

Siemens Rail Automation Private Limited

Audited Financial Statements for the financial year
ended 30th September, 2016

CIN: U31200MH2003PTC259831

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INDEPENDENT AUDITOR'S REPORT

To the Members of Siemens Rail Automation Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Siemens Rail Automation Private Limited ("the Company"), which comprise the Balance Sheet as at September 30, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

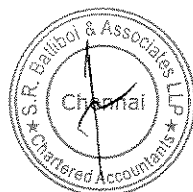
Management's Responsibility for the Financial Statements

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 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 of 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 the design, implementation and maintenance of adequate internal financial control 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, issued by the Institute of Chartered Accountants of India, as 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 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 control 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 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 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 September 30, 2016, 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 1" 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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with 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 September 30, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 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 2" to this report;
 - (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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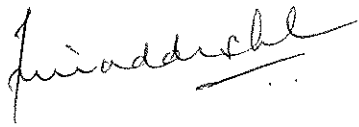
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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
- ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates**

Chartered Accountants

ICAI Firm Registration Number: **101049W/E300004**



per Aniruddh Sankaran

Partner

Membership Number: 211107



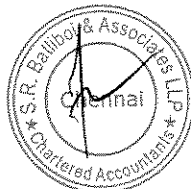
Place of Signature: Chennai

Date: November 10, 2016

Annexure 1 referred to in paragraph 1 under the section, 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Siemens Rail Automation Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.
- (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. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax customs duty, excise duty, value added tax, cess and other material statutory dues have not been regularly deposited with



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the appropriate authorities and there have been serious delays in large number of cases.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, dues outstanding of income tax, sales tax, service tax, duty of excise , customs duty and value added tax which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Gross amount	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Karnataka Sales Tax	4,394,901	3,665,122	2011-12	Joint Commissioner of Commercial Taxes (Appeals)
Central Sales Tax Act, 1956	Karnataka Sales Tax	5,315,214	1,594,564	2012-2013	Joint Commissioner of Commercial Taxes (Appeals)
Central Sales Tax Act, 1956	Karnataka Sales Tax	1,985,425	595,628	2013-2014	Joint Commissioner of Commercial Taxes (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank. There are no dues to financial institution or debenture holders or government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the



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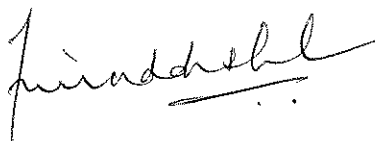
company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them and accordingly, the requirements under paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

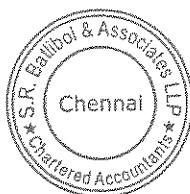
ICAI Firm registration number: **101049W/E300004**



per Aniruddh Sankaran

Partner

Membership No.: 211107



Place of signature: Chennai

Date: November 10, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SIEMENS RAIL AUTOMATION PRIVATE LIMITED

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 Siemens Rail Automation Private Limited ("the Company") as of September 30, 2016 in conjunction with our audit of the standalone 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. 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 the 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.

Auditor's Responsibility

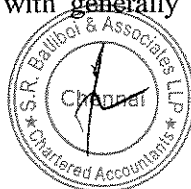
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgement, 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 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



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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.

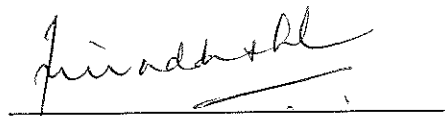
Opinion

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 September 30, 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 **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: **101049W/E300004**



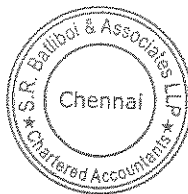
per Aniruddh Sankaran

Partner

Membership Number: 211107

Place of Signature: Chennai

Date: November 10, 2016



Siemens Rail Automation Private Limited

Balance sheet

as at 30 September 2016

(Currency : Indian rupees)

	Notes	September 2016	September 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	648,980	648,980
Reserves and surplus	3	105,385,500	177,392,144
		106,034,480	178,041,124
Non-current liabilities			
Long-term provisions	4	11,039,103	7,405,532
		11,039,103	7,405,532
Current liabilities			
Short-term borrowings	5	303,000,000	297,000,000
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	34	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6	91,337,084	178,624,601
Other current liabilities	7	134,012,112	146,154,651
Short-term provisions	8	3,960,665	326,225
		532,309,861	622,105,477
TOTAL		649,383,444	807,552,133
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	32,944,570	43,402,337
Intangible assets	9	929,212	1,802,887
Deferred tax assets (net)	10	-	6,825,675
Long-term loans and advances	11	100,970,330	83,209,819
Other non-current assets	12	29,337,394	50,192,084
		164,181,506	185,432,803
Current assets			
Inventories	13	114,892,717	37,159,192
Trade receivables	14	230,987,143	249,864,175
Cash and bank balances	15	8,713,463	8,200,924
Short-term loans and advances	16	1,551,846	7,408,188
Other current assets	17	129,056,769	319,486,851
		485,201,938	622,119,330
TOTAL		649,383,444	807,552,133

