

TITAGARH SINGAPORE PTE. LIMITED
BALANCE SHEET
As at 31 March 2019

	Notes	2019 Euro	2018 Euro
ASSETS			
Current Assets			
Loans and Advances to a Subsidiary	6	4,350,000	7,000,000
Other Receivables and Prepayment	7	478,195	1,431,071
Cash and Cash Equivalents	8	916,031	499,020
		5,744,226	8,930,091
Non- Current Assets			
Investment in Subsidiary	4	25,020,000	25,020,000
Investment in Associate Company	5	-	5,402,742
Loans and Advances to a Subsidiary	6	-	15,050,000
Other Receivables and Prepayment	7	170,345	170,345
		25,190,345	45,643,087
TOTAL ASSETS		30,934,571	54,573,178
LIABILITIES			
Current Liabilities			
Trade and Other Payables	9	401,502	615,400
Borrowings	10	8,060,000	20,411,816
Other Financial Liabilities	12	697,436	1,200,000
		9,158,938	22,227,216
Non-Current Liabilities			
Borrowings	10	12,628,978	13,091,288
Derivative Financial Instruments	11	240,673	2,043,984
		12,869,651	15,135,272
TOTAL LIABILITIES		22,028,588	37,362,488
NET ASSETS		8,905,983	17,210,690
EQUITY			
Share Capital	13	17,915,420	17,915,420
Accumulated Losses		(9,009,438)	(704,730)
TOTAL EQUITY		8,905,983	17,210,690

The accompanying notes form an integral part of these financial statements.

TITAGARH SINGAPORE PTE LTD
Samar Singhania
Director

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TITAGARH SINGAPORE PTE. LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the Financial Year ended 31 March 2019

	Notes	2019 Euro	2018 Euro
Other income	14	592,832	2,047,265
Other (losses)/gains	15	459,548	(268,990)
Expenses			
- Administrative	16	(144,203)	(272,073)
- Finance	17	(1,196,754)	(1,286,229)
PROFIT BEFORE INCOME TAX & EXCEPTIONAL ITEMS		(288,577)	219,973
Exceptional (Income) / Expense	18	8,016,128	-
PROFIT BEFORE TAXES		(8,304,705)	219,973
Income tax expense	19	-	(140,697)
PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME		(8,304,705)	79,276

The accompanying notes form an integral part of these financial statements.

TITAGARH SINGAPORE PTE LTD

Sanav Singhanio

Director



Sanav Singhanio

TITAGARH SINGAPORE PTE. LIMITED
For the Financial Year ended 31 March 2019

STATEMENT OF CHANGES IN EQUITY	Share Capital	Accumulated Losses	Total Equity
	Euro	Euro	Euro
2019			
Beginning of financial year	17,915,420	(704,730)	17,210,689
Profit for the year	-	(8,304,705)	(8,304,705)
Issuance of equity shares	-	-	-
End of financial year	17,915,420	(9,009,436)	8,905,984
2018			
Beginning of financial year	15,552,334	(784,006)	14,768,328
Profit for the year	-	79,276	79,276
Issuance of equity shares	2,363,086	-	2,363,086
End of financial year	17,915,420	(704,730)	17,210,689

The accompanying notes form an integral part of these financial statements.

TITAGARH SINGAPORE PTE LTD

Saran Singhania

Director



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TITAGARH SINGAPORE PTE. LIMITED

STATEMENT OF CASH FLOWS

For the Financial Year ended 31 March 2019

	2019 Euro	2018 Euro
A. CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX		
Adjustments for:	(8,304,705)	219,973
Exceptional Items		
Fair value loss on derivative financial instruments	8,016,128	
Dividend income	(43,791)	2,479,316
Interest income from subsidiary		
Finance expenses	(592,832)	(2,047,265)
Unrealised gain on foreign exchange fluctuations	1,196,754	1,286,229
Operating (Loss)/Profit before working capital changes	(326,214)	(2,160,994)
Changes in working capital:	(54,660)	(222,741)
Other receivables and prepayment		
Trade and other payables	889,490	47,577
Cash used in operations	(213,898)	160,979
Interest received	620,933	(14,186)
Finance expenses paid	592,832	932,733
Cash used in operations	(1,196,754)	(1,275,077)
Income tax paid (Net of refund)	17,011	(356,530)
Net cash used in operating activities	17,011	(612,438)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in subsidiary		
Investment in associate		(1,200,000)
Receipt of Loan		
Loans and advances to associate	18,700,000	
Dividend received	(3,550,000)	(15,050,000)
Net cash used in investing activities		
	15,150,000	(16,250,000)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings- non current		
Proceeds from borrowings- current		
Proceeds from issuance of ordinary shares		14,411,816
Repayment of Loan		2,363,086
Net cash generated from financing activities	(14,750,000)	
	(14,750,000)	16,774,902
Net decrease in cash and cash equivalents	417,011	(87,537)
Cash and cash equivalents at beginning of financial year	499,020	586,557
Cash and cash equivalents at end of financial year	916,031	499,020

