Siemens Rail Automation Private Limited

Audited Financial Statements for the financial year ended 30th September, 2017

CIN: U31200MH2003PTC259831
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INDEPENDENT AUDITOR'S REPORT

To the Members of Siemens Rail Automation Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Siemens Rail Automation Private Limited ("the Company"), which comprise the Balance Sheet as at September 30, 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 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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 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 thereunder. We conducted our audit of the Ind AS financial statements 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 Ind AS 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 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 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 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at September 30, 2017, 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 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on September 30, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 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 2" to this report;

(g) With respect to the other matters to be included in the Auditors' 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:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 30 to the Ind AS 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.

iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

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

per Sudhir Soni
Partner
Membership Number: 41870
Place of Signature: Mumbai
Date: 15 November 2017

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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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 as at 30 September 2017 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, service tax, customs duty, excise duty, goods and service tax, value added tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been significant delays in large number of cases. Dues related to wealth tax is not applicable to Company.

(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, goods and service tax, 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, there are no dues outstanding of income tax, service tax, excise duty and customs duty which have not been deposited on account of any dispute. The dues outstanding in respect to sales tax and Value added tax 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
Karnataka Value Added Tax Act, 2003	Value added tax	78,32,353	23,49,706	2011-2012	Joint Commissioner of Commercial Taxes (Appeals)
Central Sales Tax Act, 1956	Karnataka Sales Tax	4,394,901	3,884,057	2011-2012	Assistant Commissioner of Commercial Taxes (Appeals)
Central Sales Tax Act, 1956	Karnataka Sales Tax	1,538,858	1,594,564	2012-2013	Assistant Commissioner of Commercial Taxes (Appeals)
Central Sales Tax Act, 1956	Karnataka Sales Tax	1,685,613	966,768	2013-2014	Assistant Commissioner of Commercial Taxes (Appeals)

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders 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 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 him as referred to in section 192 of Companies Act, 2013.

(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

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per Sudhir Soni
Partner
Membership No.: 41870
Place of signature: Mumbai
Date: 15 November 2017

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

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, 2017 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 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, 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 Institute of Chartered Accountants of India.

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

per Sudhir Soni
Partner
Membership Number: 41870
Place of Signature: Mumbai
Date: 15 November 2017

Siemens Rail Automation Private Limited

Balance sheet

as at 30 September 2017

(Currency : Indian rupees)

	Notes	30 Sept 2017	30 Sept 2016	1 Oct 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	**22,971,306**	32,944,571	43,402,338
Other intangible assets	4	**241,843**	929,212	1,802,887
Financial Assets				
- Trade receivables	5	**12,684,960**	25,041,287	46,405,501
- Other financial assets	6	**13,026,766**	16,605,748	18,327,519
Deferred tax assets (net)	7	**39,378,610**	6,825,676	6,825,676
Income tax assets (net)	8	**34,827,938**	27,259,293	16,320,210
Other non-current assets	9	**68,215,282**	59,923,317	53,035,190
		191,346,705	169,529,104	186,119,321
Current assets				
Inventories	10	**48,812,558**	114,892,716	37,159,193
Financial Assets				
- Trade receivables	11	**147,239,598**	229,154,168	238,101,312
- Cash and cash equivalents	12	**27,078,961**	2,893,202	1,297,973
- Other bank balances	13	**6,675,307**	5,383,358	3,190,275
- Other financial assets	14	**139,847,289**	118,528,970	291,796,598
Other current assets	15	**6,902,140**	744,094	7,619,640
		376,555,853	471,596,508	579,164,991
TOTAL		**567,902,558**	641,125,612	765,284,312
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	16	**648,980**	648,980	648,980
Other Equity	17	**127,742,565**	97,127,667	132,260,639
		128,391,545	97,776,647	132,909,619
Liabilities				
Non-current liabilities				
Long term Provisions	18	**8,380,141**	8,261,400	6,438,913
		8,380,141	8,261,400	6,438,913
Current liabilities				
Financial Liabilities				
- Loans	19	**150,000,000**	303,000,000	297,000,000
- Trade payables	20	**124,693,484**	89,837,084	178,624,605
- Other financial liabilities	21	**10,162,663**	7,044,198	33,207,982
Short term Provisions	22	**10,532,462**	8,238,368	4,156,525
Other current liabilities	23	**135,742,263**	126,967,915	112,946,668
		431,130,872	535,087,565	625,935,780
TOTAL		**567,902,558**	641,125,612	765,284,312
Significant accounting policies	1			