Significant accounting policies

1.2

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S R Batliboi & Associates LLP

ICAI Firm Registration Number:- 101049W / E300004

Chartered Accountants



per Aniruddh Sankaran

Partner

Membership No: 211107



Chennai

Date: November 10, 2016

For and on behalf of the Board of Directors of
Siemens Rail Automation Private Limited



Alope Goel

Director

DIN: 06579744

Mumbai

Date: November 10, 2016



Niles Kothari

Director

DIN: 07550338

Mumbai

Date: November 10, 2016



Siemens Rail Automation Private Limited

Statement of profit and loss

for the year ended 30 September 2016

(Currency : Indian rupees)

	Notes	September 2016	September 2015
Income			
Revenue from operations (gross)		377,577,454	623,925,156
Less: Excise duty		(37,555,185)	(47,336,577)
Revenue from operations (net)	18	340,022,269	576,588,579
Other income	19	2,413,094	21,494,049
Total revenue		342,435,363	598,082,628
Expenses			
Project bought outs and other direct costs		182,855,351	423,283,351
Employee benefits expense	20	94,532,185	88,560,613
Finance costs	21	23,295,649	24,773,674
Depreciation and amortization expense	9	12,323,719	7,538,471
Other expenses	22	91,745,745	72,650,502
Total expenses		404,752,648	616,806,611
Loss before prior period items and tax		(62,317,285)	(18,723,983)
Prior period items	23	2,863,683	-
Loss before tax		(65,180,968)	(18,723,983)
Tax expense			
Current tax		-	-
Deferred tax charge/ (credit)		6,825,675	134,081
Total tax expense		6,825,675	134,081
Loss for the period/year		(72,006,644)	(18,858,064)
Basic and diluted earnings per share (in Rs.)			
(Equity shares of face value of Rs 10 each)		(1,109.54)	(290.58)

Significant accounting policies

1.2

The accompanying notes are an integral part of the financials statements.
As per our report of even date

For S R Batliboi & Associates LLP

ICAI Firm Registration Number:- 101049W / E300004
Chartered Accountants

Aniruddh Sankaran

per Aniruddh Sankaran
Partner
Membership No: 211107



For and on behalf of the Board of Directors of Siemens Rail Automation Private Limited

Aloke Goel
Aloke Goel
Director
DIN: 06579744

Nilesh Kothari
Nilesh Kothari
Director
DIN: 07550338



Chennai
Date: November 10, 2016

Mumbai
Date: November 10, 2016

Mumbai
Date: November 10, 2016

Siemens Rail Automation Private Limited

Cash flow statement

for the year ended 30 September 2016

(Currency : Indian rupees)

	Notes	September 2016	September 2015
<u>Cash flow from operating activities</u>			
Loss before tax		(65,180,968)	(18,723,983)
Adjustments for:			
Finance costs	21	23,295,649	24,773,674
Provision for doubtful debts (net of reversals)		-	(5,899,719)
Provision for doubtful debts / advances, net	22	3,147,274	678,506
Depreciation and amortization expense	9	12,323,719	7,538,471
Loss on sale of asset	22	-	558,505
Other liabilities written back	19	-	(14,470,830)
Unrealised exchange loss / (gain), net		(63,512)	(624,211)
Interest income	19	(538,011)	(499,289)
Operating profit before working capital changes		(27,015,850)	(6,668,876)
(Increase) / Decrease in inventories		(77,733,525)	(15,611,017)
(Increase) / Decrease in trade and other receivables		227,670,146	94,390,558
Increase / (Decrease) in trade payables and other liabilities		(73,022,877)	(42,223,140)
Increase / (Decrease) in provisions		7,268,011	2,161,125
Net change in working capital		84,181,755	38,717,526
Cash generated from operations		57,165,905	32,048,650
Direct taxes paid, net		(10,939,083)	(8,735,749)
Net cash generated from operating activities		46,226,822	23,312,901
<u>Cash flow from investing activities</u>			
Purchase of fixed assets		(27,342,245)	(10,661,052)
Net cash generated from investing activities		(27,342,245)	(10,661,052)
<u>Cash flow from financing activities</u>			
Interest paid		(23,289,348)	(25,828,450)
Repayment of short- term borrowings (Net)		6,000,000	(48,000,000)
Net cash used in financing activities		(17,289,348)	(73,828,450)
Net increase in cash and cash equivalents		1,595,229	(61,176,600)
Cash and cash equivalents at beginning of the year		1,297,973	62,474,573
Cash and cash equivalents at the end of the year*		2,893,202	1,297,973

