

TITAGARH FIREMA ADLER S.P.A
Balance Sheet as at March 31, 2017

	Notes	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
I. ASSETS			
Non current assets			
Property, Plant and Equipment	3	34.045.502	35.649.295
Other Financial Assets	9	827.491	774.844
Deferred Tax Assets	4	1.140.356	75.224
		36.013.348	36.499.363
Current assets			
Inventories	5	40.220.957	68.241.772
Financial Assets			
Trade receivables	6	11.985.637	4.483.529
Cash and bank balances	7	1.255.821	4.201.779
Loans	8	6.010.334	2.740
Others	9	516.637	16.618.719
Other Non Financial Assets	10	93.677.447	34.214.016
		153.666.833	127.762.555
TOTAL		189.680.182	164.261.918
II. EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	10.000.000	10.000.000
Other Equity	12	5.569.671	1.068.386
		15.569.671	11.068.386
Non-current liabilities			
Financial Liabilities			
Long term borrowings	13	18.376.503	5.774.246
Other non current liabilities	14,2	5.281.405	6.831.380
Deferred Tax Liabilities	4	137.984	243.296
Provisions	15	-	11.869.000
		23.795.892	24.717.922
Current liabilities			
Financial Liabilities			
Borrowings	13	17.541.755	-
Trade payables	14,1	47.248.604	38.440.079
Others	14,2	4.341.879	2.414.796
Provisions	15	16.133.194	7.844.852
Other non-financial liabilities	16	65.049.187	79.775.883
		150.314.619	128.475.610
TOTAL		189.680.182	164.261.918

TITAGARH FIREMA ADLER S.p.A.

TITAGARH FIREMA ADLER S.P.A

Statement of profit and loss for the period ended as at March 31, 2017

		For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
		In Euro	In Euro
Income			
Revenue from operations	17	137.331.394	33.457.445
Other income		-	-
Total Revenue (I)		137.331.394	33.457.445
Expenses			
Cost of raw materials & components consumed	18	60.090.245	15.330.410
(Increase)/decrease in inventories of finished goods, Work in progress and saleable scrap	19	28.071.202	(1.944.063)
Employee benefits expenses	20	17.283.106	10.909.851
Finance costs	21	2.520.218	(780.334)
Depreciation and amortization expenses	22	2.561.016	1.977.574
Other expenses	23	20.086.500	5.873.249
Total Expenses (II)		130.612.287	31.366.686
Profit before taxes		6.719.107	2.090.759
Tax expenses			
Current tax		3.388.266	854.301
Deferred Tax		(1.170.444)	168.072
Total tax expenses		2.217.822	1.022.373
Profit for the year		4.501.285	1.068.386
Earnings per equity share			
(1) Basic (In Euro)		0,45	0,11
(2) Diluted (In Euro)		0,45	0,11



TITAGARH FIREMA ADLER S.p.A.

TITAGARH FIREMA ADLER S.P.A
Cash flow statement for the year ended March 31, 2016

	For the year ended March 31, 2016 In Euro (GROSS)	Bus. Combination July 14th 2016 in Euro	From Bus. Comb. to March 31, 2016 in Euro	Adjustments in Euro	For the year ended March 31, 2016 in Euro
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before taxation	1.132.871	-	1.132.871	714.692	1.847.462
Adjustments for:					
Depreciation and amortization expenses	1.977.574	-	1.977.574	-	1.977.574
Interest Expenses	177.554	-	177.554	(957.888)	(780.334)
Operating Profit before Working Capital Changes	3.287.998	-	3.287.998	(243.296)	3.044.702
Movements in working capital:					
Increase/(decrease) in trade payables	38.440.079	-	38.440.079	-	38.440.079
Increase/(decrease) in provisions	18.859.552	22.838.032	(3.979.380)	-	(3.979.380)
Increase/(decrease) in other liabilities	90.205.102	83.650.000	6.555.102	243.296	6.555.102
Decrease/ (increase) in trade receivables	(4.483.529)	-	(4.483.529)	-	(4.483.529)
Decrease/ (increase) in inventories	(68.241.772)	(52.983.000)	(15.258.772)	-	(15.258.772)
Decrease/ (increase) in loans and advances	(9.800.830)	(1.455.433)	(8.345.397)	-	(8.345.397)
Decrease/ (increase) in Other assets	(42.034.645)	(19.211.567)	(22.823.079)	-	(22.823.079)
Cash (used In) / Generated from Operations	26.231.955	32.836.932	(6.606.977)	0	(6.850.274)
Taxes Paid	-	-	-	-	-
Net Cash (used In) / generated from Operating Activities	26.231.955	32.836.932	(6.606.977)	0	(6.850.274)
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(37.626.869)	(36.087.000)	(1.539.869)	-	(3.039.869)
Net Cash used In Investing Activities	(37.626.869)	(36.087.000)	(1.539.869)	-	(3.039.869)
C. CASH FLOW FROM FINANCING ACTIVITIES					
Receipt of Long Term Borrowings	5.748.058	1.748.068	4.000.000	-	4.000.000
Receipt on Issue of equity shares	10.000.000	6.689.650	3.310.350	-	10.000.000
Finance cost	(151.375)	-	(151.375)	-	(151.375)
Net Cash generated from / (used In) Financing Activities	15.596.693	8.437.718	7.158.975	-	13.848.625
Net Increase/(decrease) In Cash & Cash Equivalent (A+B+C)	4.201.779	5.189.650	(987.871)		3.950.482
Cash and Cash Equivalents - Opening Balance	-	-	5.189.650	-	-
Cash and Cash Equivalents - Closing Balance	4.201.779	5.189.650	4.201.779	-	4.201.779
Components of Cash & Cash Equivalents :					
Cash on hand	-	-	-	-	-
Balances with banks:					
On current accounts	4.201.779	5.189.650	4.201.779	-	4.201.779
Total Cash and Cash Equivalents (Refer Note No. 14)	4.201.779	5.189.650	4.201.779	-	4.201.779

