

### Independent Auditor's Report

To  
The Members of  
Aster Rail Private Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Aster Rail Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



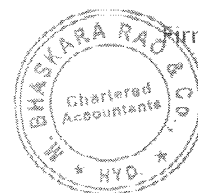
**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
    - i. the Company has no pending litigations as on March 31, 2016 requiring disclosure in the financial statements.
    - ii. the company is not required to make provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
    - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 0004505



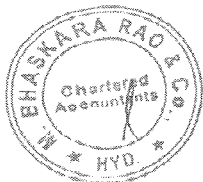
*M. V. Ramana Murthy*  
M. V. Ramana Murthy  
Partner  
Membership No. 206439

Hyderabad, May 17, 2016

**Annexure A to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Aster Rail Private Limited)

- (i) In respect of its Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets have been physically verified during the year by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) According to the information and explanations given to us the company has not held any immovable property during the year and hence paragraph 3(i)(c) of the Order is not applicable for the company.
- (ii) The Company is engaged in construction activities. According to the information and explanations given to us, the inventory has been physically verified by the Company during the year and no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly paragraph 3(iii) of the Order is not applicable, at present.
- (iv) According to the information and explanations given to us, the company has neither granted any loans, guarantees, securities nor made any investments covered under provisions of section 185 and 186 of the Act and accordingly paragraph 3(iv) of the Order is not applicable to the Company at present.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits in terms of Section 73 to 76 of the Companies Act, 2013. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the provisions of Section 148(1) of the Companies Act, 2013 and rules made thereunder relating to maintenance of Cost records are not applicable to the Company for the year under audit. Accordingly paragraph 3(vi) of the order is not applicable to the company.
- (vii) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:
- (a) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, customs duty, value added tax and cess which were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute except dues of sales tax which is given below:



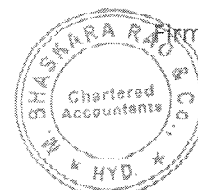
Statute	Nature of Due	Forum where dispute is pending	Period to which the amount relates	Amount involved in Rs.
MP VAT Act 2002	Value Added Taxes	Commercial Tax Officer	2009-10	203,814
MP VAT Act 2002	Entry Tax	Commercial Tax Officer	2010-11	633,381
MP VAT Act 2002	Value Added Taxes	Commercial Tax Officer	2010-11	3,319,664
MP VAT Act 2002	Value Added Taxes	A.O Appeals	2011-12	1,557,827
MP VAT Act 2002	Entry Tax	A.O Appeals	2011-12	254,783

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or government except for dues relating to working capital loans from IDBI Bank Limited. The period of default was seven months and year end balance of such loans was Rs.1.98 Crores.

The Company has not issued any debentures and accordingly, provisions of paragraph 3(viii) relating to default in repayment of dues to debenture holders are not applicable to the Company at present.

- (ix) The Company did not raise any monies by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, the Company has applied term loans raised during the year for the purpose for which they were raised.
- (x) During the course of our examination of the books and other records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations give to us, as the company is a private limited company, section 197 of Companies Act, 2013 relating managerial remuneration is not applicable and accordingly, provisions of paragraph 3 (xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 0004595



*M. V. Ramana Murthy*  
M. V. Ramana Murthy  
Partner

Membership No.206439

Hyderabad, May 17, 2016

**Annexure B to the Independent Auditor's report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Aster Rail Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls over Financial Reporting**

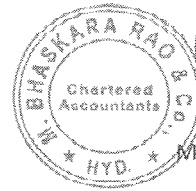
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 0004595

Hyderabad, May 17, 2016



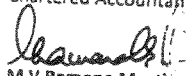
*M. V. Ramana Murthy*  
M. V. Ramana Murthy  
Partner  
Membership No. 206439