*Components of cash and cash equivalents comprise of Rs 2,893,202 (September 30, 2015 - Rs 1,297,973) held with banks on current accounts. Refer Note 15

As per our report of even date

For S R Batliboi & Associates LLP
ICAI Firm Registration Number:- 101049W / E300004
Chartered Accountants

Aniruddh Sankaran

per Aniruddh Sankaran
Partner
Membership No: 211107



For and on behalf of the Board of Directors of
Siemens Rail Automation Private Limited

Aloke Goel

Aloke Goel
Director
DIN: 06579744



Nilesh Kothari

Nilesh Kothari
Director
DIN: 07550338

Chennai
Date: November 10, 2016

Mumbai
Date: November 10, 2016

Mumbai
Date: November 10, 2016

Siemens Rail Automation Private Limited

Notes to financial statements

as at 30 September 2016

1. Corporate information

Siemens Rail Automation Private Limited ("the Company"), was incorporated on November 12, 2003. The Company's ultimate parent company is Siemens AG, Germany.

The Company is engaged in the business of designing, manufacturing, integration, installation, testing, commissioning, buying and selling of integrated rail management and control products and systems including train control, signaling systems, information systems, protection systems including electronic interlocking and safety processors, trackside and on-board equipments and providing maintenance, support and consultancy services in relation to the above.

1.1. Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain derivative instruments which are measured at fair value in accordance with generally accepted accounting principles in India ("Indian GAAP"). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2. Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

(b) Tangible fixed assets and depreciation

Fixed assets are stated at cost of acquisition or revalued amounts less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation on tangible assets is provided on a straight-line basis over the useful lives of assets estimated by the management. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset. Such class of assets and their estimated useful life are as under:

Asset	Useful life of asset
Plant and Equipment	5 years
Computers	3 years
Furniture and Fixtures	5 years
Office Equipments	5 years

Gains or losses arising from derecognition of tangible / intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Siemens Rail Automation Private Limited

Notes to financial statements

as at 30 September 2016

(c) Intangible fixed assets and depreciation

Intangible assets comprise software are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. These intangible assets are amortised on straight-line basis over 5 years, which in management's estimate represents the period during which economic benefits will be derived from their use.

(d) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognised.

(e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Trading Sales

Revenue from sale of products is recognised on transfer of significant risk and rewards of ownership of the products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of sales tax and net of trade and quantity discount.

Revenue from Services

Revenue from services (maintenance, repairs and other services) is recognised as per the terms of the contract with the customer using the proportionate completion method.

Revenue from services represents service income other than from services which are incidental to sale of products and projects.



Siemens Rail Automation Private Limited

Notes to financial statements

as at 30 September, 2016

Project Sales

Income from fixed price construction contracts is recognised by reference to the estimated overall profitability of the contract under the percentage of completion method. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated contract costs. Contract revenue earned in excess of billing has been reflected as "Project excess cost" under "Other current assets" and "Billing in excess" of contract revenue has been reflected under "Other current liabilities" in the balance sheet. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Interest

Interest income is recognised on the time proportion basis.

(f) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Project materials and spares

Project raw materials, components and stores and spares are valued at lower of cost and net realizable value. Costs are determined on a weighted average basis.

(g) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(h) Employee benefits

(a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of ex-gratia is recognised in the period in which the employee renders the related service.

(b) Post-employment benefits

1. **Defined Contribution Plans:** Benefits in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



Siemens Rail Automation Private Limited

Notes to financial statements
as at 30 September 2016

2. **Defined Benefit Plans and other Long Term Benefits:** The Company's gratuity benefit scheme is a defined benefit plan. Leave wages to employees is other long term benefit. The present value of the obligation under such defined benefit plans and other long term benefits are determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Provision for leave wages which is expected to be utilized within the next 12 months is treated as short term employee benefits and beyond 12 months as long term employee benefits. For the purpose of presentation, the allocation between short and long term provisions has been made as determined by an actuary.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

(i) Foreign currency transactions:

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Translation

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

(j) Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case maybe) to be realized.

(k) Earnings per share ("EPS")

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

(l) Provisions

Provisions are recognized when the Company recognises it has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.



Siemens Rail Automation Private Limited

Notes to financial statements
as at 30 September 2016

Disclosures for contingent liability are made when there is a possible or present obligation which arises from past events which is not recognised since it is not probable that there will be an outflow of resources. When there is a possible or present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. wherever applicable are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are neither recognized nor disclosed in the financial statements.

(m) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(n) Segment Reporting

The Company considers business segments as its primary segment. The Company's operations predominantly relate to supply and installation of railway signaling equipments and, accordingly, this is the only primary reportable segment.

The Company considers geographical segments as its secondary segment. The Company's operations are within India and, accordingly, this is the only secondary reportable segment.