As per our Report of even date

TITAGARH FIREMA ADLER S.p.A.

TITAGARH FIREMA ADLER S.P.A

Cash flow statement for the year ended March 31, 2017

	For the year ended March 31,2017 In Euro (GROSS)	From Bus.Comb. to March 31,2017 In Euro	Adjustments In Euro	For the year ended March 31,2017 In Euro
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before taxation	6.719.107	6.719.107		6.719.107
Adjustments for:				
Depreciation and amortization expenses	2.561.016	2.561.016		2.561.016
Interest Expenses	2.520.218	2.520.218		2.520.218
Operating Profit before Working Capital Changes	11.800.341	11.800.341		11.800.341
Movements in working capital:				
Increase/(decrease) in trade payables	8.808.525	8.808.525		8.808.525
Increase/(decrease) in provisions	(6.968.924)	(6.968.924)		(6.968.924)
Increase/(decrease) in other liabilities	(14.454.900)	(14.454.900)		(14.454.900)
Decrease/ (Increase) in trade receivables	(7.502.109)	(7.502.109)		(7.502.109)
Decrease/ (increase) in inventories	28.020.815	28.020.815		28.020.815
Decrease/ (increase) In loans and advances	(6.007.594)	(6.007.594)		(6.007.594)
Decrease/ (increase) in Other assets	(44.554.352)	(44.554.352)		(44.554.352)
Cash (used In) / Generated from Operations	(30.858.197)	(30.858.197)		(30.858.197)
Taxes Paid	(467.185)	(467.185)		(467.185)
Net Cash (used In) / generated from Operating Activities	(31.325.382)	(31.325.382)		(31.325.382)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(957.222)	(957.222)		(957.222)
Net Cash used In Investing Activities	(957.222)	(957.222)		(957.222)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net movement In Other Borrowings (short term)	31.424.755	31.424.755		31.424.755
Receipt of Long Term Borrowings	(1.280.743)	(1.280.743)		(1.280.743)
Receipt on issue of equity shares				
Finance cost paid	(807.365)	(807.365)		(807.365)
Net Cash generated from / (used In) Financing Activities	29.336.646	29.336.646		29.336.646
Net Increase/(decrease) In Cash & Cash Equivalent (A+B+C)	(2.945.958)	(2.945.958)		(2.945.958)
Cash and Cash Equivalents - Opening Balance	4.201.779	4.201.779		4.201.779
Cash and Cash Equivalents - Closing Balance	1.255.821	1.255.821		1.255.821
Components of Cash & Cash Equivalents :				
Cash on hand				
Balances with banks:				
On current accounts	1.255.821	1.255.821		1.255.821
Total Cash and Cash Equivalents (Refer Note No. 14)	1.255.821	1.255.821		1.255.821

As per our Report of even date

TITAGARH FIREMA ADLER S.p.A.

