currency contracts to manage its exposure to foreign currency risks.

The Company's currency exposure based on the information provided by management is as follows:

At 31st March 2017	United States Dollar Euro
Financial Assets	
Cash and cash equivalents	581,522
Net currency exposure	581,522

At 31st March 2016	United States Dollar Euro
Financial Assets	
Cash and cash equivalents	48,173
Net currency exposure	48,173

Sensitivity Analysis

A 5% strengthening of the United States dollar against the Euro at the balance sheet date would increase profit before tax by Euro 29,076 (2016 : decrease loss by Euro 2,409). There is no impact on other comprehensive income. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 5% weakening of the United States dollar against the Euro would have had the equal but opposite effect on the basis that all other variables remain constant.

(b) INTEREST RATE RISK

The Company's exposure to interest rate risk relates to its interest-bearing financial liabilities. Interest rate risk is managed by the Company on an ongoing basis by keeping the Company's interest expense at a level where the exposure to the risk of an adverse interest rate movement is minimised.

With all other variables held constant, based on the Company's variable rate interest-bearing borrowings at 31st March 2017, it is estimated that a half-a-percentage point increase/decrease in interest rate would decrease/increase the Company's profit before tax by approximately Euro 113,833 (2016 : Euro 63,765). There is no impact on other comprehensive income.

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

18. FINANCIAL RISK MANAGEMENT (cont'd)

(c) CREDIT RISK

The Company has no significant concentrations of credit risk. Cash and bank balance are placed with reputable institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset presented on the balance sheet. The Company adopts the policy of dealing only with high credit quality counterparties. In addition, receivable balances are monitored on an on-going basis which the result that the Company's exposure to the bad debts is not significant.

(d) LIQUIDITY RISK

The Company monitors its liquidity risk and maintains a level of cash & cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The analysis of maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows is as follows:-

		Contracted undiscounted cash flows			
	Carrying amount Euro	Total Euro	Less than 1 year Euro	Between 1 and 5 Years Euro	Over 5 years Euro
At 31st March 2017					
Other payables	368,010	368,010	368,010	-	-
Bank loans	22,766,581	25,166,581	6,766,581	10,880,000	7,520,000
	23,134,591	25,534,591	7,134,591	10,880,000	7,520,000
At 31st March 2016					
Other payables	234,028	234,028	234,028	-	-
Bank loans	12,752,910	15,990,000	520,000	9,360,000	6,110,000
	12,986,938	16,224,028	754,028	9,360,000	6,110,000

(e) FAIR VALUES

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values.

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

19. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Comparisons by category of carrying amounts of the Company's financial instruments that are carried in the financial statements are as follows:-

	Loans and receivables Euro	Financial assets at fair value through profit or loss Euro	Total Euro
At 31st March 2017			
Assets			
Loans and advances to related parties	22,000,000	-	22,000,000
Other receivables and prepayment	523,278	-	523,278
Derivative financial instruments	-	435,332	435,332
DSRA security deposit	170,010	-	170,010
Cash and cash equivalents	586,557	-	586,557
	23,279,845	435,332	23,715,177

	Liabilities at amortised cost Euro	Financial liabilities at fair value through profit or loss Euro	Total Euro
Liabilities			
Other payables	368,010	-	368,010
Bank loans	22,766,581	-	22,766,581
	23,134,591	-	23,134,591

	Loans and receivables Euro	Financial assets at fair value through profit or loss Euro	Total Euro
At 31st March 2016			
Assets			
Loans and advances to related parties	5,432,345	-	5,432,345
Other receivables	356,789	-	356,789
DSRA security deposit	170,010	-	170,010
Cash and cash equivalents	2,244,647	-	2,244,647
	8,203,791	-	8,203,791

	Liabilities at amortised cost Euro	Financial liabilities at fair value through profit or loss Euro	Total Euro
Liabilities			
Other payables	234,028	-	234,028
Derivative financial instruments	-	884,848	884,848
Bank loans	12,752,910	-	12,752,910
	12,986,938	884,848	13,871,786

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

20. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios in order to support its business and maximize shareholders' value.

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 issue new shares, adjust the dividend payment to shareholders or return capital to shareholders.

The Company monitors capital using a gearing ratio, which is total debt divided by total capital. Total debt is calculated as other payables plus bank loan. Total capital is calculated as total equity plus total debt.

	2017 Euro	2016 Euro
Total debt	23,134,591	12,986,938
Total equity	14,768,328	6,971,981
Total capital	37,902,919	19,958,919
Gaining ratio	61%	65%

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

21. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair Value of derivative financial instruments

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative financial instruments carried at fair value classified by level of fair value hierarchy are as follows:-

	Fair value measurement using:		
	Level 1	Level 2	Level 3
	Euro	Euro	Euro
Company			
2017			
Financial Assets			
Derivative financial instruments	-	435,332	-
2016			
Financial Liabilities			
Derivative financial instruments	-	(884,848)	-

There is no transfer between Level 1, Level 2 and Level 3 of the fair value hierarchy for the financial year ended 31st March 2017.

Over-the-counter contracts are valued by financial institutions of which fair value is determined based on valuation techniques using observable market parameters as inputs.

TITAGARH SINGAPORE PTE LIMITED SINGAPORE

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF
THE AUDITED STATUTORY FINANCIAL STATEMENTS

TITAGARH SINGAPORE PTE LIMITED
SINGAPORE

TITAGARH SINGAPORE PTE. LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 200816406G)

DETAILED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2017

	2017 Euro	2016 Euro
REVENUE	-	-
	-	-
ADD: OTHER INCOME		
Fair value gain on derivative financial instruments	1,320,180	-
Gain on exchange	-	479,682
Interest income	825,141	26,178
Dividend income	112,680	-
	2,258,001	505,860
LESS: ADMINISTRATIVE EXPENSES		
Auditors' remuneration	7,500	4,500
Bank charges	4,338	2,735
Employee benefit expenses	3,436	20,836
Fair value loss on derivative financial instruments	-	884,848
Guarantee commission	90,682	56,022
Legal and professional fees	115,947	20,754
Loss on exchange	1,040,016	-
Marketing office expenses	-	1,811
Printing and stationery	131	100
Processing fees	123,991	23,786
Rating fees	3,631	-
Rental expense	-	8,538
Tax services	1,813	881
	1,391,485	1,024,811
FINANCE COSTS		
Interests on bank loans	626,020	172,173
	626,020	172,173
TOTAL OPERATING EXPENSES	2,017,505	1,196,984
PROFIT/(LOSS) FOR THE YEAR	240,496	(691,124)

TITAGARH SINGAPORE PTE LIMITED SINGAPORE