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Siemens Rail Automation Private Limited

Notes to the financial statements as at 30 September 2016

(Currency : Indian rupees)

2 Share capital

September 2016 September 2015

Authorised

15,000,000 (September 30, 2015: 15,000,000) equity shares of Rs. 10/- each

150,000,000 150,000,000

150,000,000 150,000,000

Issued

64,898 Equity Shares of Rs 10/- each (September 30, 2015: 64,898 Equity shares of Rs 10/- each)

Total issued, subscribed and fully paid-up share capital

Subscribed and fully paid-up

64,898 Equity Shares of Rs 10 each fully paid-up

(September 30, 2015: 64,898 Equity shares of Rs 10 each fully paid-up)

648,980 648,980

648,980 648,980

a) Shares held by holding company and subsidiary of holding company:

64,897 Equity shares of Rs.10/- each, fully paid-up, are held by the Holding Company, Siemens Limited; (September 30, 2015 : 64,897 Equity shares were held by the Holding Company, Siemens Limited)

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	September 2016		September 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	64,898	648,980	64,898	648,980
Shares issued / subscribed during the year	-	-	-	-
Shares outstanding at the end of the year	64,898	648,980	64,898	648,980

c) Details of shareholders holding more than 5% shares in the Company as on 30th September:

Name of shareholder	September 2016		September 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Siemens Limited	64,897	99.99%	64,897	99.990%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts (if any). The distribution will be in proportion to the number of equity shares held by the shareholders.



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Siemens Rail Automation Private Limited

Notes to the financial statements (continued)

as at 30 September 2016

(Currency : Indian rupees)

	September 2016	September 2015
3 Reserves and surplus		
a) Securities premium account	172,821,567	172,821,567
b) Surplus in the statement of profit and loss		
- Balance brought forward	4,570,577	23,428,641
- Loss for the year	(72,006,644)	(18,858,064)
Net surplus in the statement of profit and loss	(67,436,067)	4,570,577
Total reserves and surplus	105,385,500	177,392,144
4 Long-term provisions		
a) Provision for employee benefits		
- Leave wages	4,803,831	3,575,232
- Medical benefits (Refer note 31)	836,556	-
- Gratuity (Refer note 31)	5,398,716	3,830,300
	11,039,103	7,405,532
5 Short-term borrowings		
Loan from Related party - Siemens Industry Software Pvt. Ltd.(Note a)	252,000,000	252,000,000
Loan from Siemens Limited (Note a)	51,000,000	45,000,000
	303,000,000	297,000,000
a Loan is repayable on demand and carries interest ranging from 7.75% to 8.25% p.a		
6 Trade payables		
- Micro and Small Enterprises (Refer note 34)	-	-
- Others	91,337,084	178,624,601
	91,337,084	178,624,601
7 Other current liabilities		
Advances from customer	653,082	6,547,613
Billing in excess of revenue	122,073,092	100,576,226
Other liabilities		
- Accrued salaries and benefits	5,535,206	5,504,497
- Withholding and other taxes payable	3,653,154	5,210,835
- Liability for capital goods	-	26,349,968
- Interest accrued but not due	127,690	121,389
- Others	1,969,888	1,844,123
	134,012,112	146,154,651
8 Short-term provisions		
a) Provision for employee benefits		
- Leave wages	397,156	326,225
- Gratuity (Refer note 31)	267,449	-
- Silver jubilee and star awards	2,821,013	-
	3,485,618	326,225
b) Others		
- Loss order	475,047	-
	475,047	-
	3,960,665	326,225



Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

as at 30 September 2016

(Currency : Indian rupees)

9 Fixed assets

	Tangible assets			Intangible assets	
	Plant and equipments	Furniture and fixtures	Office equipments	Software	Total
Gross block					
At 30 September 2014	9,339,928	3,077,614	17,524,576	5,821,310	5,821,310
Additions	28,605,195	4,927,224	3,478,601	-	-
Deductions / adjustments	-	(960,066)	-	-	-
At 30 September 2015	37,945,123	7,044,772	21,003,177	5,821,310	5,821,310
Additions	379,858	455,200	157,219	-	-
Deductions / adjustments	-	-	-	-	-
At 30 September 2016	38,324,981	7,499,972	21,160,396	5,821,310	5,821,310
Accumulated depreciation / amortisation					
At 30 September 2014	5,041,424	1,148,999	10,149,045	3,132,780	3,132,780
Charge for the year (Refer note i)	1,755,355	1,807,722	3,089,751	885,643	885,643
Deductions / adjustments	-	(401,561)	-	-	-
At 30 September 2015	6,796,779	2,555,160	13,238,796	4,018,423	4,018,423
Charge for the year (Refer note i)	6,945,268	1,294,787	3,209,989	873,675	873,675
Deductions / adjustments	-	-	-	-	-
At 30 September 2016	13,742,047	3,849,947	16,448,785	4,892,098	4,892,098
Net block					
At 30 September 2016	24,582,934	3,650,025	4,711,611	929,212	929,212
At 30 September 2015	31,148,344	4,489,612	7,764,381	1,802,887	1,802,887