TITAGARH SINGAPORE PTE LTD

Sanav Singhania

Director



TITAGARH SINGAPORE PTE. LIMITED
Notes to the Financial Statements
For the Financial Year ended 31 March 2019

4. INVESTMENT IN SUBSIDIARY

Unquoted Equity Shares at Cost
 At beginning of financial year
 -Addition (Refer Note below)
 At end of financial year

2019 Euro	2018 Euro
25,020,000	8,820,000
-	16,200,000
25,020,000	25,020,000

Details of the Subsidiary Company are as follows:

Name of Subsidiary	Country of Incorporation and Operation	Proportion of Ownership Interests		Principal Activities
		2019 %	2018 %	
Titagarh Firema SpA*	ITALY	98.2	98.2	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 office at Titagarh Towers, 756, Anandapur, EM Bypass, Kolkata- 700107, India

*Audited by PricewaterhouseCoopers SpA, Italy

5. INVESTMENT IN ASSOCIATE COMPANY

Unquoted Equity Shares at Cost
 At beginning of financial year
 -Addition
 Less: Provision for Investments
 At end of Financial Year

2019 Euro	2018 Euro
5,402,742	5,402,742
-	-
(5,402,742)	-
-	5,402,742

Details of the Associated Company are as follows

Name of Associate	Country of Incorporation and Operation	Proportion of Ownership Interests		Principal Activities
		2019 %	2018 %	
Titagarh Wagons AFR*	FRANCE	36.93	47.67	Rail, Wagon and related accessories

*Audited by PricewaterhouseCoopers Audit SA, France

6. LOANS AND ADVANCES TO A SUBSIDIARY

Loans to Subsidiary
 -Current
 -Non Current
 Less: Provision for TWAFR Loan
 Total

2019 Euro	2018 Euro
6,900,000	7,000,000
-	15,050,000
(2,550,000)	-
4,350,000	22,050,000

Loan to Subsidiary Company (Titagarh Firema S.p.A) carries interest @ 6.5% & Associate Company (Titagarh Wagons AFR) carries interest rate of 4.00% p.a and each tranche is repayable in two years.

7. OTHER RECEIVABLES AND PREPAYMENT

CURRENT

Interest receivable from a Subsidiary Company
 Prepaid Processing Fees
 Withholding tax refundable
 Less: Provision for TWAFR interest receivable

2019 Euro	2018 Euro
541,581	1,222,316
-	119,328
-	89,427
(63,386)	-
478,195	1,431,071

NON CURRENT

Security Deposit

2019 Euro	2018 Euro
170,345	170,345

The security deposit represents deposits made with ICICI bank in debt service retention account as per the requirements of the term loan availed from ICICI Bank. The Company shall keep a minimum balance equal to the interest payable under the facility for the next three months during the entire tenure of the facility (Minimum Balance)

8. CASH AND CASH EQUIVALENTS

Cash at Bank
 Total

2019 Euro	2018 Euro
916,031	499,020
916,031	499,020

9. TRADE AND OTHER PAYABLES

Other Payables
 - Holding Company
 - Third Parties
 Interest Payable
 Accruals

2019 Euro	2018 Euro
35,238	191,748
6,178	7,335
354,805	399,750
5,281	16,567
401,502	615,400

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

TITAGARH SINGAPORE PTE LTD

Saurav Singhania

Director



10. BORROWINGS

CURRENT

Short Term Loans from Banks:
- Barclays Bank Plc (Note a)
- Standard Chartered Bank (Note b)
- The RBL Bank Limited (Note c)

2019

Euro

2018

Euro

	6,901,816
	5,000,000
	9,410,000
8,060,000	
8,060,000	20,411,816
13,326,414	14,291,288
(697,436)	(1,200,000)
12,628,978	13,091,288

NON-CURRENT

Term Loan from ICICI Bank (Note d)
Less: Short term maturities classified to Other Financial Liabilities

Notes:

- a. The Company had fully repaid the revolving demand loan facility of Euro 6 million during the financial year, availed from Barclays Bank based in London. The loan was repayable within one year and carried interest rate of EURIBOR + 1.5% p.a. The loan facility was secured by way of pledge of tax free bonds by the holding company.
- b. The Company had fully repaid the short term loan facility of Euro 5 million during the financial year, availed from Standard Chartered Bank based in Singapore. The loan was repayable within one year and carried interest rate of 2.00% p.a. over Bank's Cost of Funds. The loan facility was secured by creation of charge on assets of the holding company.
- c. The Company has taken a short term loan of Euro 8.06 million from The RBL Bank based in India. The loan is a revolving one year facility and carries interest rate of EURIBOR + 3.20% p.a. The loan is secured by creation corporate guarantee of INR 720 million from the holding company.
- d. The Company secured a Foreign currency term loan facility of United States dollar equivalent of Euro 16 million from ICICI Bank based in Dubai, UAE. During the financial year the Company has repaid Euro 2.4 million out of the total outstanding loan amount. The loan will be repayable over a period of 8 years in eleven structured installments commencing in September 2018 and ending in October 2023. Interest on the Loan facility is payable at 6 monthly EURIBOR + 4.0% p.a. for the tenure of the facility.

Repayment Schedule

Year	Amount (in Euro)
upto 1 year	1,414,365
more 1 year - upto 2 year	2,092,308
more 2 year	10,112,820
	13,619,493

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

- (i) Exclusive security interest of 100% shares of the Company held by the Holding Company.
(ii) Exclusive security interest of 88% shares of the Subsidiary Company held by the Company.
(iii) Exclusive security interest of 26% shares of the Associated Company held by the Company.
(iv) Charge over The Debt Service Reserve Account (DSRA) (Note 6).

11. DERIVATIVE FINANCIAL INSTRUMENTS

Contract/Notional

Amount

Assets

Liabilities

Euro

Euro

Euro

2019

Cross Currency Interest Swap

13,619,493

240,673

2018

Cross Currency Interest Swap

16,000,000

2,043,984

The derivative contracts mature on 5 October 2023.

Derivative instruments at fair value through profit and loss represents cross currency interest swap entered into by the Company to hedge its long term loan. While the Group enters into cross currency interest rate swap contracts with the intention of reducing the foreign exchange risk on the long term term, these contracts are not designated as hedge relationships and are measured at fair value through profit and loss.

12. OTHER FINANCIAL LIABILITIES

Current Maturity of Secured Loan from Bank

2019

Euro

2018

Euro

697,436

1,200,000

13. SHARE CAPITAL

Equity Shares

At the beginning of the year
Allotment of Equity Shares
Translation Difference
Outstanding at the end of the year

2019		March 31, 2018	
No. of shares	Euro	No. of shares	Euro
20,000,000	17,915,420	17,383,612	15,552,334
		2,616,388	2,363,086
20,000,000	17,915,420	20,000,000	17,915,420

The Company's share capital comprises fully paid-up 20,000,000 (2018 : 20,000,000) ordinary shares with no par value, amounting to a total of Euro 17,915,420 (2018: Euro 17,915,420).

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.

14. OTHER INCOME

Interest Income from Subsidiary
Dividend Income

2019

Euro

2018

Euro

592,832

2,047,265

592,832

2,047,265

15. OTHER (LOSSES)/GAIN

Gain on foreign exchange fluctuations
Less: Derivative instruments at Fair Value through Profit and Loss

2019

Euro

2018

Euro

415,757

2,210,326

43,791

(2,479,316)

459,548

(268,990)

TITAGARH SINGAPORE PTE LTD

Sarav Singhanic

Director

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16. EXPENSES BY NATURE

	2019 Euro	2018 Euro
Auditor's Remuneration	7,020	15,433
Employee Compensation	-	-
Guarantee Commission	72,708	174,283
Legal & Professional Fees	32,718	80,541
Rates & Taxes	31,209	-
Other Expenses	548	1,816
	144,203	272,073

17. FINANCE EXPENSES

	2019 Euro	2018 Euro
Interest on Bank Borrowings	888,912	1,021,527
Processing Fees on bank loans	134,403	258,215
Bank charges	173,438	6,487
	1,196,754	1,286,229

18. EXCEPTIONAL ITEMS

In case of Titagarh Wagons AFR, the management of the Company has included the following information in its financial statements:

The last two years has been a particularly difficult year for the Company mainly due to technical problems identified in the bogies and a couple of onerous contracts which adversely impacted the operations. As a result the Company has incurred cash losses in FY 1718 and FY 1819 which has impacted the net equity position of the Company and also impacted the cash availability to support the future operations.