4. INCOME TAX

	For the Year Ended March 31, 2017 In Euro	For the Year Ended March 31, 2016 In Euro
Current Income tax		
Current income tax charge	3.388.266	854.301
Deferred Tax		
Relating to origination and reversal of temporary differences	(1.170.444)	168.072
Income Tax expense as reported in the statement of profit and loss	2.217.822	1.022.373

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016

	For the Year Ended March 31, 2017 In Euro	For the Year Ended March 31, 2016 In Euro
Accounting Profit/(Loss) before tax	6.719.107	2.090.769
At Italian's statutory income tax rate of 27,5% (National Company Tax)	1.847.754	574.959
Non-deductible income / (expenses) for tax purposes		
A - PERMANENT taxable Items	241.909	73.641
B - DEFERRED taxable items	981.401	75.224
C - Regional Tax (IRAP, 4,7% of Adj EBIT)	596.606	393.896
D - Adjustmnet on previous years	(119.604)	-
Non taxable income / (expenses) for tax purposes		
A - PERMANENT deductible items	(159.801)	-
B - DEFERRED deductible items	-	(263.419)
Deferred TAX on P&L	(1.170.444)	168.072
Income tax reported in the statement of profit and loss	2.217.822	1.022.373

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	For the Year Ended March 31, 2017 In Euro	For the Year Ended March 31, 2016 In Euro
Deferred Tax				
Deferred tax relates to the following:				
Deferred tax Assets				
Difference on deprec. and Other	1.140.356	75.224	1.065.131	75.224
Gross Deferred tax assets	1.140.356	75.224	1.065.131	75.224
Deferred tax liabilities				
Actualiz. Long term Liabilities and Credit	(137.984)	(243.296)	105.312	(243.296)
Gross Deferred tax liabilities	(137.984)	(243.296)	105.312	(243.296)
Net Deferred tax assets	1.002.371	(168.072)	1.170.444	(168.072)
Opening Balance				
Tax income / Expense during the period recognised in profit and loss			2.217.822	1.022.373
Closing Balance			2.217.822	1.022.373

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

5. INVENTORIES

	Current	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
(Valued at lower of cost and net realizable value)		
Raw materials & components	21.430.957	17.329.772
Work in progress	18.790.000	50.912.000
Total	40.220.957	68.241.772

TITAGARH FIREMA ADLER S.P.A

Notes to financial statements for the Period ended March 31, 2017

6 TRADE RECEIVABLES (at amortized cost)

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Trade Receivables	-	-	11.985.637	4.483.529
Total	-	-	11.985.637	4.483.529

a) Trade Receivables are non-interest bearing and are generally on terms of 30 to 90 days

7. CASH AND BANK BALANCES

	Non-current		Current	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Cash and cash equivalents	-	-	-	-
Balances with banks:				
On current accounts	-	-	1.255.821	4.201.779
Total	-	-	1.255.821	4.201.779

8. LOANS AND DEPOSITS (at amortized cost)

(Unsecured, considered good unless stated otherwise)

	Not Current		Current	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Securily Deposits	-	-	6.010.334	2.740
Total	-	-	6.010.334	2.740

9 OTHER FINANCIAL ASSETS (at amortized cost)

	Not Current		Current	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Receivable from Firema Trasporti S.p.A	827.491	774.844	254.255	16.618.719
Other Receivables	-	-	282.382	-
Total	827.491	774.844	536.637	16.618.719

10 OTHER NON FINANCIAL ASSETS (at amortized cost)

(Unsecured, considered good unless stated otherwise)

	Not Current		Current	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Unbilled Revenue	-	-	74.598.737	24.415.927
Advance recoverable in cash or kind	-	-	6.693.128	4.240.409
Balance with statutory / government authorities	-	-	12.109.559	5.236.292
Prepaid expenses	-	-	276.022	321.389
Total	-	-	93.677.447	34.214.016

TITAGARH FIREMA ADLER S.p.A.

TITAGARH FIREMA ADLER S.P.A

Notes to financial statements for the Period ended March 31, 2017

12. OTHER EQUITY	As at March 31, 2017 In Euro		As at March 31, 2016 In Euro	
	Retained Earning			
Balance as per the last financial statements		1 068.386		-
Profit for the year		4,501.285		1,068.386
Total		5,569.671		1,068.386
Total Other Equity		5,569.671		1,068.386

13. BORROWINGS (at amortized cost)	Long - Term		Short - Term	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Secured				
Deferred payment liability	376.503	1 748.068	1 416.478	-
Cash Credit	-	-	12.008.275	-
Shareholders Loan	18.000.000	4.026.178	4.117.000	-
Total Unsecured	18.376.503	5.774.246	17.541.754	-
Total Long Term Borrowings	18.376.503	5.774.246	17.541.754	-

a) The Company has a financial lease for the photovoltaic plant and equipment. The lease period ends in November 2018.