Aster Rail Private Limited  
Balance Sheet as at March 31, 2016


	Note	As at March 31, 2016		As at March 31, 2015	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	3	30,988,000		30,988,000	
Reserves and Surplus	4	(75,577,770)		(47,303,023)	
			(44,589,770)		(16,315,023)
<b>Non-Current Liabilities</b>					
Long Term Provisions	5		1,647,931		1,167,645
<b>Current Liabilities</b>					
<b>Short Term Borrowings</b>					
Trade Payables	6	63,436,278		72,935,549	
(a) Total Outstanding dues of micro enterprises and small enterprises	7				
(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		3,406,473		8,435,934	
Other Current Liabilities	8	30,786,230		9,928,882	
Short Term Provisions	9	527,415		525,787	
			98,156,396		91,826,152
<b>TOTAL</b>			<b>55,214,557</b>		<b>76,678,774</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
<b>Tangible Assets</b>					
Non current Investments	10	664,889		888,554	
Deferred Tax Assets	11	-		1,000,000	
Long Term Loans and Advances	12	613,026		556,646	
Other Non-Current Assets	13	12,709,355		14,609,195	
	14	16,455,859		17,851,649	
<b>Current Assets</b>					
<b>Inventories</b>					
Trade Receivables	15	9,380,629	30,443,129	18,027,623	34,906,044
Cash and Bank Balances	16	1,427,197		5,268,298	
Short Term Loans and Advances	17	2,518,439		3,117,645	
Other Current Assets	18	11,086,427		11,839,636	
	19	358,736		3,519,528	
			24,771,428		41,772,730
<b>TOTAL</b>			<b>55,214,557</b>		<b>76,678,774</b>
Corporate information and Significant Accounting Policies	1 & 2				

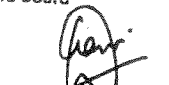
Accompanying notes form an integral part of the financial statements

In terms of our report attached  
for M. Bhaskara Rao & Co.  
Chartered Accountants.

  
M V Ramana Murthy  
Partner

for and on behalf of the Board

  
V Radhakrishna  
Director  
DIN No: 01483148

  
D V Ravi Kumar  
Director  
DIN No: 0282672


Hyderabad, May 17, 2016

Aster Rail Private Limited  
Statement of Profit and Loss for the year ended March 31, 2016

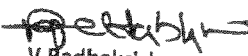
	Note	Year Ended March 31, 2016		Year Ended March 31, 2015	
(In ₹)					
<b>Revenue</b>					
Revenue from operations	20	40,664,277		33,743,469	
Other Income	21	781,246		440,875	
<b>Total</b>			<b>41,445,523</b>		<b>34,184,344</b>
<b>Expenses</b>					
Cost of Materials Consumed	22	22,419,939		10,750,332	
Construction Expenditure	23	8,914,199		12,026,341	
(Increase) / Decrease in Stock and Work In Progress	24	8,486,544		984,748	
Employee Benefits Expenses	25	7,255,090		7,439,047	
Finance Costs	26	10,273,305		10,883,235	
Depreciation	10	223,665		223,665	
Other Expenses	27	12,203,908		3,706,592	
<b>Total</b>			<b>69,776,650</b>		<b>46,013,960</b>
<b>Profit/(Loss) Before Tax</b>			<b>(28,331,127)</b>		<b>(11,829,616)</b>
<b>Tax Expense</b>					
- Current tax					
- Deferred tax			(56,380)		(146,043)
<b>Profit/(Loss) for the period</b>			<b>(28,274,747)</b>		<b>(11,683,573)</b>
<b>Earnings per equity share of face value of ₹10/- each</b>					
- Basic and Diluted (in ₹)	30		(9.12)		(3.77)
Corporate Information and significant accounting policies	1 & 2				


Accompanying notes form an integral part of the financial statements

In terms of our report attached  
for M. Bhaskara Rao & Co.  
Chartered Accountants.

  
M V Ramana Murthy,  
Partner

for and on behalf of the Board

  
V Radhakrishna  
Director  
DIN No: 01483148

  
D V Ravi Kumar  
Director  
DIN No: 0282672.

