

## **Independent Auditors' Report**

**To**  
**The Members of**  
**Aster Rail Private Limited**

### **Report on the Standalone Ind AS financial statements**

We have audited the accompanying standalone Ind AS financial statements of **Aster Rail Private Limited** ("the Company"), which comprises of the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

### **Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

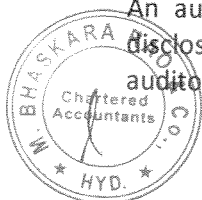
### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS 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 there under.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone



Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

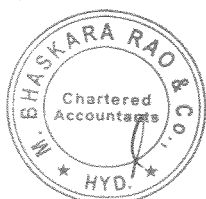
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2017, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

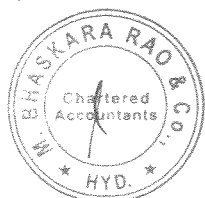
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 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, Cash Flow Statement and the Statement of Changes in Equity dealt by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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



**Annexure A to the Independent Auditors' Report**

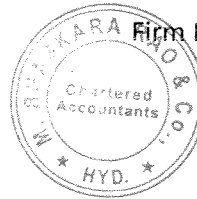
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Aster Rail Private Limited**)

- (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 125 and 185 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) The Company is regular in depositing undisputed statutory dues including income tax, service tax, provident fund act, value added tax and any other material statutory dues applicable to it with the appropriate authorities during the year. The provisions of Wealth tax, Customs Duty, cess, and excise duty are not applicable to the Company at present.



- 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, 2017 requiring disclosure in the financial statements.
  - ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
  - iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company, Refer Note No.12.2 to the standalone Ind AS financial statements.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 000459S



M. V Raoana Murthy  
Partner

Membership No.206439

Hyderabad, May 10, 2017

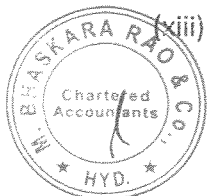
- (b) There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, customs duty, value added tax and cess which were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) According to the information 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	2013-14	4,316
MP VAT Act 2002	Entry Tax	Commercial Tax Officer	2014-15	56,604

- (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 during the year.

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.

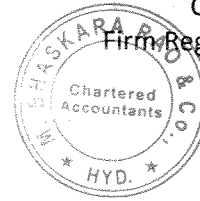
- (ix) The Company did not raise any monies by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, the Company has applied term loans raised during the year for the purpose for which they were raised.
- (x) During 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 given 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. 000459S



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

Membership No.206439

Hyderabad, May 10, 2017

**Annexure B to the Independent Auditors' 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, 2017 in conjunction with our audit of the standalone Ind AS 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**

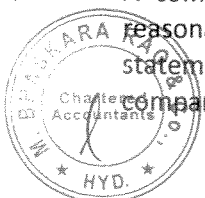
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on 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, both applicable to an audit of Internal Financial Controls and, both 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.

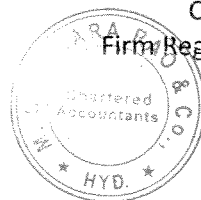
#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 2017, 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 ICAI.

for M. Bhaskara Rao & Co.,  
Chartered Accountants  
Firm Registration No. 000459S



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

Membership No. 206439

Hyderabad, May 10, 2017



**Aster Rail Private Limited**  
**Balance Sheet As at March 31, 2017**  
**Amounts in Rupees in lakhs unless otherwise stated**

ASSETS		Note no.	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
<b>1) Non-current assets</b>					
a) Property, Plant and Equipment	3	4.42	6.64	8.89	
b) Financial assets					
I. Investments in Associates	4	-	-	10.00	
II. Security Deposits	5	23.32	34.18	35.42	
III. Other financial assets	6	118.82	164.56	178.52	
c) Other non-current assets	7	114.17	109.37	120.10	
b) Deferred tax assets (net)	8	7.06	6.13	5.57	
<b>2) Current assets</b>					
a) Inventories	9	279.07	93.81	180.28	
b) Financial Assets					
I. Trade Receivables	10	20.48	14.27	52.68	
II. Cash and cash equivalents	11	0.01	10.02	10.42	
III. Other Bank Balances	12	3.95	15.16	20.75	
III. Loans	13	68.68	68.68	83.69	
IV. Other financial assets	14	38.85	3.59	35.20	
c) Other Current Assets	15	75.77	25.72	25.28	
<b>Total</b>		<b>754.61</b>	<b>552.14</b>	<b>766.79</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
a) Equity Share Capital	16	309.88	309.88	309.88	
b) Other Equity	17	(704.55)	(755.78)	(473.03)	
<b>LIABILITIES</b>					
<b>1) Non-current liabilities</b>					
Provisions	18	18.79	16.48	11.68	
<b>2) Current liabilities</b>					
a) Financial liabilities					
I. Borrowings	19	436.46	634.36	729.36	
II. Trade Payables	20				
i) Total Outstanding dues of micro enterprises and small		469.04	34.06	84.36	
ii) Total Outstanding dues of creditors other than micro					
III. Other financial liabilities	21	140.90			
b) Provisions	22	3.92	5.27	5.26	
c) Other current liabilities	23	80.17	307.86	99.29	
<b>Total</b>		<b>754.61</b>	<b>552.14</b>	<b>766.79</b>	


Corporate Information and Significant Accounting Policies

1 & 2

As per our report of even date attached

For M Bhaskara Rao & Co

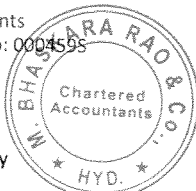
Chartered Accountants  
 Firm Registration No: 0004598