Repayment Schedule	Year	Amount
	upto 1 year	1.416.478
	1 - 2 years	376.503
		1.792.982

b) Working Capital Demand Loan of Euro 12.00 million represents short term loan taken from Axis Bank Singapore Branch for working capital purposes. The facility is secured by First Pari Passu Charge on the entire fixed assets (movable and Immovable) of Titagarh Wagons Limited (TWL) other than assets charged exclusively to banks and excluding vehicles and First Pari Passu Charge on the entire current assets of TWL. Further, the same is also backed by the Corporate Guarantee of TWL.

c) Loan from holding company carries interest rate of 6.5% and each tranche is repayable in two years. The loan is secured against charge to be created against all the fixed asset and current assets of the Company.

Repayment Schedule	Year	Amount
	upto 1 year	4.117.000
	1 - 2 years	18.000.000
		22.117.000

14. OTHER FINANCIAL LIABILITIES (at amortized cost)	Long - Term		Short - Term	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
14,1 Trade Payables				
Payables for goods and services	-	-	47.248.604	38.440.079
			47.248.604	38.440.079
14,2 Other				
Payable for purchase of fixed assets	5.281.404	6.831.380	1.971.152	985.576
Employee related liabilities	-	-	2.370.727	1.429.220
Total Other Current Liabilities	5.281.404	6.831.380	4.341.879	2.414.796
Total Current Liabilities	5.281.404	6.831.380	51.590.483	40.854.875

a) Trade Payables are non interest bearing and are normally settled on 60 days terms.

b) The payable for purchase of fixed assets represents amount payable to Firema Trasporti SPA in AS (FAS) towards acquisition of the real estate as per the business purchase agreement. The amount is payable in four equal annual instalments of Euro 2 million each by July 2020.

16. PROVISIONS	Long - Term		Short - Term	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Provision for Tax	-	-	3.774.297	854.301
Other provisions:				
Onerous Contract	-	8.469.000	7.735.031	3.454.552
Other Provisions	-	-	75.000	-
Liquidated Damages	-	3.400.000	1.603.904	3.500.000
Warranty	-	-	2.944.962	36.000
Total	-	11.869.000	16.133.194	7.844.852

a) Movement of provisions for warranty and liquidated damages are as follows:

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Notes to financial statements for the Period ended March 31, 2017

11. EQUITY SHARE CAPITAL	As At March 31, 2017 In Euro	As At March 31, 2016 In Euro
Authorised Shares		
10,000,000 Equity shares of Euro 1 each	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>
Issued, Subscribed and fully paid-up Shares		
10,000,000 Equity shares of Euro 1 each	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

There is no movement in the share capital during the current year and previous year.

	2016-17		2015-16	
	No. of shares	In Euro	No. of shares	In Euro
Equity Shares				
At the beginning of the year	10,000,000	10,000,000	-	-
Issue of equity shares	-	-	10,000,000	10,000,000
Outstanding at the end of the year	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Euro 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by holding company and/or their subsidiaries/ associates

	As at March 31, 2017 No. of Shares	As at March 31, 2016 No. of Shares
	Titagarh Wagons Limited	180,000
Titagarh Singapore Pte Limited	8,820,000	8,820,000

d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 2016-17		As at March 31, 2016	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Euro 1 each fully paid				
Titagarh Wagons Limited	180,000	1,8%	180,000	1,8%
Titagarh Singapore Pte Limited	8,820,000	88,2%	8,820,000	88,2%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the

e) Details of equity shares pledged by the promoter or persons forming part of the promoter group ('Promoter Group') of the Company:

	As at March 31, 2017 No. of shares	As at March 31, 2016 No. of shares
	Total number of equity shares held by the Promoter Group	9,000,000
Total number of equity shares pledged by the Promoter Group	9,000,000	9,000,000
Percentage of total shares pledged to total shareholding of the Promoter Group	88%	88%
Percentage of total shares pledged to total outstanding shares of the Company	88%	88%

TITAGARH FIREMA ADLER S.p.A.