Hyderabad, May 17, 2016



Aster Rail Private Limited  
Cash flow statement for the Year ended March 31, 2016

	(in ₹)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Cash flow from operating activities</b>		
Profit before tax		
Adjustments for:	(28,331,127)	(11,829,616)
Depreciation and amortisation expense		
Finance costs	223,665	223,665
Provision for diminution in investment	10,273,305	10,883,235
Interest income	1,000,000	
Operating profit before working capital changes	272,493	440,875
Changes in working capital:	(16,561,664)	(281,841)
Adjustments for (increase) / decrease in operating assets:		
Inventories		
Long term loans and advances	8,646,994	2,926,149
Short term loans and advances	2,785,690	(2,616,802)
Other current assets	753,209	(884,312)
Trade receivables	3,160,792	406,531
Other Non Current Assets	3,841,101	16,145,484
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,395,790	5,894,845
Long term provisions	(5,029,461)	(17,629,743)
Other current liabilities	480,285	(211,421)
Short term provisions	20,857,350	9,006,268
Cash used in operating activities	1,628	68,075
Net income tax paid	20,331,714	12,823,234
Net cash used in operating activities	(885,850)	(898,539)
	19,445,864	11,924,694
<b>Cash flow from Investing activities</b>		
Interest received		
Net cash used in Investing activities	(272,493)	(440,875)
	(272,493)	(440,875)
<b>Cash flow from financing activities</b>		
Finance costs		
Increase in WCDL Avallment	(10,273,305)	(10,883,235)
Net cash from financing activities	(9,499,271)	(695,276)
Net increase in cash and cash equivalents (A+B+C)	(19,772,576)	(11,578,511)
Cash and cash equivalents at the beginning of the Year	(599,205)	(94,692)
Cash and cash equivalents at the end of the year (Refer note 17)	3,117,645	3,212,337
	2,518,439	3,117,645



Notes:

1. The Cash Flow Statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, Investing and financing activities.
2. Notes on accounts form an integral part of the Cash Flow Statement.
3. Figures in bracket represents cash outflows.
4. Figures of previous period have been regrouped/re-arranged wherever necessary to conform to the current period presentation.

In terms of our report attached  
for M. Bhaskara Rao & Co.  
Chartered Accountants

  
M.V. Ramana Murthy  
Partner

for and on behalf of the Board

   
V Radhakrishna      D V Ravi Kumar  
Director                      Director  
DIN No: 01483148      DIN No: 02826724

Hyderabad, May 17, 2016

**Aster Rail Private Limited**  
**Notes to the Financial Statements**

**1. Corporate Information**

Aster Rail Private Limited ('the Company') was incorporated on March 29, 2007 and is engaged in the business of designing, manufacturing, erection, installation, repairing and servicing of Railway signalling, telecommunication equipment and other equipment related to railways and train control systems.

**2. Significant Accounting Policies**

**2.1 Basis of presentation of Financial Statements**

The financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

**2.2 Use of Accounting Estimate**

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.3 Revenue Recognition**

Revenue from construction contracts is recognised by reference to percentage of completion of the contract activity gross of applicable taxes. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of contract work, as the case may be, and acknowledged by the contractee. Further expected loss, if any, is recognised as expenditure.

**2.4 Tangible Fixed Assets and Depreciation**

Fixed Assets are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred upto that date.

Depreciation is provided on straight line method based on useful lives prescribed in Schedule II of the Companies Act, 2013.

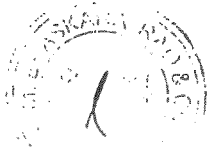
**2.5 Borrowing Costs**

Borrowing Costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e, more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

**2.6 Foreign Currency Transactions**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of transactions. Gains and losses resulting from settlement of such transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the period are translated at period end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss.



**Aster Rail Private Limited**  
**Notes to the Financial Statements**

**2.7 Taxes on income**

**Current Tax:** Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act, 1961.

**Deferred Taxes:** Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Deferred tax assets are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

**2.8 Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost and fair value determined on an individual investment basis whereas all other investments are classified as long term investments and are carried at cost except provision for diminution in value is made to recognize a decline other than temporary as specified in Accounting Standard (AS-13) on "Accounting for Investments"

**2.9 Employee Benefits to Employees**

Liability for gratuity and earned leaves, both short and long term, for present and past services which are due as per the terms of the employment are recognised on accrual basis.