  
**M V Ramana Murthy**  
 Partner

Membership No.: 206439

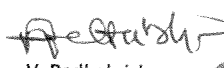
Place: Hyderabad

Date: May 10, 2017



For and on behalf of the Board of Directors of  
 Aster Rail Private Limited

(CIN : U72200TG20078TC053398)

  
**V. Radhakrishna**  
 Director  
 DIN: 01483148

Place: Hyderabad  
 Date: May 10, 2017



  
**D V Ravi Kumar**  
 Director  
 DIN : 02826724

Place: Hyderabad  
 Date: May 10, 2017

Aster Rail Private Limited

Statement of Profit & Loss for the year ended March 31, 2017

Amounts in Rupees in lakhs unless otherwise stated

	Note no.	Year Ended March 31, 2017		Year Ended March 31, 2016	
I Revenue from operations	24	946.68		406.64	
II Other income	25	3.26		7.81	
III Total Income (I+II)			949.94		414.46
IV Expenses					
Cost of materials consumed	26	716.21		224.20	
Construction Expenses	27	156.40		89.14	
(Increase) / Decrease in Finished goods and Work in Progress	28	(185.27)		84.87	
Employee benefits expenses	29	101.41		72.55	
Finance cost	30	74.09		102.73	
Depreciation and amortisation expense	03	2.23		2.24	
Other expense	31	34.58		122.04	
V Total expenses (IV)			899.65		697.77
VI Profit/ (loss) before tax (I-IV)			50.29		(283.31)
VII Tax expense					
1) Current tax					
2) Deferred tax			(0.93)		(0.56)
VIII Profit/ (loss) for the year (VI-VII)			51.22		(282.75)
IX Other comprehensive income					
A Items that will not be reclassified to profit or loss			-		-
B Items that will be reclassified to profit or loss			-		-
X Total comprehensive income for the year (Profit/ (loss) + other comprehensive income)			-		-
XI Earnings per equity share					
1) Basic	34		1.65		(9.12)
2) Diluted			-		-
Corporate Information and Significant Accounting Policies	1 & 2				

As per our report of even date attached

For M Bhaskara Rao & Co

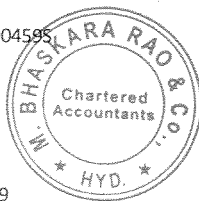
Chartered Accountants  
Firm Registration No: 0004595

  
M V Ramana Murthy  
Partner

Membership No.: 206439


Place: Hyderabad

Date: May 10, 2017



For and on behalf of the Board of Directors of  
Aster Rail Private Limited

(CIN : U72200TG20078TC053398)

  
V. Radhakrishna  
Director  
DIN: 01483148

  
D V Ravi Kumar  
Director  
DIN : 02826724

Place: Hyderabad

Date: May 10, 2017

Place: Hyderabad

Date: May 10, 2017



Aster Rail Private Limited  
Cash Flow Statement for the Year ended March 31, 2017

Amounts in rupees in lakhs unless otherwise stated.

	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flows from operating activities</b>			
Profit before tax for the year	PL	50.29	(283.31)
Adjustments for:			
Income tax expense recognised in profit or loss			
Share of profit of associates			
Share of profit of a joint venture			
Finance costs recognised in profit or loss (Interest Exp)	30	74.09	102.73
Investment income recognised in profit or loss (Other Income)	25	3.26	12.72
Depreciation and amortisation of non-current assets	03	2.23	2.24
Amounts advanced to related parties		21.33	35.39
Movements in working capital:			
Increase in trade and other receivables		(6.21)	38.41
(Increase)/decrease in amounts due from customers under construction			
(Increase)/decrease in inventories		(185.27)	86.47
(Increase)/decrease in other assets		(50.04)	45.57
Decrease in trade and other payables		434.98	(50.29)
Increase/(decrease) in amounts due to customers under construction contracts			
Increase/(decrease) in provisions		0.95	4.819
(Decrease)/increase in deferred revenue			
(Decrease)/increase in other liabilities		(86.79)	208.57
<b>Cash generated from operations</b>		<b>258.83</b>	<b>203.317</b>
Income taxes paid		(4.799)	(8.859)
<b>Net cash generated by operating activities</b>		<b>254.03</b>	<b>194.459</b>
<b>Cash flows from investing activities</b>			
Payments to acquire financial assets			
Proceeds on sale of financial assets			
Interest		(3.26)	(2.72)
Royalties and other investment income received			
Dividends received from associates			
Other dividends received			
Repayments by related parties			
<b>Net cash (used in)/generated by investing activities</b>		<b>(3.26)</b>	<b>(2.72)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings		(197.90)	(94.99)
Interest paid		(74.09)	(102.73)
<b>Net cash used in financing activities</b>		<b>(271.99)</b>	<b>(197.73)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(21.22)</b>	<b>(5.99)</b>
Cash and cash equivalents at the beginning of the year		25.18	31.18
<b>Cash and cash equivalents at the end of the year</b>		<b>3.96</b>	<b>25.18</b>

Notes:

- The Cash Flow Statement is prepared in accordance with the indirect method.
- Notes on accounts form an integral part of the Cash Flow Statement.
- Figures in bracket represents cash outflows.
- 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