Notes:-

i Depreciation and amortisation expense:

	2016	2015
Depreciation on tangible assets	11,450,044	6,652,828
Amortisation of intangible assets	873,675	885,643
As per the statement of profit and loss	12,323,719	7,538,471



Siemens Rail Automation Private Limited

Notes to the financial statements (continued)

as at 30 September 2016

(Currency : Indian rupees)

	September 2016	September 2015
10 Deferred tax assets (net)		
<i>Deferred tax assets</i>		
Arising on account of timing differences in :		
Provision for doubtful debts and advances		3,352,017
Expenditure debited to the statement of profit and loss but allowable for tax purposes in following years	-	4,095,941
	-	7,447,958
<i>Less - Deferred tax liability</i>		
Arising on account of timing differences in :		
Depreciation	-	622,282
Deferred tax assets (net) *	-	6,825,675
* In the absence of virtual certainty supported by convincing evidence, deferred tax asset is recognised only to the extent of deferred tax liability and the net deferred tax asset recognised as at the period-end is Rs. Nil		
11 Long-term loans and advances (unsecured considered good, unless otherwise stated)		
Loans and advances recoverable in cash or kind, considered good	-	-
- considered doubtful	678,506	678,506
	678,506	678,506
Provision for doubtful advances	(678,506)	(678,506)
	-	-
Balances with statutory / government authorities (Refer Note 35)	59,923,318	53,035,190
Advance payments of income tax (net of provision for tax)	27,259,293	16,320,210
Deposits	13,787,719	13,854,419
	100,970,330	83,209,819
12 Other non-current assets		
Long-term trade receivables (unsecured, considered good)	26,956,268	49,431,660
Bank deposits with maturity of more than 12 months	2,381,126	760,424
	29,337,394	50,192,084
13 Inventories (valued at lower of cost and net realisable value)		
Project materials and spares	114,892,717	35,907,186
Traded goods	-	1,252,006
	114,892,717	37,159,192
14 Trade receivables (unsecured)		
Trade receivables outstanding		
- for a period exceeding six months from the date they are due for payment	44,219,261	25,013,218
- other receivables	199,568,031	234,503,832
	243,787,292	259,517,050
Of which		
- considered good	230,987,143	249,864,175
- considered doubtful	12,800,149	9,652,875
	243,787,292	259,517,050
Provision for doubtful receivables	(12,800,149)	(9,652,875)
	230,987,143	249,864,175



Siemens Rail Automation Private Limited

Notes to the financial statements (continued)

as at 30 September 2016

(Currency : Indian rupees)

	September 2016	September 2015
15 Cash and bank balances		
Balances with banks		
- On current accounts	2,893,202	1,297,973
	<u>2,893,202</u>	<u>1,297,973</u>
Other bank balances		
- Bank deposits with original maturity of more than 3 months but less than 12 months	5,383,358	3,190,275
- Bank deposits with original maturity of more than 12 months	436,903	3,712,676
	<u>8,713,463</u>	<u>8,200,924</u>
(Deposit includes fixed deposits with Banks Rs.8,201,387 (September 30, 2015: Rs.7,663,376) marked as lien for 3rd party on behalf of the Company (Also refer note 12))		
16 Short-term loans and advances (unsecured considered good, unless otherwise stated)		
Advances recoverable in cash or kind		
	1,551,846	7,408,188
	<u>1,551,846</u>	<u>7,408,188</u>
17 Other current assets		
Unbilled revenue	129,056,769	318,256,239
Other receivables	-	1,230,612
	<u>129,056,769</u>	<u>319,486,851</u>



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Siemens Rail Automation Private Limited

Notes to the financial statements (continued)

for the year ended 30 September 2016

(Currency : Indian rupees)