During the year, the Company has implemented a conciliation proceeding which was finally approved by the Commercial Court of Paris on December 4th, 2018. While the various obligations by the different stakeholders including the shareholders, bankers, other Government authorities as per the Conciliation agreement was fulfilled, still the performance of the Company and the cash situation could not improve and Company continued to incur cash losses due to various reasons. This continuing cash losses forced the Company to start a second Conciliation Procedure in early April 2019.

In the current Conciliation Procedure the Company, based on an internal "Business Plan" for next two years has projected a turnaround in FY 2021 subject to the funding as per the said Business plan. The financing plan as per the said Business plan includes support from Shareholders, Region, Bankers, Douaisis Agglo, other Government Authorities, etc. While confirmation from few stakeholders have already been received subject to compliance of respective terms and conditions, the confirmation from the other stakeholders is still in the process.

While as per the said business plan long term viability of the Company is established subject to receipt of funds, the Company in the short term is having cash shortage and due to this it has decided to stop the Conciliation Process and has filed an application before the Commercial Court of Paris to start the Rehabilitation Process in terms of Clause R631-31 of the Commercial Code. In terms of the said Rehabilitation procedure the Company would be submitting a Rehabilitation plan which will include the financing requirements from the various stakeholders as contained in the Business plan. This plan if approved will ensure long term rehabilitation of the Company. Due to this context, these events represents a significant uncertainty in the ability of the company to continue its business as going concern. Considering the above, the management of the Company has decided to make provision for the carrying value of its investments and receivables upto Euro 8,016,128 under Exceptional Items in Profit & Loss Account.

19. INCOME TAXES

	2019 Euro	2018 Euro
Income tax expense		
Tax expense attributable to profit is made up of:		
- Current income tax	-	166,481
Over Provision in prior financial year		
- Current income tax	-	(25,784)
		140,697
The tax on profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:		
Profit before tax	(288,577)	219,973
Tax calculated at a tax rate of 17% (2018: 17%)		37,395
Effects of:		
- Expenses not deductible for tax purposes		435,484
- Income not subject to tax		(375,755)
- Tax rebate and exemption		(25,724)
- Overprovision of tax		(25,784)
- Foreign Tax Credit		(71,400)
- Tax in foreign jurisdiction		166,481
Tax charge		140,697

TITAGARH SINGAPORE PTE LTD

Sarav Singhania

Director



20 RELATED PARTY TRANSACTIONS

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and the related parties at terms agreed between the parties:

Related Parties where control exists:

Holding Company: Titagarh Wagons Limited
Subsidiary Company: Titagarh Firema S.p.A

Other Related Party

Associate Company: Titagarh Wagons AFR

Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

Nature of transactions	Holding Company	Subsidiary	Associate Company	Total
	Euro	Euro	Euro	Euro
In relation to the Statement of Profit and Loss				
Interest Income on Loans and Advances				
Titagarh Firema S.p.A	-	478,195	-	478,195
		(2,047,265)	-	(2,047,265)
Corporate Guarantee Commission				
Titagarh Wagons Limited	72,708	-	-	72,708
	(174,283)	-	-	(174,283)
In relation to the Balance Sheet				
Loan Given				
Titagarh Firema S.p.A	-	-	-	-
		(15,050,000)	-	(15,050,000)
Titagarh Wagons AFR	-	-	3,550,000	3,550,000
	-	-	-	-
Issue of Equity Shares				
Titagarh Wagons Limited	-	-	-	-
	(2,363,086)	-	-	(2,363,086)
Investment Made during the year				
Titagarh Firema S.p.A	-	-	-	-
	-	(16,200,000)	-	(16,200,000)
Guarantee Outstanding				
Titagarh Wagons Limited	9,266,123	-	-	9,266,123
	(43,346,333)	-	-	(43,346,333)
Balance outstanding as at the year end - Debit				
Titagarh Firema S.p.A (Loan & Interest)	-	3,828,195	-	3,828,195
		(23,272,316)	-	(23,272,316)
Titagarh Firema S.p.A (Investment)	-	25,020,000	-	25,020,000
		(25,020,000)	-	(25,020,000)
Titagarh Wagons AFR (Loan net of Provision)	-	-	1,000,000	1,000,000
	-	-	-	-
Balance outstanding as at the year end - Credit				
Titagarh Wagons Limited	35,238	-	-	35,238
	(191,748)	-	-	(191,748)

Figures in brackets relate to previous year.

(b) Key management personnel compensation

There was no paid compensation to the Board of Directors. Chief Executive Officer and members of the Board of Directors do not have special rights for remuneration, bonus or severance pay by end of duty.

23 IMMEDIATE AND ULTIMATE HOLDING CORPORATION

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

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