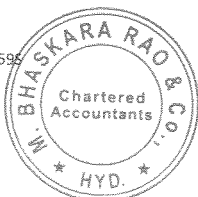
Firm Registration No: 0004595

*M V Ramana Murthy*  
M V Ramana Murthy  
Partner

Membership No.: 206439

Place : Hyderabad

Date : May 10, 2017



For and on behalf of the Board of Directors of Aster  
Rail Private Limited

(CIN : U72200TG20078TC053398)

*V. Radhakrishna*  
V. Radhakrishna  
Director

DIN: 01483148

Place: Hyderabad  
Date: May 10, 2017

*D V Ravi Kumar*  
D V Ravi Kumar  
Director

DIN : 02826724

Place: Hyderabad  
Date: May 10, 2017



**Aster Rail Private Limited****Statement of Changes in Equity for the year ended 31 March 2017**

Amounts in Rupees in lakhs unless otherwise stated

A. Equity Share Capital	Amount
Issued and paid up equity share capital	
Balance as at 01 April 2015	309.88
Changes in equity share capital during the year	-
	<u>309.88</u>
Balance as at 31 March 2016	309.88
Changes in equity share capital during the year	-
	<u>309.88</u>
Balance as at 31 March 2017	<u>309.88</u>

**B. Other Equity**

Particulars	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
Balance as at 01 April 2015	-	(473.03)	(473.03)
Profit for the year	-	(282.75)	(282.75)
Other Comprehensive Income (net of income tax)	-	-	-
Balance as at 31 March 2016	-	<u>(755.78)</u>	<u>(755.78)</u>
Profit for the year	-	51.22	51.22
Other Comprehensive Income (net of income tax)	-	-	-
Transfer to retained earnings	-	-	-
Balance as at 31 March 2017	-	<u>(704.55)</u>	<u>(704.55)</u>

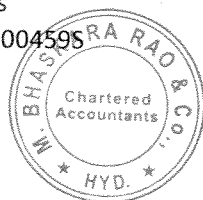
In terms of our report attached

For M Bhaskara Rao &amp; Co

Chartered Accountants

Firm Registration No:0004595

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



Place : Hyderabad  
Date : May 10, 2017

For and on behalf of the Board of Directors of  
Aster Rail Private Limited

(CIN : U72200TG20078TC053398)

*V. Radhakrishna*  
V. Radhakrishna  
Director  
DIN: 01483148

Place: Hyderabad  
Date: May 10, 2017



*D V Ravi Kumar*  
D V Ravi Kumar  
Director  
DIN : 02826724

Place: Hyderabad  
Date: May 10, 2017

## Aster Rail Private Limited

### Notes to the financial statements for the year ended March 31, 2017

#### 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 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the first Ind AS financial statements and the date of transition to Ind AS is April 1, 2015.

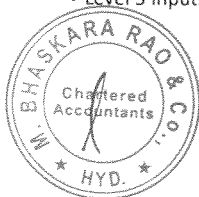
##### 2.2 Basis of preparation and presentation

These separate financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as a net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



### 2.3 Use of Estimates:

The preparation of the financial statements in conformity with Ind AS 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.

### 2.4 Interest in Joint Operations

A joint operation is a joint arrangement where by the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a company undertakes its activities under joint operations, the company as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
- 3 its revenue from the sale of its share arising from the joint operation,
4. its share of the revenue from the sale by the joint operations, and
5. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

### 2.5 Revenue Recognition

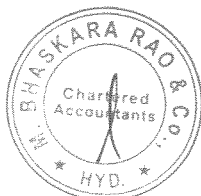
Revenue from construction contracts is recognised by reference to the stage of completion of the contract activity. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee.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

### 2.6 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.7 Borrowing Costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are included in the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.



**2.8 Employee Benefits:**

**2.9 Retirement benefit costs and termination benefits**

Payment to defined contribution retirement benefit plans are recognised as an expenses when employees have rendered service entitling them to the contributions.

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

**2.10 Taxation**

Income tax expense represents sum of the tax currently payable and deferred tax

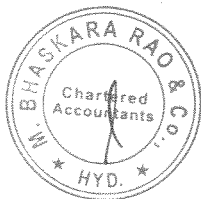
**2.10.1 Current Tax:** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

**2.10.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



### 2.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.11 Property, plant and equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, plant and equipment comprises of purchase price, applicable duties and taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets, upto the date the asset is ready for its intended use. "The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is required to be included in the cost of the respective item of property plant and equipment" "Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised"

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition into Ind AS, the company has elected to continue with the carrying value of all its property, plant & equipment recognised as of April 1, 2015 ( transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 2.12 Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost less its estimated residual value.

Depreciation on Property, Plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following category of assets, in whose case the life of the assets has been assessed based on technical assesment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance, etc.

Office Equipment : 5 years.

### 2.13 Inventories:

#### Raw Materials:

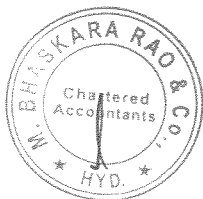
Raw Materials, construction materials and stores & spares are valued at weighted average cost or under. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

#### Work in Progress:

Work-in-Progress is valued at the contracted rates less profit margin / estimates.

### 2.14 Provisions, Contingent Liabilities and Contingent Assets :

The Company recognises 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.