	September 2016	September 2015
18 Revenue from operations (net)		
<i>Revenue from operations, net of excise duty</i>		
Revenue from projects	328,116,830	562,306,825
Sale of services	11,905,439	14,281,754
	<u>340,022,269</u>	<u>576,588,579</u>
19 Other income		
Interest income	538,011	499,289
Exchange differences (net)	1,875,083	624,211
Provision for doubtful debts written back (net)	-	5,899,719
Others	-	14,470,830
	<u>2,413,094</u>	<u>21,494,049</u>
20 Employee benefits expense		
Salaries, wages and bonus (net)	82,232,370	78,757,381
Contribution to provident and other funds (Refer Note 31)	6,419,062	5,600,054
Staff welfare expenses	5,880,753	4,203,178
	<u>94,532,185</u>	<u>88,560,613</u>
21 Finance costs		
Interest costs	23,295,649	24,773,674
	<u>23,295,649</u>	<u>24,773,674</u>
22 Other expenses		
Travel and conveyance	16,715,986	11,204,252
Rates and taxes	2,337,081	514,575
Communications	7,808,063	5,354,757
Power and fuel	1,602,860	1,893,000
Insurance	2,830,464	3,229,710
Rent	9,374,735	13,203,207
Repairs		
- on building	14,750	-
- on machinery	7,438,485	10,969,101
Legal and professional [includes auditors' remuneration (Refer note 25)]	31,920,349	17,543,579
Office supplies, printing and stationery	2,396,760	3,270,204
Bank guarantee commission / bank charges	181,660	111,802
Provision for doubtful debts and advances, net	3,147,274	678,506
Loss on sale of fixed assets, net	-	558,505
Miscellaneous expenses	5,977,278	4,119,303
	<u>91,745,745</u>	<u>72,650,502</u>
23 Prior period items		
Employee benefits expense [Note (a)]	2,863,683	-

a) The Company has identified expenditure with respect to medical benefits Rs. 748,041, silver award Rs. 1,273,548 and star award Rs. 842,094 relating to earlier years.



Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

as at 30 September 2016

(Currency : Indian rupees)

September 2016 September 2015

24 Commitments and contingent liabilities

(a) Contingent liabilities (to the extent not provided for)

Liability on account of non-submission of C Forms

5,738,750 103,649,104

5,738,750 103,649,104

(i) Matters wherein management has concluded the Company's liability to be probable (if any) have accordingly been provided for in the books.

(ii) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed as contingent liability.

25 Auditors' remuneration (for audit services exclusive of service tax)

- Audit fees

789,200 638,711

- Tax audit fees (including audit of related financial statements)

350,000 350,000

1,139,200 988,711

26 Earnings and expenditure in foreign exchange (on accrual basis)

(a) Expenditure in foreign currency

- Travelling

727,364 965,724

- Software license fees and other information technology related costs

8,467,709 -

- Intercompany consultancy and service charges

3,113,236 6,204,657

(b) Value of imports calculated on CIF basis

- Project Material and Spares

458,484 27,511,572

- Capital goods

- 21,955,522



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Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

for the year ended 30 September 2016

(Currency : Indian rupees)

27 Imported and indigenous raw materials and stores & spares consumed

	September 2016		September 2015	
	Value	% of total consumption	Value	% of total consumption
Imported	3,236,054	2%	27,271,464	6%
Indigenous	179,619,297	98%	396,011,887	94%
	182,855,351	100%	423,283,351	100%

28 Project bought outs and other direct costs *

	September 2016	September 2015
	Value	Value
Project bought outs	68,431,294	308,256,438
Other Costs	114,424,057	115,026,913
	182,855,351	423,283,351

* The Company's operations involves usage of Bought out materials of a diverse size and nature in view of which information has been provided under a single head.



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Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

as at 30 September 2016

(Currency : Indian rupees)

29 Disclosure pursuant to Accounting Standard - 7 'Construction Contracts' :

	September 2016	September 2015
(i) Contract Revenue recognised	340,022,269	576,588,579
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress	2,333,513,201	2,483,202,463
(iii) Amount of advances received	653,083	6,547,613
(iv) Amount of retentions	141,842,612	153,408,871
(v) Amounts due from customers	129,030,012	318,256,239
(vi) Amounts due to customers	122,524,064	100,576,226

30 Disclosure pursuant to Accounting Standard - 19 'Leases' :

a) Where the Company is the lessee:

Lease payments on non cancellable lease arrangement debited to the statement of profit and loss and the future lease payments in respect of non cancellable operating lease are summarised below:

	September 2016	September 2015
(i) Not later than one year from the balance sheet date	9,552,193	9,501,707
(ii) Later than one year and not later than five years	9,365,200	9,855,619
	<u>18,917,393</u>	<u>19,357,326</u>

Lease rent debited to the statement of profit and loss Rs. 9,131,060 (September 30, 2015: Rs 9,532,958)

There is no contingent rent recognised in the statement of profit and loss

General description of the leasing arrangement:

- (i) The Company has entered into operating lease arrangements for its office premises, storage locations, machinery, residential premises and motor cars for its employees.
- (ii) The future lease rental payments are determined on the basis of the monthly lease payment terms as per the agreements.
- (iii) At the expiry of the non cancellable lease period the option of renewal rests with the Company.
- (iv) Some of the lease agreements have escalation clause ranging of 5% of the last rent paid at the end of every year. There are no exceptional / restrictive covenants in the lease agreements.