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 Sudhir Soni
Partner
Membership No: 41870

Place : Mumbai
Date: 15 November 2017

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

Ritesh Khandelwal
Director
DIN : 07877939

Vaibhav Haria
Director
DIN : 07867271

Place : Gurgaon
Date: 15 November 2017

Siemens Rail Automation Private Limited

Statement of profit and loss

for the year ended 30 September 2017

(Currency : Indian rupees)

	Notes	30 Sept 2017	Sept 2016
Income			
Revenue from operations	24	**608,835,103**	377,577,454
Other income	25	**539,923**	538,011
Total income		**609,375,026**	378,115,465
Expenses			
Project bought outs and other direct costs	26	**345,061,597**	179,444,258
Excise Duty		**34,980,137**	37,555,185
Employee benefits expense	27	**98,383,731**	93,573,144
Finance costs	28	**17,854,581**	23,295,649
Depreciation and amortization expense	3 & 4	**11,319,899**	12,323,719
Other expenses	29	**104,016,527**	66,097,441
Total expenses		**611,616,472**	412,289,396
Profit/ (Loss) before tax		**(2,241,446)**	(34,173,931)
Tax expense			
Current tax		**-**	-
Deferred tax credit / (charge)		**32,552,934**	-
Total tax expense		**32,552,934**	-
Profit/ (Loss) for the period		**30,311,488**	(34,173,931)
Other comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		**303,410**	(959,041)
Income tax effect		**-**	-
Total other comprehensive income for the year, net of tax		**303,410**	(959,041)
Total Comprehensive Income (Comprising Profit/ (Loss) and Other Comprehensive Income)		**30,614,898**	(35,132,972)
Basic and diluted earnings per share (in Rs.)			
(Equity shares of face value of Rs 10 each)		**467.06**	(526.58)
Significant accounting policies	1		

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

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

per Sudhir Soni
Partner
Membership No: 41870

Ritesh Khandelwal
Director
DIN : 07877939

Vaibhav Haria
Director
DIN : 07867271

Place : Mumbai
Date: 15 November 2017

Place : Gurgaon
Date: 15 November 2017

Siemens Rail Automation Private Limited

Cash flow statement

for the year ended 30 September 2017

(Currency : Indian rupees)

	Notes	30 Sept 2017	30 Sept 2016
Cash flow from operating activities			
Profit/ (Loss) before tax		**(2,241,446)**	(34,173,931)
Adjustments for:			
Finance costs	*28*	**17,854,581**	23,295,649
Bad debts	*29*	**95,917**	-
Provision for doubtful debts / advances, net	*29*	**11,041,424**	(24,037,041)
Depreciation and amortization expense	*3 & 4*	**11,319,899**	12,323,719
Unrealised exchange loss / (gain), net		**(191,677)**	(63,512)
Interest income	*25*	**(539,923)**	(538,011)
Operating profit before working capital changes		**37,338,775**	(23,193,127)
(Increase)/ decrease in working capital			
Decrease / (increase) in inventories		**66,080,158**	(77,733,523)
Decrease in trade and other receivables		**48,887,133**	226,711,104
Increase / (Decrease) in trade payables and other liabilities		**46,960,395**	(100,872,847)
Decrease in provisions		**2,412,835**	5,904,330
Net change in working capital		**164,340,522**	54,009,063
Cash generated from operations		**201,679,297**	30,815,937
Direct taxes paid, net		**(7,568,645)**	(10,939,083)
Net cash generated from operating activities		**194,110,652**	19,876,854
Cash flow from investing activities			
Purchase of property, plant and equipments		**(659,266)**	(992,276)
Interest received	*25*	**402,927**	538,011
Deposits (with maturity more than 3 months) with bank		**1,205,533**	(538,012)
Net cash generated from investing activities		**949,194**	(992,277)
Cash flow from financing activities			
Interest paid		**(17,874,086)**	(23,289,348)
Inter corporate deposits taken		**301,000,000**	155,000,000
Refund of inter corporate deposits taken		**(454,000,000)**	(149,000,000)
Net cash used in financing activities		**(170,874,086)**	(17,289,348)
Net increase / (decrease) in cash and bank balance		**24,185,760**	1,595,229
Cash and cash equivalents at beginning of the year		**2,893,203**	1,297,974
Cash and cash equivalents at the end of the year	12	**27,078,962**	2,893,203