## 2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 2.16 Financial assets

Financial asset is

1. Cash / Equity Instrument of another Entity,
2. Contractual right to –
  - a) receive Cash / another Financial Asset from another Entity, or
  - b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

## 2.17 Subsequent measurement of the financial assets

### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in case where the company has made an irrevocable selection based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

## 2.18 Financial liabilities

Financial liability is

Contractual Obligation to

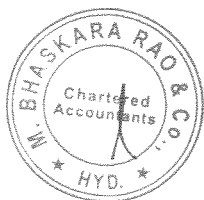
- a) deliver Cash or another Financial Asset to another Entity, or
- b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavourable to the Entity.

## 2.19 Subsequent measurement of the financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

## 2.20 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



### 2.21 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

### 2.22 Impairment of Assets:

**Financial Assets:** The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

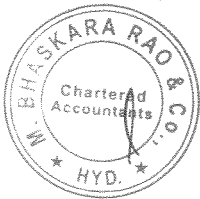
### 2.23 Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



**2.24 Earnings Per Share :**

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

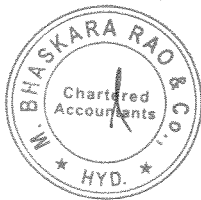
**2.25 Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.26 Operating cycle:**

The Company adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.



Aster Rail Private Limited

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

Amounts in rupees in lakhs unless otherwise stated

03 Property, Plant & Equipment

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Plant and Machinery	2.91	3.59	4.27
Vehicles	1.34	2.81	4.29
Office Equipment	0.17	0.24	0.33
<b>Total</b>	<b>4.42</b>	<b>6.64</b>	<b>8.89</b>

Gross Block

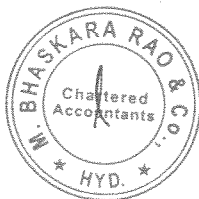
	Plant and Machinery	Vehicles	Office Equipment	Total
<b>Cost or deemed Cost</b>				
<b>Balance as at April 1, 2015</b>	<b>7.38</b>	<b>10.76</b>	<b>7.77</b>	<b>25.91</b>
Additions	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>7.38</b>	<b>10.76</b>	<b>7.77</b>	<b>25.91</b>
Additions	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>7.38</b>	<b>10.76</b>	<b>7.77</b>	<b>25.91</b>

Accumulated depreciation

	Plant and Machinery	Vehicles	Office Equipment	Total
<b>Balance as at April 1, 2015</b>	<b>3.10</b>	<b>6.47</b>	<b>7.45</b>	<b>17.02</b>
Depreciation	0.68	1.48	0.08	2.24
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>3.78</b>	<b>7.95</b>	<b>7.52</b>	<b>19.26</b>
Depreciation	0.68	1.47	0.08	2.23
Disposals/Adjustments	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>4.46</b>	<b>9.42</b>	<b>7.60</b>	<b>21.49</b>

Net Book Value

	Plant and Machinery	Vehicles	Office Equipment	Total
<b>Balance as at April 1, 2015</b>	<b>4.27</b>	<b>4.29</b>	<b>0.33</b>	<b>8.89</b>
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	0.68	1.48	0.08	2.24
Depreciation Adjustment	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>3.59</b>	<b>2.81</b>	<b>0.25</b>	<b>6.64</b>
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	0.68	1.47	0.08	2.23
Depreciation Adjustment	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>2.91</b>	<b>1.34</b>	<b>0.17</b>	<b>4.42</b>



Aster Rail Private Limited

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

Amounts in rupees in lakhs unless otherwise stated

**FINANCIAL ASSETS**

**04 Investments in Associates**

Long term Trade Investments (*At cost*)

Investment in Association of Persons

of Aster Teleservices & McML

Considered Good

Considered doubtful

Less : Provision for diminution

**Total**

**05 Security Deposits**

**Non Current :**

Security Deposits

**Current:**

Tender Deposits

Other Deposits

**Total**

**06 Other financial assets**

Retention Monies

**Total**

**07 Other non-current assets**

Deposits with Government authorities

Advance Taxes and Tax deducted at Source

(Net of provision of Rs 908,583,(31.03.2016: Rs 908,583 and 01.04.2015: Rs. 908,583))

**Total**

**08 Deferred Tax Asset(Net)**

i) Deferred Tax Liability on timing difference due to:

Depreciation

ii) Deferred Tax Asset on timing difference due to:

Provision for Gratuity and Compensated Absences

Provision for Employee Bonus

**Total**

**09 Inventories**

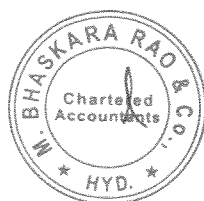
(*at lower of cost or net realisable value*)

Stock of Materials

Work in Progress

**Total**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>04 Investments in Associates</b>			
Long term Trade Investments ( <i>At cost</i> )			
Investment in Association of Persons			
of Aster Teleservices & McML			
Considered Good	-	-	10.00
Considered doubtful	10.00	10.00	-
Less : Provision for diminution	10.00	10.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10.00</b>
<b>05 Security Deposits</b>			
<b>Non Current :</b>			
Security Deposits	18.27	17.72	25.99
<b>Current:</b>			
Tender Deposits	5.05	16.45	4.40
Other Deposits	-	0.01	5.03
<b>Total</b>	<b>23.32</b>	<b>34.18</b>	<b>35.42</b>
<b>06 Other financial assets</b>			
Retention Monies	118.82	164.56	178.52
<b>Total</b>	<b>118.82</b>	<b>164.56</b>	<b>178.52</b>
<b>07 Other non-current assets</b>			
Deposits with Government authorities	14.28	21.95	41.54
Advance Taxes and Tax deducted at Source	99.89	87.42	78.56
(Net of provision of Rs 908,583,(31.03.2016: Rs 908,583 and 01.04.2015: Rs. 908,583))			
<b>Total</b>	<b>114.17</b>	<b>109.37</b>	<b>120.10</b>
<b>08 Deferred Tax Asset(Net)</b>			
i) Deferred Tax Liability on timing difference due to:			
Depreciation	0.21	0.20	0.56
ii) Deferred Tax Asset on timing difference due to:			
Provision for Gratuity and Compensated Absences	5.92	5.62	4.13
Provision for Employee Bonus	1.36	0.71	1.99
<b>Total</b>	<b>7.06</b>	<b>6.13</b>	<b>5.57</b>
<b>09 Inventories</b>			
( <i>at lower of cost or net realisable value</i> )			
Stock of Materials	-	-	1.60
Work in Progress	279.07	93.81	178.67
<b>Total</b>	<b>279.07</b>	<b>93.81</b>	<b>180.28</b>