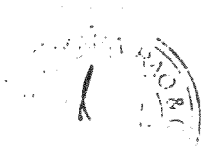
**2.10 Earnings per Share:**

The Company reports Earnings Per Share(EPS) in accordance with the Accounting Standard 20 on Earnings Per Share. Basic Earnings Per Share is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year.

Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used in computing diluted EPS comprises of weighted average number of shares considered for deriving basic EPS, and also the weighted average number of equity shares which could have been issued to the conversion of all dilutive potential equity shares where applicable.

**2.11 Provisions and Contingencies**

The Company recognised provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.



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Aster Rail Private Limited  
Notes to the Financial Statements

3. Share Capital  
Authorised  
Equity Shares of ₹10/- each

As at March 31, 2016		As at March 31, 2015	
Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
3,500,000	35,000,000	3,500,000	35,000,000
3,500,000	35,000,000	3,500,000	35,000,000
<b>Issued Subscribed and Paid up</b>			
Equity Shares of ₹10/- each			
3,098,800	30,988,000	3,098,800	30,988,000
<b>3,098,800</b>	<b>30,988,000</b>	<b>3,098,800</b>	<b>30,988,000</b>

Total

3.1 Reconciliation of the numbers of shares and amount outstanding at the beginning and end of the reporting year

As at March 31, 2016		As at March 31, 2015	
Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
Equity Shares of ₹10/- each fully paid up			
Balance at the beginning of the year			
3,098,800	30,988,000	3,098,800	30,988,000
Add: Alloted during the year			
-	-	-	-
<b>3,098,800</b>	<b>30,988,000</b>	<b>3,098,800</b>	<b>30,988,000</b>

3.2 Rights, preferences and restrictions attached to equity shares

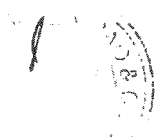
The equity shares of the Company having par value of ₹10 per share rank pari passu in all respects including voting rights and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of Association of the Company and as may be determined by the Company in General Meeting prior to such winding up.

3.3 Details of shares held by the holding company

As at March 31, 2016		As at March 31, 2015	
Number of Shares	Amount (in ₹)	Number of Shares	Amount (in ₹)
Equity Shares of ₹10/- each fully paid up			
NCC Limited, holding company			
3,098,800	30,988,000	3,098,800	30,988,000

3.4 Details of shares held by each shareholder holding more than 5% shares

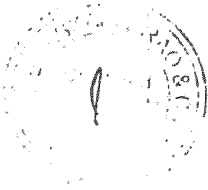
As at March 31, 2016		As at March 31, 2015	
Number of Shares held	% holding	Number of Shares held	% holding
Equity Shares of ₹10/- each fully paid up			
NCC Limited			
3,098,800	100	3,098,800	100



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Aster Rail Private Limited  
Notes to the Financial Statements

		(in ₹)	
		As at	As at
		March 31, 2016	March 31, 2015
<b>4. Reserves and Surplus</b>	<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>		
	Opening Balance		
	Profit/(Loss) for the year	(47,303,023)	(35,619,450)
	Closing Balance	(28,274,747)	(11,683,573)
		<b>(75,577,770)</b>	<b>(47,303,023)</b>
<b>5. Long Term Provisions</b>			
	Provision for Employee Benefits		
	Provision for Gratuity	1,285,519	991,462
	Provision for Earned Leaves	362,412	176,183
	<b>Total</b>	<b>1,647,931</b>	<b>1,167,645</b>
<b>6. Short Term Borrowings</b>			
	<i>Secured</i>		
	Working Capital Loan from Banks (Refer note no.6.1)	19,789,863	29,289,134
	<i>Unsecured</i>		
	Loan from Others	158,184	158,184
	Loan from Related Parties	43,488,231	43,488,231
	<b>Total</b>	<b>63,436,278</b>	<b>72,935,549</b>
<b>6.1 Details of securities pledged:</b>	Working capital loan from IDBI Bank is secured by First pari passu charge on the entire current assets of the Company.		