12. OTHER EQUITY	As at March 31, 2017 In Euro		As at March 31, 2016 In Euro	
	Retained Earning			
Balance as per the last financial statements			1.068.386	-
Profit for the year			4.501.285	1.068.386
Total			5.569.671	1.068.386
Total Other Equity			5.569.671	1.068.386

13. BORROWINGS (at amortized cost)	Long - Term		Short - Term	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Secured				
Deferred payment liability	376.503	1.748.068	1.416.478	-
Cash Credit	-	-	12.008.275	-
Shareholders Loan	4.117.000	4.026.178	18.000.000	-
Total Unsecured	4.493.503	5.774.246	31.424.754	-
Total Long Term Borrowings	4.493.503	5.774.246	31.424.754	-

a) The Company has a financial lease for the photovoltaic plant and equipment. The lease period ends in November 2018.

Repayment Schedule	Year	Amount
	upto 1 year	1.416.478
	1 - 2 years	376.503
		1.792.982

b) Working Capital Demand Loan of Euro 12.00 million represents short term loan taken from Axis Bank Singapore Branch for working capital purposes. The facility is secured by First Pari Passu Charge on the entire fixed assets (movable and immovable) of Tilagarh Wagons Limited (TWL) other than assets charged exclusively to banks and excluding vehicles and First Pari Passu Charge on the entire current assets of TWL. Further, the same is also backed by the Corporate Guarantee of TWL.

c) Loan from holding company carries Interest rate of 6.5% and each tranche is repayable in two years. The loan is secured against charge to be created against all the fixed asset and current assets of the Company.

Repayment Schedule	Year	Amount
	upto 1 year	4.117.000
	1 - 2 years	18.000.000
		22.117.000

14. OTHER FINANCIAL LIABILITIES (at amortized cost)	Long - Term		Short - Term	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
14,1 Trade Payables				
Payables for goods and services			47.248.604	38.440.079
			47.248.604	38.440.079
14,2 Other				
Payable for purchase of fixed assets	5.281.404	6.831.380	1.971.152	985.576
Employee related liabilities	-	-	2.370.727	1.429.220
Total Other Current Liabilities	5.281.404	6.831.380	4.341.879	2.414.796
Total Current Liabilities	5.281.404	6.831.380	61.590.483	40.854.875

a) Trade Payables are non interest bearing and are normally settled on 60 days terms.

b) The payable for purchase of fixed assets represents amount payable to Firema Trasporti SPA in AS (FAS) towards acquisition of the real estate as per the business purchase agreement. The amount is payable in four equal annual instalments of Euro 2 million each by July 2020.

15. PROVISIONS	Long - Term		Short - Term	
	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro	As at March 31, 2017 In Euro	As at March 31, 2016 In Euro
Provision for Tax	-	-	3.774.297	854.301
Other provisions:				
Onerous Contract	-	8.469.000	7.735.031	3.454.552
Other Provisions	-	-	75.000	-
Liquidated Damages	-	3.400.000	1.603.904	3.500.000
Warranty	-	-	2.944.962	36.000
Total	-	11.869.000	16.133.194	7.844.852

a) Movement of provisions for warranty and liquidated damages are as follows:

	Warranties		Onerous Contract	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	In Euro	In Euro	In Euro	In Euro
At the beginning of the year	36.000	-	11.923.552	-
Arisen during the year	1.562.083	36.000	-	15.938.932
Reclassified from Liquidated Damages	1.382.879	-	-	-
Utilized during the year	-	-	4.188.520	4.015.380
Unused amounts reversed	36.000	-	-	-
At the end of the year	2.944.962	36.000	7.735.031	11.923.652
Current portion	2.944.962	36.000	7.735.031	3.454.552
Non-current portion	-	-	-	8.469.000

	Liquidated Damages	
	March 31, 2017	March 31, 2016
	In Euro	In Euro
At the beginning of the year	6.900.000	-
Arisen during the year	1.093.826	6.900.000
Reclassified to warranty	1.382.879	-
Utilized during the year	5.007.043	-
Unused amounts reversed	-	-
At the end of the year	1.603.904	6.900.000
Current portion	1.603.904	3.500.000
Non-current portion	-	3.400.000

16. OTHER CURRENT LIABILITIES (at amortized cost)

	Long - Term		Short - Term	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	In Euro	In Euro	In Euro	In Euro
Advance from Customers	-	-	65.049.187	79.775.883
	-	-	65.049.187	79.775.883

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TITAGARH FIREMA ADLER S.P.A

Notes to financial statements for the Period ended March 31, 2017

17. REVENUE FROM OPERATIONS

	For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
	In Euro	In Euro
Revenue from operations		
Sale of products		
Finished Goods	87.148.583	9.041.213
Unbilled Revenue	50.182.810	24.416.233
Revenue from operations	<u>137.331.394</u>	<u>33.457.446</u>