**Aster Rail Private Limited**

**Notes to the Financial Statements**

Amounts in rupees in lakhs unless otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>10 Trade Receivables</b>			
Un secured and considered good			
Outstanding for a period exceeding six months	20.48	14.27	52.68
<b>Total</b>	<b>20.48</b>	<b>14.27</b>	<b>52.68</b>
<b>11 Cash and Cash Equivalents</b>			
Cash on Hand	-	-	0.005
Balances with banks			
- in current accounts	0.01	10.02	10.42
	<b>0.01</b>	<b>10.02</b>	<b>10.424</b>
<b>12 Other Bank Balances</b>			
In deposits Accounts			
Margin Money Deposits (Refer note no. 12.1)	3.95	15.16	20.75
<b>Total</b>	<b>3.95</b>	<b>15.16</b>	<b>20.75</b>

12.1 Margin Money Deposit have been lodged with Banks against Bank Guarantees

12.2 The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:

	SBNs	Other denomination	Total
Closing cash in hand as on 08.11.2016	-	-	-
Add:			
Permitted receipts	-	-	-
Less:			
Permitted payments	-	-	-
Amount deposited in Banks	-	-	-
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

Explanation : For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**13 Loans**

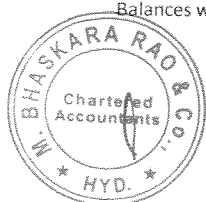
Loans to related parties			
Considered Good	68.68	68.68	83.69
Considered doubtful	15.00	15.00	-
	<b>83.68</b>	<b>83.68</b>	<b>83.69</b>
Less: Provision for doubtful amounts	15.00	15.00	-
	<b>68.68</b>	<b>68.68</b>	<b>83.69</b>

**14 Other financial assets**

Retention monies	8.17	3.59	10.97
With held amount with client	30.68	-	24.22
	<b>38.85</b>	<b>3.59</b>	<b>35.20</b>

**15 Other Current Assets**

Advances to Employees	5.19	4.71	9.08
Advances to Suppliers and Sub-Contractors	5.46	6.36	4.74
Prepaid Expenses	0.04	0.06	-
Balances with Government Authorities	65.08	14.59	11.46
<b>Total</b>	<b>75.77</b>	<b>25.72</b>	<b>25.28</b>



**Aster Rail Private Limited**

**Notes to the financial statements for the year ended March 31, 2017**

Amounts in rupees in lakhs unless otherwise stated

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>16 Share Capital</b>						
<b>Authorised</b>						
Equity Shares of ₹10/- each	3,500,000	350.00	3,500,000	350.00	3,500,000	350.00
	<b>3,500,000</b>	<b>350.00</b>	<b>3,500,000</b>	<b>350.00</b>	<b>3,500,000</b>	<b>350.00</b>
<b>Issued Subscribed and Paid up</b>						
Equity Shares of ₹10/- each	3,098,800	309.88	3,098,800	309.88	3,098,800	309.88
<b>Total</b>	<b>3,098,800</b>	<b>309.88</b>	<b>3,098,800</b>	<b>309.88</b>	<b>3,098,800</b>	<b>309.88</b>

**16.1 Reconciliation of numbers of shares and amount outstanding at the beginning and end of the reporting Year.**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Equity Shares of ₹10/- each fully paid up</b>						
Balance at the beginning of the Year	3,098,800	309.88	3,098,800	309.88	3,098,800	309.88
Add: Allotted during the Year	-	-	-	-	-	-
<b>Balance at the end of the Year</b>	<b>3,098,800</b>	<b>309.88</b>	<b>3,098,800</b>	<b>309.88</b>	<b>3,098,800</b>	<b>309.88</b>

**16.2 Rights, preferences and restrictions attached to equity shares**

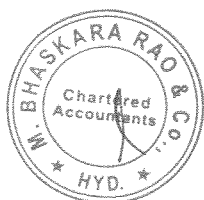
The equity shares of the Company having par value of ₹10 per share rank pari passu in all respects including voting rights and entitlement to dividend. Repayment of the capital in the event of winding up of the Company will inter alia be subject to the provisions of Companies Act 2013, the Articles of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

**16.3 Details of shares held by the holding company**

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Equity Shares of ₹10/- each fully paid up NCC Limited, holding company	3,098,800	309.88	3,098,800	309.88	3,098,800	309.88

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

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares held	% holding	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	3,098,800	100