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Aster Rail Private Limited  
Notes to the Financial Statements

		(in ₹)	
		As at	As at
		March 31, 2016	March 31, 2015
<b>7. Trade Payables</b>			
(a) Total Outstanding dues of micro enterprises and small enterprises		-	-
(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		3,406,473	8,435,934
<b>Total</b>		<b>3,406,473</b>	<b>8,435,934</b>
<b>7.1 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 as at:</b>			
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.		Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.		Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and		Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.		Nil	Nil
<b>8. Other Current Liabilities</b>			
Other Payables			
Statutory Remittances		1,655,066	1,739,050
Advances from customers		29,131,164	8,189,832
<b>Total</b>		<b>30,786,230</b>	<b>9,928,882</b>
<b>9. Short Term Provisions</b>			
Provision for employee benefits			
Provision for Gratuity		127,587	127,587
Provision for Earned Leaves		43,632	42,004
Provision for Tax (Net of Tax Deducted at Source ₹39,70,646 (31.03.2015: ₹ 39,70,646))		356,196	356,196
<b>Total</b>		<b>527,415</b>	<b>525,787</b>



*(Signature)*

Aster Rail Private Limited  
Notes to the Financial Statements

10. Fixed Assets

Particulars	Gross Block (At Cost)				Depreciation			Net Block	
	As at March 31, 2015	Additions	Deletions / Adjustments	As at March 31, 2016	Upto March 31, 2015	For the year	Upto March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>									
Plant and Machinery	737,695	-	-	737,695	340,299	68,094	378,393	359,302	427,396
Vehicles	1,075,871	-	-	1,075,871	647,311	147,832	795,143	280,727	428,559
Office Equipments	777,305	-	-	777,305	744,706	7,739	752,445	24,860	32,599
<b>Total</b>	<b>2,590,871</b>	-	-	<b>2,590,871</b>	<b>1,702,316</b>	<b>223,665</b>	<b>1,925,981</b>	<b>664,889</b>	<b>888,554</b>
Previous year	2,590,871	-	-	2,590,871	1,478,652	223,665	1,702,316	888,554	1,112,219

*[Signature]*

Aster Rail Private Limited  
Notes to the Financial Statements

	(in ₹)	
	As at March 31, 2016	As at March 31, 2015
<b>11. Non-Current Investments</b>		
Long term Trade investments (At cost)		
Investment in Association of Persons JV of Aster Teleservices & McML Considered doubtful	1,000,000	1,000,000
Less : Provision for diminution	1,000,000	
	1,000,000	
<b>Total</b>		
Aggregate amount of unquoted investments	-	1,000,000
		1,000,000
<b>12. Deferred Tax Asset(Net)</b>		
i) Deferred Tax Liability on timing difference due to: Depreciation	19,619	55,938
ii) Deferred Tax Asset on timing difference due to: Provision for Gratuity and Compensated Absences Provision for Employee Bonus	562,118	413,207
	70,527	199,377
	613,026	556,646
<b>13. Long Term Loans and Advances</b> (Unsecured and Considered Good)		
Security Deposits		
Sales Tax Deposits	1,771,880	2,599,385
Advance Taxes and Tax deducted at Source	2,195,471	4,153,656
(Net of Provision of ₹ 9,08,583 (31.03.2015: ₹ 9,08,583))	8,742,004	7,856,154
<b>Total</b>	12,709,355	14,609,195
<b>14. Other Non Current Assets</b> (Unsecured and considered good)		
Rentention Money		
<b>Total</b>	16,455,859	17,851,649
	16,455,859	17,851,649
<b>15. Inventories</b> (at lower of cost or net realisable value)		
Stock of Materials		
Work in Progress		160,450
<b>Total</b>	9,380,629	17,867,173
	9,380,629	18,027,623