As per our report of even date

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

per Sudhir Soni
Partner
Membership No: 41870

Place : Mumbai
Date: 15 November 2017

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

Ritesh Khandelwal	Vaibhav Haria
Director	Director
DIN : 07877939	DIN : 07867271

Place : Gurgaon
Date: 15 November 2017

Siemens Rail Automation Private Limited

Statement of Changes in equity

as at 30 September 2017

(Currency : Indian rupees)

A Equity share capital

	Notes	Amount
As at 1 October 2015	16	648,980
Changes in equity share capital		-
As at 30 September 2016		**648,980**
Changes in equity share capital		-
As at 30 September 2017		**648,980**

B Other equity

	Notes	Reserves and Surplus		Total
		Securities Premium	Retained earnings	
Balance at 1 October 2015	17	172,821,567	(40,560,928)	132,260,639
Profit for the year		-	(34,173,931)	(34,173,931)
Other comprehensive income			(959,041)	(959,041)
Total comprehensive income for the year		-	(35,132,972)	(35,132,972)
Balance at 30 September 2016		**172,821,567**	**(75,693,900)**	**97,127,667**
Profit for the year		-	30,311,488	30,311,488
Other comprehensive income			303,410	303,410
Total comprehensive income for the year		-	30,614,898	30,614,898
Balance at 30 September 2017		**172,821,567**	**(45,079,002)**	**127,742,565**

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

per Sudhir Soni
Partner
Membership No: 41870

Place : Mumbai

Date: 15 November 2017

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

Ritesh Khandelwal
Director
DIN : 07877939

Vaibhav Haria
Director
DIN : 07867271

Place : Gurgaon

Date: 15 November 2017

Notes to the financial statements
for the year ended 30 September 2017

(Currency: Indian rupees)

Corporate Information

Siemens Rail Automation Private Limited ("the Company") was incorporated on November 12, 2003. The Company's parent company is Siemens Limited and 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 system, information systems, protection systems, including electronic interlocking and safety processors, trackside on-board equipments and providing maintenance, support and consultancy services in relation to the above.

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including the year ended 30 September 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 30 September 2017 are the first such statements the Company has prepared in accordance with Ind AS. Refer to note 42 for information on first time adoption of Ind AS.

The financial statements have been prepared and presented under the historical cost convention and certain other financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of financial statements are consistent for all the periods presented, including the preparation of the opening Ind AS Balance sheet as at 1 October 2015being the beginning of the earliest period for which the Company has presented full comparative information under Ind AS.

The financial statements are presented in INR. which is the functional currency.

The financial statements have been authorised for issue in accordance with a resolution of Board of directors on 15 November 2017.

1.2 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of business and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1. Significant accounting policies (Continued)

1.3 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, 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.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life, which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act, 2013. Such class of assets and their estimated useful lives are as under:

Assets	**Estimated useful lives**
Plant and equipment	5 years
Computers	3 years
Furniture and fixtures	5 years
Office equipment	5 years

Items of property, plant and equipments that have been retired from active use and are held for disposal are stated at the lower of their net book value and estimated net realizable value and are disclosed separately in the financial statements.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

1.5 Intangible assets

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

Assets	**Estimated useful lives**
Software	5 years

1. Significant accounting policies (Continued)

1.6 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue are stated exclusive of sales tax, value added tax, goods and service tax and net of trade and quantity discount. Revenue is inclusive of excise duty.