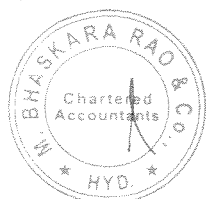


**Aster Rail Private Limited**

**Notes to the financial statements for the year ended March 31, 2017**

Amounts in rupees in lakhs unless otherwise stated

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>17 Other Equity</b>			
<b>Surplus / (Deficit) from Statement of Profit and Loss</b>			
Opening Balance	(755.78)	(473.03)	(356.19)
Add: Profit/(Loss) after tax for the year	51.22	(282.75)	(116.84)
Closing balance	<b>(704.55)</b>	<b>(755.78)</b>	<b>(473.03)</b>
<b>Total</b>	<b>(704.55)</b>	<b>(755.78)</b>	<b>(473.03)</b>
<b>18 Provisions</b>			
Provision for Employee benefits			
Provision for Gratuity	14.16	12.86	9.91
Provision for Earned Leaves	4.63	3.62	1.76
<b>Total</b>	<b>18.79</b>	<b>16.48</b>	<b>11.68</b>
<b>19 Short Term Borrowings</b>			
<i>Secured</i>			
Working Capital Loan from Banks	-	197.90	292.89
<i>Unsecured</i>			
Loan from Others	1.58	1.58	1.58
Loan from related parties	434.88	434.88	434.88
<b>Total</b>	<b>436.46</b>	<b>634.36</b>	<b>729.36</b>
<b>19.1</b> Working capital loan from IDBI Bank is secured by First pari passu charge on the entire current assets of the company.			
<b>20 Trade Payables</b>			
i) Total Outstanding dues of micro enterprises and small enterprises.	-	-	-
ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises.	469.04	34.06	84.36
<b>Total</b>	<b>469.04</b>	<b>34.06</b>	<b>84.36</b>
<b>21 Other financial liabilities</b>			
Interest accrued	140.90	-	-
<b>Total</b>	<b>140.90</b>	<b>-</b>	<b>-</b>
<b>22 Provisions</b>			
Provision for Employee benefits			
Provision for Gratuity	-	1.28	1.28
Provision for Earned Leaves	0.35	0.44	0.42
Provision for tax (Net Tax Deducted at source Rs 3,970,646 (31.03.2016: Rs 3,970,646))	3.56	3.56	3.56
<b>Total</b>	<b>3.92</b>	<b>5.27</b>	<b>5.26</b>
<b>23 Other current liabilities</b>			
Advances from customers	75.41	291.31	81.90
Statutory remittances	4.77	16.55	17.39
<b>Total</b>	<b>80.17</b>	<b>307.86</b>	<b>99.29</b>



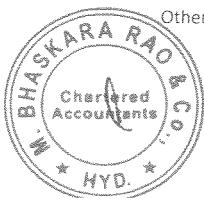
*[Handwritten Signature]*



**Aster Rail Private Limited**

**Notes to the financial statements for the year ended March 31, 2017**  
**Amounts in rupees in lakhs unless otherwise stated**

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>24 Revenue from Operations</b>		
<b>Sale of Services</b>		
Income From Work Contract Receipts	946.68	406.64
<b>Total</b>	<b>946.68</b>	<b>406.64</b>
<b>25 Other Income</b>		
Interest from Banks on Deposits	1.28	2.72
Miscellaneous Income	1.98	5.09
<b>Total</b>	<b>3.26</b>	<b>7.81</b>
<b>26 Cost of Material Consumed</b>		
Opening stock	-	1.60
Add: Purchases	716.21	222.59
Less: Closing stock	-	-
<b>Cost of Material Consumed</b>	<b>716.21</b>	<b>224.20</b>
<b>Details of Raw Materials Bought and Consumed:</b>		
Cement Sand and Bricks	5.92	3.06
Cables & Cable Markers	427.76	210.35
Electrical Items	86.09	2.25
Earthing Material	3.51	-
Hardware Items and Paints	8.29	3.96
Pipes	83.57	0.39
Signalling Equipment	100.67	3.96
Consumbles	0.39	0.22
<b>Total</b>	<b>716.21</b>	<b>224.20</b>
<b>27 Construction Expenses</b>		
Construction and Excavation work	24.28	36.35
Material Handling Charges	31.30	6.19
Inspection Charges	6.95	-
Insurance Expense	-	0.14
Rent Expenditure	0.86	6.42
Machinery Hire Charges	-	2.01
Signalling Installation work	8.75	7.34
VAT, CST and Cess on Sales	82.75	22.85
Site Expenditure	1.51	7.84
<b>Total</b>	<b>156.40</b>	<b>89.14</b>
<b>28 Changes in Inventories of Finished Goods and Work In Progress</b>		
<b>Opening Stock</b>		
Work in Progress	93.81	178.67
<b>Closing Stock</b>		
Work in Progress	279.07	93.81
	<b>(185.27)</b>	<b>84.87</b>
<b>29 Employee Benefits Expenses</b>		
Salaries and other benefits	80.37	50.30
Contribution To Provident Fund And Other Funds	4.94	7.04
Gratuity and Leave Encashment	3.24	5.70
Staff Welfare Expenses	12.86	9.51
<b>Total</b>	<b>101.41</b>	<b>72.55</b>
<b>30 Finance Cost</b>		
Interest Costs		
On Borrowings from Banks	11.32	39.51
On Borrowings from Others	52.19	52.19
Other borrowing costs	10.58	11.04
<b>Total</b>	<b>74.09</b>	<b>102.73</b>