18. COST OF RAW MATERIALS & COMPONENTS CONSUMED

	For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
	In Euro	In Euro
Inventory at the beginning of the year	17.329.772	-
Add: Purchases	64.191.429	32.660.183
	81.521.202	32.660.183
Less: Inventory at the end of the year	21.430.957	17.329.772
Cost of raw materials & components consumed	<u>60.090.245</u>	<u>15.330.410</u>

19. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP

	For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
	In Euro	In Euro
Closing Stock		
Work In Progress	18.790.000	50.912.000
	18.790.000	50.912.000
Opening Stock		
Work in Progress	50.912.000	-
	60.912.000	-
Less: Acquired on business acquisition	-	(52.983.000)
Less: Reversal of provision for onerous contract	(4.050.786)	(4.015.063)
	<u>28.071.202</u>	<u>(1.944.063)</u>

20. EMPLOYEE BENEFITS EXPENSES

	For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
	In Euro	In Euro
Salaries, wages and bonus	17.283.106	10.909.851
Total	<u>17.283.106</u>	<u>10.909.851</u>

TITAGARH FIREMA ADLER S.p.A.

TITAGARH FIREMA ADLER S.P.A

Notes to financial statements for the Period ended March 31, 2017

	For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
	In Euro	In Euro
21. FINANCE COSTS		
Interest expenses	1.324.091	(909.494)
Bank charges	1.196.127	129.159
Total	<u>2.520.218</u>	<u>(780.334)</u>
	For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
	In Euro	In Euro
22. DEPRECIATION & AMORTIZATION EXPENSE		
Depreciation of tangible assets	2.561.016	1.977.574
	<u>2.561.016</u>	<u>1.977.574</u>
	For the Period ended Apr 16 - Mar 17	For the Period ended July 14, 2015 to March 31, 2016
	In Euro	In Euro
23. OTHER EXPENSES		
Power & Fuel	868.241	700.573
Contract Job work	6.091.204	839.207
Management Fees	-	-
Security Expenses	452.956	218.032
Cleaning Expenses	297.333	149.301
Repairs and maintenance	1.470.146	886.675
Rent	164.864	203.220
Rates & Taxes	744.471	462.858
Insurance	206.367	132.738
Canteen Exps	413.384	240.147
Salary Processing Cost	57.997	38.371
Travelling and conveyance	777.489	454.373
Legal and professional fees	1.348.686	560.070
Telephone and Communication	193.316	230.471
Hardware and Software expenses	540.496	280.902
Liquidated Damages	8.247.207	-
Less: Adjusted against provision	<u>5.007.043</u>	-
Provision for Liquidated Damages	3.240.165	-
Provision for warranties	1.093.826	36.000
Miscellaneous expenses	1.562.083	640.312
	563.477	-
Total	<u>20.086.500</u>	<u>6.873.249</u>

TITAGARH FIREMA ADLER S.p.A.

TITAGARH FIREMA ADLER S.P.A
Statement of Changes in Equity for the year ended 31st March 2017

A) Equity Share Capital

	Number	Amount
Equity Shares of Euro 1 each issued, subscribed and fully paid On April 1,2015	-	-
Changes in equity share capital during the year	10.000.000	10.000.000
Balance at March 31,2016	10.000.000	10.000.000
Changes in equity share capital during the year	-	-
Balance at March 31,2017	<u>10.000.000</u>	<u>10.000.000</u>

B) Other Equity

Particulars	Amount in Euro	
	Retained Earnings	Total
Balance at April 1, 2015	-	-
Profit for the year	1.068.386	1.068.386
Other Comprehensive Income for the year, net of tax	-	-
	<u>1.068.386</u>	<u>1.068.386</u>
Adjustments		
Additions on Shares Issued during the period	-	-
Balance at March 31, 2016	<u>1.068.386</u>	<u>1.068.386</u>
Profit for the year	4.501.285	4.501.285
Other Comprehensive Income for the year, net of tax	-	-
	<u>5.569.671</u>	<u>5.569.671</u>
Adjustments		
Additions on Shares Issued during the period	-	-
Balance at March 31, 2017	<u>5.569.671</u>	<u>5.569.671</u>

TITAGARH FIREMA ADLER S.p.A.