When the outcome of a construction contract can be estimated reliably, revenue from construction contracts are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to the total estimated contract costs. An expected loss on the construction contract is recognized as an expense immediately. Contract revenue earned in excess of billing has been reflected as “Project excess cost” under “Other financial assets” and “Billing in excess” of contract revenue has been reflected under “Other current liabilities” in the balance sheet.

Revenue from services represents service income other than from services which are incidental to sale of projects. Revenue from services is recognised as per the terms of the contract with the customer using the proportionate completion method.

1.7 Share-based payments

Share-based payment schemes of the Company is predominantly designed as cash-settled transactions. The changes in the fair value recognised as employee benefits expenses with a corresponding increase in liabilities.

1.8 Inventories

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

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

1.9 Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased items are classified as operating leases. Lease payments under an operating lease, are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

1. Significant accounting policies (Continued)

1.10 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 are recognised in the period in which the employee renders the related service.

(b) Post-employment benefits

(i) ***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 recognises 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 recognised as a liability after deducting the contribution already paid. If the contribution already paid exceed the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre- payment will lead to, for example a reduction in future payment or a cash refund.

(ii) ***Defined Benefit Plans and other Long Term Benefits***: The Company's gratuity and medical benefit scheme are 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 In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Remeasurement comprising of actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

Provision for leave wages and medical benefit 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.

1 Significant accounting policies (Continued)

1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. The purchases or sales of financial assets are accounted for at the trade date.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the below categories:
(a) Financial assets at amortised cost
(b) Financial assets including derivatives at fair value through profit or loss (FVTPL)
(c) Financial assets at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business where the objective is to hold these assets 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

(b) Financial Assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss.

(c) Financial Assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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. Movement in fair value is recognised in other comprehensive income.

1. Significant accounting policies (Continued)

1.11 Financial instruments (Continued)
Derecognition

A financial asset is primarily derecognised when:
(a) the right to receive cash flows from the asset has expired, or
(b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies 'expected credit loss' (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
(a) Financial assets that are measured at amortised cost e.g. deposits
(b) Trade receivables or any another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables (including Revenue earned in excess of billing).The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

1 Significant accounting policies (Continued)

1.11 Financial instruments (Continued)

ECL is the difference between net of all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider:
- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on unsecured trade receivables (including revenue earned in excess of billing and project excess cost).

The Company does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase/origination.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

Subsequent measurement

Financial liabilities which are designated for measurement at FVTPL are subsequently measured at fair value. All other financial liabilities such as deposits are measured at amortised cost using Effective Interest Rate (EIR) method.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

1. Significant accounting policies (Continued)

1.12 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value measurement

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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 includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value.

1. Significant accounting policies (Continued)

1.13 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of temporary differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. Current tax and deferred tax are recognised in the statement of profit and 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.

The current tax payable is based on taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against those deductible temporary differences can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down to the extent 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 offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.14 Earnings per share

Basic 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1. Significant accounting policies (Continued)

1.15 Provisions and Contingencies

Provisions are recognized when the Company recognises it has a present obligation (legal or constructive) 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. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

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. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized in the financial statements.

1.16 Cash and Cash equivalents

Cash and cash equivalents include cash, cheques in hand, cash at bank and deposits with banks having maturity of three months or less. The bank deposits with original maturity of upto three months are classified as cash and cash equivalents and bank deposits with original maturity of more than three months are classified as other bank balances.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1 Project revenue and costs

The percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

2.2 Taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.3 Impairment of non-financial 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.