**Aster Rail Private Limited**

**Notes to the financial statements for the year ended March 31, 2017**

Amounts in rupees in lakhs unless otherwise stated

	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>31 Other Expenses</b>		
Power and Fuel	1.28	-
Rent, Rates and Taxes	9.98	1.66
Insurance	0.10	-
Electricity Charges	-	0.01
Consultancy and Professional Fee	2.83	5.26
Auditor's remuneration (Including service tax)		
For Statutory Audit	1.35	1.35
For Tax Audit	0.34	0.34
Repairs and Maintenance	0.46	2.18
General office Expenses	1.07	0.90
Postage and Periodicals	1.20	1.09
Tour and Travel Expenses	15.13	15.29
Painting Charges	0.17	-
Provision for Trade receivables, doubtful advances, retention monies	-	76.51
Provision for Diminution in Investments	-	10.00
Loss from joint venture		0.72
Miscellaneous Expenses	0.68	6.74
<b>Sub total</b>	<b>34.58</b>	<b>122.04</b>
<b>32 Tax Expense</b>		
Current tax	-	-
Deferred tax	(0.93)	(0.56)
<b>Sub total</b>	<b>(0.93)</b>	<b>(0.56)</b>

**32.1 Reconciliation of tax expense to the accounting profit is as follows:**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Accounting profit before tax</b>	50.29	(283.31)
Tax expense at statutory tax rate of 30.90%	15.54	-
Adjustments:		
Effect of income that is exempt from taxation	-	-
Effect of business loss set off with unused business losses	(15.54)	-
Others	-	-
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>



**Aster Rail Private Limited**

**Notes to the financial statements for the year ended March 31, 2017**

**Amounts in rupees in lakhs unless otherwise stated**

**32.2 Contingent liabilities and Commitments**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
- Disputed Sales tax liability for which the Company preferred appeal	59.69	79.59	44.26

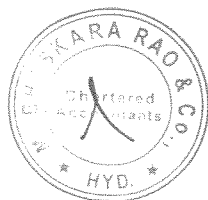
**33 Related Party Transactions**

**i) List of related parties and relationships:**

Related Party's Name	Nature of relationship
NCC Limited	Holding Company
NCCL ECIECCL ARPL JV	Associate
Aster Teleservices & MCML Services	Associate
Mr. DV Ravi Kumar	Key Management Personnel
Mr.V Radha krishna	Key Management Personnel

**ii) Details of Balances with related parties:**

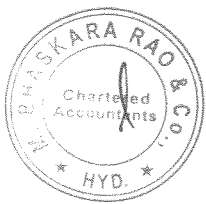
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	As at April 01, 2015
<b>Sales</b>			
NCC Limited	140.77	-	-
NCCL ECIECCL ARPL JV	44.45	310.33	-
<b>Amounts Repayable (net) for expenditure incurred on our behalf</b>			
NCC Limited	215.91	209.41	-
<b>Amounts Recoverable (net) for expenditure incurred on behalf of:</b>			
<b>Interest on Borrowings</b>			
NCC Limited	52.19	52.19	-
<b>Remuneration to key management personnel</b>	23.99	12.89	-
<b>Credit Balances at the end of the Year</b>			
NCC Limited	502.12	722.61	505.81
<b>Debit Balance at the end of the Year</b>			
NCCL ECIECCL ARPL JV	107.74	145.74	169.99
Aster Teleservices & MCML Services JV	68.63	68.63	83.64



Aster Rail Private Limited  
Notes to the Financial Statements  
Amounts in rupees in lakhs unless otherwise stated

34 Earning per Share(EPS):

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Nominal Value of Equity Shares (₹ per share)	10.00	10.00
Profit after tax (in ₹) (A)	51.22	(282.75)
	30.988	30.988
Weighted average number of Equity shares outstanding (B)		
Basic and Diluted EPS (₹ per share) (A/B)	1.65	(9.12)



**Aster Rail Private Limited****Notes to the financial statements for the year ended March 31, 2017**

Amounts in rupees in lakhs unless otherwise stated

**35 Financial instruments****Capital management**

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain / enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital and other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Equity</b>	(394.67)	(445.90)	(163.15)
Short-term borrowings and current portion of long-term debt	436.46	634.36	729.36
Cash and cash equivalents	(3.96)	(25.18)	(31.18)
<b>Net debt</b>	<b>432.50</b>	<b>609.18</b>	<b>698.18</b>
<b>Total capital (equity + net debt)</b>	<b>37.83</b>	<b>163.28</b>	<b>535.03</b>

**Categories of financial instruments**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets</b>			
<b>Measured at amortised cost</b>			
Cash and bank balances	3.96	25.18	31.18
Other Financial assets measured at amortised cost	270.16	285.28	385.51
<b>Measured at cost</b>			
Investments in equity instruments in associate	-	-	10.00
<b>Financial liabilities</b>			
Measured at amortised cost	1,046.41	668.43	813.71

**Financial risk management objectives**

The company's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The company's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The company does not currently have significant exposure to financial instruments giving rise to market risk.

**Interest rate risk**

Out of total borrowings, large portion represents short term borrowings from Holding Company. The interest rate applicable is not subjected to fluctuations and interest rate risks.

**Equity risks**

Since the company is exposed only to non-listed equity investments, the impact of change in equity price on profit or loss is not significant.



### Credit risk management

Credit Risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents trade receivables, work in progress and advances receivable from group entities.