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Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

for the year ended 30 September 2016

(Currency : Indian rupees)

31 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' :

(i) Defined Contribution Plans

Amount of Rs.3,871,481 (September 30, 2015: Rs.3,935,851) is recognised as an expense and included in "employee benefits expense" (Refer note 20) in the statement of profit and loss.

(ii) Defined Benefit Plans

Gratuity Plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme whichever is more beneficial.

a) Amounts for the current period are as follows :

		Gratuity		Medical	
		September 2016	September 2015	September 2016	September 2015
I	Change in defined benefit obligation				
	Liability at the beginning of the year	4,196,658	3,697,575	-	-
	Interest cost	323,318	328,117	972,306	-
	Current service cost	1,193,338	930,283	59,694	-
	Past service cost	101,119	-	-	-
	Benefits paid	(711,715)	(1,198,988)	-	-
	Actuarial (gain) / loss on obligations	943,303	439,671	(195,444)	-
	Liability at the end of the year	6,046,021	4,196,658	836,556	-
II	Fair value of plan assets				
	Fair value of plan assets at the beginning of the year	366,358	332,490	-	-
	Expected return on plan assets	31,140	29,924	-	-
	Actuarial gain / (loss) on plan assets	(17,643)	3,944	-	-
	Fair value of plan assets at the end of the year	379,856	366,358	-	-
III	Actual return on plan assets				
	Expected return on plan assets	31,140	29,924	-	-
	Actuarial gain / (loss) on plan assets	(17,643)	3,944	-	-
	Actual return on plan assets	13,497	33,868	-	-
IV	Amount recognised in the balance sheet				
	Defined benefit obligation at the end of the year	6,046,021	4,196,658	836,556	-
	Fair value of plan assets at the end of the year	(379,856)	(366,358)	-	-
	Amount recognised in the balance sheet	5,666,165	3,830,300	836,556	-
V	Expenses recognised in the statement of profit and loss				
	Interest cost	323,318	328,117	972,306	-
	Current service cost	1,193,338	930,283	59,694	-
	Expected return on plan assets	(31,140)	(29,924)	-	-
	Past service cost	101,119	-	-	-
	Net actuarial (gain) / loss recognised	960,945	435,727	(195,444)	-
	Expense recognised in statement of profit and loss (Refer note 20)	2,547,580	1,664,203	836,556	-
VI	Balance sheet reconciliation				
	Opening net liability / (asset)	3,830,300	3,365,085	-	-
	Expense as above	2,547,580	1,664,203	836,556	-
	Benefits Paid (Directly by the Company)	(711,715)	(1,198,988)	-	-
	Amount recognised in the balance sheet	5,666,165	3,830,300	836,556	-
	- Current	267,449	-	-	-
	- Non current	5,398,716	3,830,300	836,556	-
VII	Actuarial Assumptions				
	Discount Rate	7.00%	7.98%	7.98%	7.00%
	Rate of Return on Plan Assets	8.35%	9.00%	-	-
	Medical inflation rate	-	-	3.50%	3.50%
	Attrition rate:				
	upto 30 years	15.00%	15.00%	15.00%	15.00%
	31-50 years	3.00%	3.00%	3.00%	3.00%
	above 50 years	2.00%	2.00%	2.00%	2.00%
	Salary Escalation / Medical cost increase rate	8.00%	8.00%	-	-

VIII Amount for the Current and Previous periods as per AS15 Para 120(n) are as follows:

		Gratuity	
		September 2016	September 2015
	Liability at the end of the year	6,046,021	4,196,658
	Fair value of plan assets at the end of the year	(379,856)	(366,358)
	Difference	5,666,165	3,830,300
	Experience adjustment on plan liabilities (gain) / loss	149,852	(81,319)
	Experience adjustment on plan assets (loss) / gain	(17,643)	-

b) The plan assets of the Company is administered by Life Insurance Corporation Of India(LIC). Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark. Government securities of similar maturities. The Company expects to contribute Rs 267,449 (September 30, 2015: Rs. 1,492,241) to gratuity fund in 2016-17.

c) The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

for the year ended 30 September 2016

(Currency : Indian rupees)

32 Related party transactions

32.1 Parties where control exists

Siemens Limited	Holding company
Siemens AG	Ultimate Holding Company

32.2 Other related parties where transactions have taken place during the year

Fellow Subsidiaries	Name	Country
	Siemens Rail Automation Pty Ltd,	Australia
	Siemens Rail Automation Holdings Limited,	United Kingdom
	Siemens Rail Automation S A U Dimetronics S A,	Spain
	Siemens Industry Software (India) Pvt. Limited,	India
	Siemens Technology Services Pvt. Limited,	India
	Siemens Pte. Ltd.	Singapore



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Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