TTTAGARRH FIREMA ADLER S.P.A

Notes to financial statements for the Period ended March 31, 2017

Amount in Euro

SCHEDULE 3: Property, Plant and Equipment

	Tangible				Total
	Land - Freehold	Buildings	Plant & Machinery	Intangible	
Cost or valuation					
At April 1, 2015	-	-	-	-	-
Additions	1.539.869	-	-	-	1.539.869
Acquired on business combination	11.017.131	18.031.000	6.768.729	270.140	36.087.000
At March 31, 2016	12.557.000	18.031.000	6.768.729	270.140	37.626.869
Additions		8.042	419.354	529.826	957.222
March 31, 2017	12.557.000	18.039.042	7.188.083	799.966	38.584.091
Depreciation & Amortization	-	-	-	-	-
Charge for the year	-	532.491	1.417.995	27.088	1.977.574
At March 31, 2016	-	532.491	1.417.995	27.088	1.977.574
Charge for the year	-	751.822	1.721.684	87.510	2.561.016
March 31, 2017	-	1.284.313	3.139.679	114.598	4.538.590
Net Block					
At March 31, 2016	12.557.000	17.498.509	5.350.734	243.052	35.649.295
At March 31, 2017	12.557.000	16.754.729	4.048.404	685.368	34.045.502

24 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists:

Holding Company: Titagarh Singapore PTE Limited

Ultimate Holding Company: Titagarh Wagons Limited

Fellow Subsidiary: 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					Amount In Euro
	Ultimate Holding Company	Holding Company	Fellow subsidiary	KMP	Total
In relation to the statement of profit and loss					
Reimbursement of Expenses					
Titagarh Wagons Limited	243.016	-	-	-	243.016
	(219.071)	-	-	-	(219.071)
Titagarh Wagons AFR			3.352		3.352
			(84.247)		(84.247)
Financial costs					
Titagarh Wagons Limited	23.581				23.581
					-
Titagarh Singapore Pte. Ltd.		825.142			825.142
					-
In relation to the balance sheet					
Loan Taken					
Titagarh Singapore Pte. Ltd.		18.000.000			18.000.000
		(4.000.000)			(4.000.000)
Interest Payable					
Titagarh Singapore Pte. Ltd.		117.000			117.000
		(26.178)			(26.178)
Issue of Equity Shares					
Titagarh Singapore Pte. Ltd.		-			-
		(8.820.000)			(8.820.000)
Titagarh Wagons Limited		-			-
	(180.000)	-			(180.000)
Guarantee obtained and outstanding					
Titagarh Wagons Limited	13.200.000				13.200.000
					-
Balance outstanding as at the year end - Credit					
Titagarh Wagons Limited	158.768				158.768
	(219.071)				(219.071)
Titagarh Singapore Pte. Ltd.		22.117.000			22.117.000
		(4.026.178)			(4.026.178)
Titagarh Wagons AFR			3.352		3.352
			(84.247)		(84.247)

Notes

Terms and conditions of transactions with related parties

The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil, 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25 Opening & Closing stock of finished goods are exclusive of VAT.

26 Segment Information

Business Segments:

The Company has only one business segment i.e. Wagons and Tank containers.

Geographical Segments:

The Company primarily operates in Europe and the entire revenue has been generated within Europe only.

27 During the previous year, Titagarh Wagons Limited alongwith its wholly owned subsidiary company Titagarh Singapore Pte Limited have formed a subsidiary company in Italy in the name of Titagarh Firema Adler SpA (TFA). TFA has acquired the business and assets of Firema Trasporti SpA, a designer and manufacturer of metro coaches and semi / high speed trains.

Details of the purchase consideration, the net assets acquired are as follows:

Purchase consideration	Amount (In Euros)
Cash paid	1.500.000
Cash to be paid for purchase of real estate	<u>10.000.000</u>
	<u>11.500.000</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Amount (In Euros)
Assets	
Fixed Assets	36.087.000
Inventories	52.983.000
Loans and Advances	1.455.433
Other receivables	<u>20.082.522</u>
	<u>110.607.955</u>
Liabilities	
Provision	22.838.932
Borrowings	1.748.068
Advance from customers	73.793.829
Other payables	<u>12.227.126</u>
	<u>110.607.955</u>

28 Reconciliation of Total Equity as on 31st March,2016.

Particulars	As at 31st March, 2016 (End of Last Period presented under previous GAAP)
Total Equity (Shareholders' funds) under previous GAAP	353.794,46
Add / (Less) : Adjustments on account of Ind AS:	
(i) Fair valuation of financial liability at initial recognition	1.183.044,32
Sub Total	1.183.044,32
Less: Adjustments on account of:	
(i) Fair valuation of financial asset at initial recognition	(225.156,33)
Sub Total	(225.156,33)
(i) Deferred Tax Liabilities	(243.296,48)
Tax effect on fair valuation	(243.296,48)
Net Adjustments	714.591,51
Total Equity under IND AS	<u>1.068.385,97</u>

TITAGARH FIREMA ADLER S.p.A.