Credit risk on trade receivables, work in progress is limited as the customers of the company mainly consists of the Government promoted entities having a strong credit worthiness. For doubtful receivables the company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

The company has made a provision of ₹ 15 and ₹ 15 towards amounts doubtful to be received during the year ended March 31, 2017 and March 31, 2016 respectively in respect of advances.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by credit rating agencies.

### Liquidity risk management

The Company manages liquidity risk by maintaining banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017:

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	469.04	469.04	-	-	469.04
Borrowings and interest thereon	577.36	142.48	434.88	-	577.36
<b>Total</b>	<b>1,046.40</b>	<b>611.52</b>	<b>434.88</b>	<b>-</b>	<b>1,046.40</b>

The table below provides details of financial assets as at March 31, 2017:

	Carrying amount
Trade receivables	20.48
Loans	68.68
Other financial assets	184.95
<b>Total</b>	<b>274.11</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2016:

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	34.06	34.06	-	-	34.06
Borrowings and interest thereon	634.36	197.90	436.46	-	634.36
<b>Total</b>	<b>668.42</b>	<b>231.96</b>	<b>436.46</b>	<b>-</b>	<b>668.42</b>

The table below provides details of financial assets as at March 31, 2016:

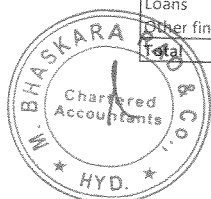
	Carrying amount
Trade receivables	14.27
Loans	68.68
Other financial assets	227.51
<b>Total</b>	<b>310.46</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 01, 2015:

	Carrying amount	Upto 1 year	1-3 year	More than 3 year	Total contracted cash flows
Accounts payable and acceptances	84.36	84.36	-	-	84.36
Borrowings and interest thereon	729.36	94.99	634.37	-	729.36
<b>Total</b>	<b>813.72</b>	<b>179.35</b>	<b>634.37</b>	<b>-</b>	<b>813.72</b>

The table below provides details of financial assets as at April 1, 2015:

	Carrying amount
Trade receivables	52.68
Loans	83.69
Other financial assets	290.31
<b>Total</b>	<b>426.68</b>



**Aster Rail Private Limited**  
**Notes to the financial statements for the year ended March 31, 2017**  
**Amounts in rupees in lakhs unless otherwise stated**

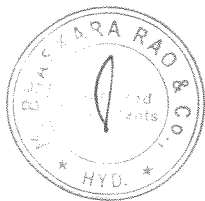
**36 Fair value measurements**

**Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets							
Financial assets at amortised cost:							
- Investments	Level 2	-	-	-	-	10.00	10.00
- Cash and cash equivalents	Level 2	3.96	3.96	25.18	25.18	31.18	31.18
- Others	Level 2	270.16	270.16	285.28	285.28	385.51	385.51
	Fair value hierarchy	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities							
Financial liabilities at amortised cost:							
- Other financial liabilities	Level 2	1,046.41	1,046.41	668.43	668.43	813.71	813.71

In case of Investments in equity instruments, the company adopted fair value as deemed cost for investments as on transition date i.e. April 01, 2015.

The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models.



**Aster Rail Private Limited**

**Notes to the financial statements for the year ended March 31, 2017**

**Amounts in rupees in lakhs unless otherwise stated**

**37 Deferred tax assets (Net)**

**Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2017**

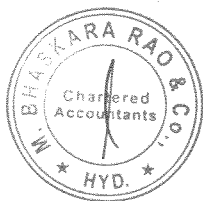
	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Total
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(0.20)	(0.01)	-	(0.21)
Provision for employee benefits	6.33	0.94	-	7.27
	<b>6.13</b>	<b>0.93</b>	-	<b>7.06</b>

**Significant components of deferred tax (liabilities) / assets for the year ended March 31, 2016**

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Total
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	(0.56)	0.36	-	(0.20)
Provision for employee benefits	6.13	0.20	-	6.33
	<b>5.57</b>	<b>0.56</b>	-	<b>6.13</b>

**37.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:			
-Short-term capital loss	5.14	5.14	5.14
-Unused Business and Depreciation loss	726.56	776.85	520.28
	<b>731.70</b>	<b>781.99</b>	<b>525.41</b>





**38 First-time adoption of Ind-AS**

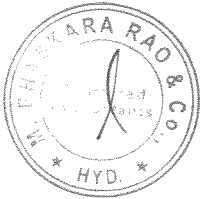
These financial statements, for the period ended March 31, 2017 have been prepared in accordance with the Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance in Ind AS 101 – “First time adoption of Indian Accounting Standard”, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of financial statements, disclosures in the notes and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the separate financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company’s Balance sheet and Statement of profit and loss, is given in Note No.39 below.


**Deemed cost for property, plant and equipment:** The Group has elected to continue with the carrying value of all of its plant and equipment , recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.


**Deemed cost for investments in associates:** The Company selected to continue with the carrying value for all its investments in associates as of April 01, 2015 measured as deemed cost as of transaction date.

**39** There are no adjustments to the values of assets, liabilities and items of income and expenditures on adoption of IND AS. Hence effect of transition to IND-AS from previous GAAP have not been furnished for the periods ending March 31, 2016 and balances as at April 01,2015 and March 31 , 2016.



For and on behalf of the Board of Directors of  
Aster Rail Private Limited  
(CIN : U72200TG20078TC053398)

  
**V. Radhakrishna**  
Director  
DIN:01483148

  
**D V Ravi Kumar**  
Director  
DIN:02826724

Place: Hyderabad  
Date: May 10, 2017

Place: Hyderabad  
Date: May 10, 2017