2 Significant accounting judgments, estimates and assumptions (Continued)

2.4 Employee benefits

The Company's obligation for employee benefits is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Refer note 35 for details of the key assumptions used in determining the accounting of these plans.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

2.5 Impairment of financial assets

The Company assesses impairment on financial assets based on Expected Credit Loss (ECL) model. The provision matrix is based on its historically observed default rates over the expected life of the financial assets and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward looking estimates are analysed.

2.6 Provisions

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

All the estimates are revised periodically.

Significant estimates are involved in the determination of provisions related toonerous contracts, warranty costs, legal and regulatory proceedings (Legal Proceedings). The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, onerous contracts is based on the best estimate required to settle the present obligation at the end of reporting period.

(Currency: Indian rupees)

2. Significant accounting judgments, estimates and assumption (Continued)

Recent Accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment. The amendments are applicable to the Company from 1 October 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.
The Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and its impact.

Siemens Rail Automation Private Limited

Notes to the financial statements *(Continued)*

as at 30 September 2017

(Currency : Indian rupees)

3 Property, plant and equipment

Particulars	Plant and equipments	Furniture and fixture	Office equipments	Total
Gross carrying value				
At 1 October 2015 (Refer note i)	31,150,103	4,740,016	7,512,219	**43,402,338**
Additions	379,858	455,200	157,219	**992,277**
At 30 September 2016	**31,529,961**	**5,195,216**	**7,669,438**	**44,394,615**
Accumulated depreciation				
At 1 October 2015 (Refer note i)	-	-	-	-
Charge for the year	6,945,268	1,294,787	3,209,989	**11,450,044**
At 30 September 2016	**6,945,268**	**1,294,787**	**3,209,989**	**11,450,044**
Net block				
At 30 September 2016	**24,584,693**	**3,900,429**	**4,459,449**	**32,944,571**
At 30 September 2015	31,150,103	4,740,016	7,512,219	43,402,338

Particulars	Plant and equipments	Furniture and fixtures	Office equipments	Total
Gross carrying value				
At 1 October 2016	31,529,961	5,195,216	7,669,438	**44,394,615**
Additions	-	170,160	489,105	**659,265**
At 30 September 2017	**31,529,961**	**5,365,376**	**8,158,543**	**45,053,880**
Accumulated depreciation				
At 1 October 2016	6,945,268	1,294,787	3,209,989	**11,450,044**
Charge for the year	6,633,725	1,340,636	2,658,169	**10,632,530**
At 30 September 2017	**13,578,993**	**2,635,423**	**5,868,158**	**22,082,574**
Net block				
At 30 September 2017	**17,950,968**	**2,729,953**	**2,290,385**	**22,971,306**
At 30 September 2016	24,584,693	3,900,429	4,459,449	32,944,571

Note:-

i) The Company has elected to measure all its property, plant and equipment at previous GAAP carrying amount i.e. 30 September 2015 as its deemed cost for Gross block on the date of transition to Ind AS i.e. 1 October 2015.

Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

as at 30 September 2017

(Currency : Indian rupees)

4 Intangible assets

Particulars	Other Intangible Assets
	Software
Gross carrying value	
At 1 October 2015 (Refer note i)	1,802,887
Additions	-
At 30 September 2016	**1,802,887**
Accumulated depreciation / impairment	
At 1 October 2015 (Refer note i)	-
Charge for the year	873,675
At 30 September 2016	**873,675**
Net block	
At 30 September 2016	**929,212**
At 30 September 2015	1,802,887

Particulars	Other Intangible Assets
	Software
Gross carrying value	
At 1 October 2016	1,802,887
Additions	-
At 30 September 2017	**1,802,887**
Accumulated depreciation / impairment	
At 1 October 2016	873,675
Charge for the year	687,369
At 30 September 2017	**1,561,044**
Net carrying value	**241,843**

Note:-

i) The Company has elected to measure its intangible assets at the previous GAAP carrying amount i.e. 30 September 2015 as its deemed cost for Gross block on the date of transition to Ind AS i.e. 1 October 2015.