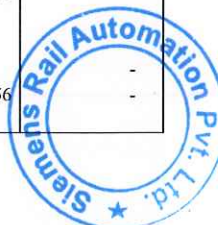
for the year ended 30 September 2016

(Currency : Indian rupees)

32 Related party transactions (Continued)

32.3 Related party transactions

Description	2016			2015		
	Holding Company	Fellow Subsidiaries	Key managerial personnel	Holding Company	Fellow Subsidiaries	Key managerial personnel
Revenue (net of taxes)						
--Siemens Limited	6,336,085	-	-	29,859,873	-	-
Reimbursement of expenses						
--Siemens Limited	-	-	-	4,777,314	-	-
Purchase of goods and services						
-- Siemens AG	177,741	-	-	1,511,768	-	-
-- Siemens Rail Automation Pty Ltd	-	89,495	-	-	3,594,417	-
-- Siemens Rail Automation Holdings Limited	-	1,017,392	-	-	20,007,311	-
-- Siemens Rail Automation S A U Dimetronics S A,	-	2,856,524	-	-	7,833,969	-
--Siemens Limited	63,543,687	-	-	48,560,062	-	-
--Siemens Technology Services Pvt Ltd	-	7,566,448	-	-	1,822,826	-
-- Siemens Pte Ltd	-	8,467,709	-	-	409,878	-
Interest expenses						
--Siemens Industry Software (India) Pvt. Limited.	-	19,454,055	-	-	20,760,255	-
--Siemens Limited	3,427,341	-	-	3,900,029	-	-
Bank guarantee charges						
- Siemens AG	-	-	-	21,806	-	-
Purchase of fixed assets / investment property / capital work in progress						
-- Siemens Rail Automation Holdings Limited	-	-	-	-	21,955,522	-
--Siemens Limited	-	-	-	553,953	-	-
Inter corporate deposit taken						
--Siemens Industry Software (India) Pvt. Limited.	-	-	-	-	12,000,000	-
--Siemens Limited	155,000,000	-	-	135,000,000	-	-
Inter corporate deposit repaid						
--Siemens Industry Software (India) Pvt. Limited.	-	-	-	-	10,000,000	-
--Siemens Limited	149,000,000	-	-	185,000,000	-	-
Outstanding Balances						
Receivables						
--Siemens Limited	1,424,611	-	-	2,341,347	-	-
Payables						
-- Siemens Rail Automation Pty Ltd	-	2,435,010	-	-	5,054,432	-
-- Siemens Rail Automation Holdings Limited	-	-	-	-	28,995,429	-
--Siemens A G	112,418	-	-	1,680,908	-	-
--Siemens Technology Services Pvt Ltd	-	4,130,525	-	-	-	-
--Siemens Rail Automation S A U Dimetronics S A,	-	2,827,845	-	-	8,114,645	-
--Siemens Limited	3,391,952	-	-	5,602,551	-	-
--Siemens Pte. Ltd.	-	-	-	-	887,280	-
Inter corporate deposits payable						
--Siemens Limited	51,000,000	-	-	45,000,000	-	-
--Siemens Industry Software (India) Pvt. Limited.	-	252,000,000	-	-	252,000,000	-
Interest payable on inter corporate deposits						
--Siemens Limited	82,640	-	-	73,233	-	-
--Siemens Industry Software (India) Pvt. Limited.	-	45,049	-	-	48,156	-



Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

as at 30 September 2016

(Currency : Indian rupees)

33 Derivative Instruments

a) The Company has the following unhedged exposures in various foreign currencies as at the year end:

Payables

	Foreign currency		Indian rupees	
	September 2016	September 2015	September 2016	September 2015
GBP	-	301,427	-	30,155,417
EUR	39,538	144,478	2,940,263	10,682,833
AUD	47,993	108,656	2,435,010	5,054,432

34 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

The management has determined that there are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company as at September 30, 2016 and September 30, 2015. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year.

35 Balances with statutory / government authorities

Balance with government authorities aggregating to Rs. 53,685,606 (2015: Rs. 53,035,190) represents Karnataka VAT input credit taken on purchase of materials accumulated over the years. Management is currently evaluating various options to realise these balances in the form of refunds or by way of utilisation against its local sales. The management is confident about the recoverability of these balances upon the completion of assessments with VAT authorities, pending which no adjustments have been made in the financial statements.

36 Prior year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per our report of even date

For S R Batliboi & Associates LLP
ICAI Firm Registration Number:- 101049W / E300004
Chartered Accountants

per Aniruddh Sankaran
Partner
Membership No: 211107



For and on behalf of the Board of Directors of
Siemens Rail Automation Private Limited

Aloke Goel
Director
DIN: 06579744

Mumbai
Date: November 10, 2016

Nilesh Kothari
Director
DIN: 07550338

Mumbai
Date: November 10, 2016