29 Effect of IND AS adoption on the Balance Sheet as at 31st March 2016

	Notes	Effect of Transition to		
		Previous GAAP	IND AS	2015-16
I. ASSETS				
Non current assets				
Property, Plant and Equipment		35,649,295	-	35,649,295
Other Financial Assets	(a)	-	774,844	774,844
Deferred Tax Assets		75,224	-	75,224
		<u>35,724,519</u>	<u>774,844</u>	<u>36,499,363</u>
Current assets				
Inventories		68,241,772	-	68,241,772
Financial Assets				
Trade receivables		4,483,529	-	4,483,529
Cash and bank balances		4,201,779	-	4,201,779
Loans		2,740	-	2,740
Others	(a)	17,618,719	(1,000,000)	16,618,719
Other Non Financial Assets		34,214,016	-	34,214,016
		<u>128,762,555</u>	<u>(1,000,000)</u>	<u>127,762,555</u>
TOTAL		164,487,074	(225,156)	164,261,918
II. EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		10,000,000	-	10,000,000
Other Equity		353,794	714,592	1,068,386
		<u>10,353,794</u>	<u>714,592</u>	<u>11,068,386</u>
Non-current liabilities				
Financial Liabilities				
Long term borrowings		5,774,246	-	5,774,246
Other non current liabilities	(b)	7,500,000	(668,620)	6,831,380
Deferred Tax Liabilities		-	243,296	243,296
Provisions		11,869,000	-	11,869,000
		<u>25,143,246</u>	<u>(425,324)</u>	<u>24,717,922</u>
Current liabilities				
Financial Liabilities				
Borrowings		-	-	-
Trade payables		38,440,079	-	38,440,079
Others	(b)	2,929,220	(514,424)	2,414,796
Provisions		7,844,852	-	7,844,852
Other non-financial liabilities		79,775,883	-	79,775,883
		<u>128,990,033,67</u>	<u>(514,424)</u>	<u>128,475,609,82</u>
TOTAL		164,487,074	(225,156)	164,261,918

Effect of IND AS adoption on the Statement of Profit and Loss for the year ended 31st March 2016

	Notes	Effect of Transition to		
		Previous GAAP	IND AS	2015-16
Income				
Revenue from operations		33,457,445	-	33,457,445
Other Income		-	-	-
Total Revenue (I)		<u>33,457,445</u>	<u>-</u>	<u>33,457,445</u>
Expenses				
Cost of raw materials & components consumed		15,330,410	-	15,330,410
(Increase)/decrease in Inventories of finished goods, Work in progress and saleable scrap		(1,944,063)	-	(1,944,063)
Employee benefits expenses		10,909,851	-	10,909,851
Finance costs	(a), (b)	177,554	(957,888)	(780,334)
Depreciation and amortization expenses		1,977,574	-	1,977,574
Other expenses		5,873,249	-	5,873,249
Total Expenses (II)		<u>32,324,574</u>	<u>(957,888)</u>	<u>31,366,686</u>
Profit before taxes		<u>1,132,871</u>	<u>957,888</u>	<u>2,090,759</u>
Tax expenses				
Current tax	(a), (b)	854,301	-	854,301
Deferred Tax	(a), (b)	(75,224)	243,296	168,072
Total tax expenses		<u>779,076</u>	<u>243,296</u>	<u>1,022,373</u>
Profit for the year		<u>353,794</u>	<u>714,592</u>	<u>1,068,386</u>

Notes:

(a) Under Indian GAAP, the Company did not account for the fair valuation of the financial asset with a deferred settlement terms. IND AS requires that all the financial assets which are with a deferred settlement terms are fair valued at inception and subsequently measured at amortised cost. Accordingly the financial asset has been fair valued and the impact has been taken to the statement of profit and loss.

(b) Under Indian GAAP, the Company did not account for the fair valuation of the deferred payment liability. IND AS requires that all the financial liabilities which are with a deferred payment terms are fair valued at inception and subsequently measured at amortised cost. Accordingly the financial liability has been fair valued and the impact has been taken to the statement of profit and loss.

30 Previous period's figures including those given in brackets have been rearranged where necessary to conform to the current period's classification.

TTEGARH FIREMAADLER S.p.A.