Siemens Rail Automation Private Limited

Notes to the financial statements (continued)
as at 30 September 2017

(Currency : Indian rupees)

		30 Sept 2017	30 Sept 2016	1 Oct 2015
5	**Trade receivables - Non - current (unsecured)**			
	Long-term trade receivables	**14,527,734**	26,956,268	49,431,660
	Of which			
	- considered good	**12,684,960**	25,041,287	46,405,501
	- considered doubtful	**1,842,774**	1,914,981	3,026,159
		14,527,734	26,956,268	49,431,660
	Impairment allowance	**(1,842,774)**	(1,914,981)	(3,026,159)
		12,684,960	25,041,287	46,405,501
6	**Other financial assets - Non - current**			
	i) Financial assets at amortised cost			
	Deposits	**12,706,219**	13,787,719	13,854,419
	Bank deposits with maturity of more than 12 months	**320,547**	2,818,029	4,473,100
		13,026,766	16,605,748	18,327,519
7	**Deferred tax assets (net)**			
	Deferred tax assets			
	Arising on account of temporary differences in :			
	Provision for doubtful debts and advances	**12,027,849**	3,352,017	3,352,017
	Unabsorbed losses of earlier years	**18,297,158**		
	Expenditure debited to the statement of profit and loss but allowable for tax purposes in following years	**6,522,801**	4,095,941	4,095,941
	Depreciation / impairment provisions	**2,530,802**	-	-
		39,378,610	7,447,958	7,447,958
	Less - Deferred tax liability			
	Depreciation / impairment provisions	**-**	622,282	622,282
	Deferred tax assets (net)	**39,378,610**	6,825,676	6,825,676
8	**Income tax assets (net)**			
	Advance payments of income tax	**34,827,938**	27,259,293	16,320,210
		34,827,938	27,259,293	16,320,210
9	**Other non-current assets**			
	Balances with statutory / government authorities [includes payments made under protest of Rs.8,795,095 (2016: Rs.5,855,314, 1 Oct2015:)]	**67,296,725**	59,923,317	53,035,190
	Deferred expenses	**918,557**	-	-
		68,215,282	59,923,317	53,035,190
10	**Inventories (valued at lower of cost and net realisable value)**			
	Raw materials	**48,812,558**	114,892,716	35,907,187
	Traded goods	**-**	-	1,252,006
		48,812,558	114,892,716	37,159,193
11	**Trade receivables - Current (unsecured)**			
	Trade receivables	**170,434,024**	243,787,292	259,517,048
	Of which			
	- considered good	**147,239,598**	229,154,168	238,101,312
	- considered doubtful	**23,194,426**	14,633,124	21,415,736
		170,434,024	243,787,292	259,517,048
	Impairment allowance	**(23,194,426)**	(14,633,124)	(21,415,736)
		147,239,598	229,154,168	238,101,312

i) Trade receivable does not consist any amounts due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) For terms and conditions relating to related party receivables, refer note 34

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days of credit period.

		30 Sept 2017	30 Sept 2016	1 Oct 2015
12	**Cash and cash equivalents**			
	Balances with banks			
	- On current accounts	**25,470,502**	2,893,202	1,297,973
	- Bank deposits with original maturity of less than 3 months	**1,608,459**	-	-
		27,078,961	2,893,202	1,297,973

Deposits include fixed deposits with Banks Rs. 8,604,313 (30 September 2016 :Rs.8,201,387 ,30 September 2015 :Rs. 7,663,376) marked as lien for 3rd party on behalf of the Company (Refer note 6)

Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)
for the period ended 30 September 2017

(Currency : Indian rupees)

8 Income tax disclosure

(a) Income Tax Expense

Particulars	For the year ended 30 Sept, 2017	For the year ended 30 Sept, 2016
Deferred Tax		
In respect of current year origination of temporary differences	32,552,935	-
Total Tax Expense recognised in profit and loss account	**32,552,935**	**-**