Aster Rail Private Limited  
Notes to the Financial Statements

	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
<b>16. Trade Receivables</b>		
<i>Unsecured and Considered Good</i>		
Outstanding for a period exceeding six months		
Other Trade receivables	1,427,197	5,268,298
<b>Total</b>	<b>1,427,197</b>	<b>5,268,298</b>
<b>17. Cash and Bank Balance</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand		
Balances with banks		499
In Current Accounts		
Other Bank Balances	1,002,366	1,041,880
In Deposit Accounts		
Margin Money Deposits (Refer note no. 17.1)		
<b>Total</b>	<b>1,516,073</b>	<b>2,075,266</b>
<b>17.1 Margin Money Deposit have been lodged with Banks against Bank Guarantees</b>	<b>2,518,439</b>	<b>3,117,645</b>
<b>18. Short Term Loans and Advances</b>		
<i>(Unsecured and Considered Good)</i>		
Advances to Suppliers and Sub-Contractors	636,492	474,405
Balances with Government Authorities	1,459,305	1,145,867
Advances to Employees	470,709	907,551
Prepaid Expenses	5,899	-
Security Deposits	581	502,602
Tender Deposits	1,645,174	440,200
Loans and Advances to Related Parties (Refer Note No.29)	6,868,269	8,369,011
Considered Good	8,363,340	
Considered doubtful for Advances	1,500,000	
Less : Provision for doubtful for Advance	6,863,340	
	<u>1,500,000</u>	
<b>Total</b>	<b>11,086,428</b>	<b>11,839,636</b>
<b>19. Other Current Assets</b>		
<i>(Unsecured and considered good)</i>		
Retention Money		
With held amount with client	358,736	1,097,187
<b>Total</b>	<b>358,736</b>	<b>3,519,528</b>

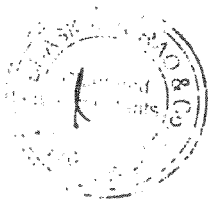
Aster Rail Private Limited  
Notes to Financial Statements

		(in ₹)	
		Year Ended March 31, 2016	Year Ended March 31, 2015
20.	Revenue from Operations		
	Sale of Services		
	Income From Work Contract Receipts	40,664,277	33,743,469
	Total	<u>40,664,277</u>	<u>33,743,469</u>
21.	Other Income		
	Interest Income	272,493	440,875
	Miscellaneous Income	508,753	-
	Total	<u>781,246</u>	<u>440,875</u>
22.	Cost of Materials Consumed		
	Opening Stock Of Material		
	Add: Purchases	160,450	2,101,851
	Less: Closing Stock Of Material	22,259,489	8,808,931
		-	160,450
	Cost of Material consumed	<u>22,419,939</u>	<u>10,750,332</u>
23.	Construction Expenditure		
	Construction and Excavation work	3,634,775	7,379,477
	Drawing and Designing Expenditure	-	274,002
	Material Handling Charges	619,034	-
	Inspection Charges	-	2,146
	Insurance Expense	13,934	-
	Machinery Hire Charges	200,500	-
	Rent Expenditure	642,272	589,390
	Signalling Installation work	734,092	1,955,952
	VAT, CST and Cess on Sales	2,285,253	1,351,481
	Site Expenditure	784,339	424,142
	Consumables		49,751
	Total	<u>8,914,199</u>	<u>12,026,341</u>

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Aster Rail Private Limited  
Notes to Financial Statements

	(in ₹)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>24. Changes in Inventories of work-in-progress</b>		
Opening stock		
Work In Progress	17,867,173	18,851,921
Closing Stock		
Work in Progress	9,380,629	17,867,173
<b>Total</b>	<b>8,486,544</b>	<b>984,748</b>
<b>25. Employees Benefit Expense</b>		
Salaries and other benefits	5,030,119	5,782,627
Contribution to provident and other funds	704,356	482,341
Gratuity and Leave Encashment	570,057	(11,761)
Staff welfare Expenses	950,558	1,185,840
<b>Total</b>	<b>7,255,090</b>	<b>7,439,047</b>
<b>26. Finance Cost</b>		
Interest expense		
On Borrowings from Banks	3,951,169	5,298,000
On Borrowings from Others	5,218,588	5,218,588
Other borrowing costs	1,103,548	366,647
<b>Total</b>	<b>10,273,305</b>	<b>10,883,235</b>
<b>27. Other Expenses</b>		
Travelling and Conveyance	1,529,336	2,231,000
Electricity Charges	1,000	3,699
Loss from joint venture	71,529	88,602
Postage, Telegrams and Telephones	4,631	18,984
Printing and Stationery	104,068	77,448
Rates and Taxes	165,744	13,763
Consultancy Charges	526,306	167,770
Repairs and maintenance	217,572	99,978
Telephone and Internet Expenditure	90,477	116,636
Provision for Trade Recivable Advances Doubtful Trade Receivables/Advances & Retention monies	7,651,116	11,337
Provision for Dimination	1,000,000	
Transport Charges	-	627,191
Auditor's remuneration (Including service tax)	-	
For Statutory Audit	134,824	151,682
For Tax Audit	33,708	16,854
Miscellaneous Expenses	673,597	81,649
<b>Total</b>	<b>12,203,908</b>	<b>3,706,593</b>



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Aster Rail Private Limited  
Notes to the Financial Statements

28. Contingent liabilities and Commitments

	(in ₹)	
	As at March 31, 2016	As at March 31, 2015
Claims against the company not acknowledged as debt		
- Disputed Sales tax liability for which the Company preferred appeal	7,959,292	4,426,218

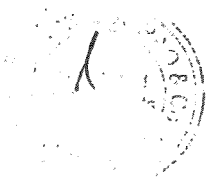
29. Related Party Transactions

i) List of related parties and relationships:

Related Party's Name	Nature of relationship
NCC Limited	Holding Company
NCCL ECIECCL ARPL JV	Enterprises owned and significantly influenced by holding company
Aster Teleservices & MCML Services JV	Jointly Controlled Entity
Mr.D V Ravi Kumar	Key Management Personnel
Mr.V Radha krishna	Key Management Personnel

ii) Details of Balances with related parties:

	(in ₹)	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
<b>Sales</b>		
NCC Limited		14,473,977
NCCL ECIECCL ARPL JV	31,032,702	8,837,328
<b>Amounts Repayable (net) for expenditure incurred on our behalf</b>		
NCC Limited	20,941,332	3,493,103
<b>Amounts Recoverable (net) for expenditure incurred on behalf of:</b>		
Aster Teleservices & MCML Services JV		11,720
<b>Interest on Borrowings</b>		
NCC Limited	5,218,588	5,218,588
<b>Credit Balances at the end of the year</b>		
NCC Limited	72,260,659	50,580,876
<b>Debit Balance at the end of the year</b>		
NCCL ECIECCL ARPL JV	14,573,796	16,998,759
Aster Teleservices & MCML Services JV	6,863,340	8,364,082
<b>Remuneration to key management personnel</b>	1,288,644	732,985



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Aster Rail Private Limited  
Notes to the Financial Statements

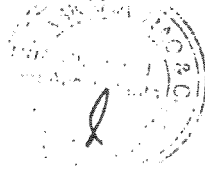
30. Earning per Share(EPS):

	(In ₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Nominal Value of Equity Shares (₹ per share)	10	10
Profit after tax (in ₹) (A)	(28,274,747)	(11,687,573)
Weighted average number of Equity shares outstanding (B)	3,098,800	3,098,800
Basic and Diluted EPS (₹ per share) (A/B)	(9.12)	(3.77)

31. The Company Operates in a Single Business Segment of Production of Precision Components and in a Single Geography. Accordingly disclosure requirements of Accounting Standard 17, Segment Reporting have not been furnished.

32. The Company has incurred cash losses during the year and net worth is completely eroded. The current liabilities are in excess of current assets. These facts have raised a question on the going concern status of the company. Notwithstanding these factors, the financial statements of the company have been prepared on going concern basis based on the commitment given by parent company.

33. Previous year figures have been reclassified/ regrouped /rearranged wherever necessary.



Hyderabad, May 17, 2016

for and on behalf of the Board

V. Radhakrishna  
Director  
DIN No: 01483148

D V Ravi Kumar  
Director  
DIN No: 02826724