(b) Movement of Deferred Tax

Particulars	Balance Sheet		Profit & Loss	
	As at 30 Sept, 2017	As at 30 Sept, 2016	For the year ended 30 Sept, 2017	For the year ended 30 Sept, 2016
Deferred tax assets				
Deductible temporary difference, unused tax losses and unused tax credit for which deferred tax have been recognised are :				
Unabsorbed depreciation and carried forward losses	18,297,158	-	18,297,158	
Deductible temporary difference				
a) Provision for doubtful debts and advances	12,027,849	3,352,017	8,675,832	-
b) Expenditure debited to the statement of profit and loss but allowable for tax purposes in following years	6,522,801	4,095,941	2,426,861	-
c) Depreciation as per books of accounts and Income tax	2,530,802	(622,282)	3,153,084	-
Deferred tax assets (net)	**39,378,610**	**6,825,676**	**32,552,935**	**-**

Reconciliation of deferred tax assets, net

Particulars	As at 30 Sept, 2017	As at 30 Sept, 2016
Opening Balance as on 1st Oct	6,825,676	6,825,676
Tax income/(expense) during the period recognised in profit or loss	32,552,935	-
Deferred tax assets (net)	**39,378,611**	**6,825,676**

(Currency : Indian rupees)

		30 Sept 2017	Sept 2016	1 Oct 2015
13	**Other bank balances**			
	Bank deposits with original maturity of more than 3 months but less than 12 months	**6,675,307**	5,383,358	3,190,275
		6,675,307	5,383,358	3,190,275
14	**Other financial assets - Current**			
	i) Financial assets at amortised cost			
	Project excess cost			
	- considered good	**139,268,198**	117,721,218	290,098,933
	- considered doubtful	**12,954,230**	11,335,551	28,157,307
		152,222,428	129,056,768	318,256,240
	Impairment allowance	**(12,954,230)**	(11,335,551)	(28,157,307)
		139,268,198	117,721,218	290,098,933
	Others	**579,091**	807,752	1,697,665
		139,847,289	118,528,970	291,796,598
15	**Other current assets**			
	Advance to suppliers	**86,484**	2,000	678,506
	Prepaid expenses	**745,818**	742,094	738,890
	Balances with statutory / government authorities, net	**6,069,838**	-	6,202,244
		6,902,140	744,094	7,619,640

Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)
as at 30 September 2017

(Currency : Indian rupees)

		30 Sept 2017	30 Sept 2016	Oct 2015
16	**Share capital**			
	Authorised			
	15,000,000 Equity Shares of Rs 10 each (2016: 15,000,000 Equity shares of Rs 10 each , 1 Oct 2015: 15,000,000 Equity shares of Rs 10 each)	**150,000,000**	150,000,000	150,000,000
		150,000,000	**150,000,000**	**150,000,000**
	Issued			
	64,898 Equity Shares of Rs 10 each (2016: 64,898 Equity shares of Rs 10 each, 1 Oct 2015: 64,898 Equity shares of Rs 10 each)	**648,980**	648,980	648,980
	Subscribed and fully paid-up			
	64,898 Equity Shares of Rs 10 each fully paid-up (2016: 64,898 Equity shares of Rs 10 each fully paid-up, 1 Oct 2015: 64,898 Equity shares of Rs 10 each fully paid-up)	**648,980**	648,980	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, 2016 : 64,897, 1 Oct 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:**

	2017		2016		2015	
	Number	**Amount**	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	**64,898**	**648,980**	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	64,898	648,980

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

Name of shareholder	**2017**		2016		2015	
	No. of shares held	**% of Holding**	No. of shares held	% of Holding	No. of shares held	% of Holding
Siemens Limited	**64,898**	**100%**	64,898	100%	64,898	100%

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 both legal and beneficial 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.

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.

(Currency : Indian rupees)

17 Other equity

Nature and purpose of reserve

a) Securities premium account represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

b) Retained earnings are the profits that the Company has earned till date.

18	**Long-term provisions**			
	Provision for employee benefits			
	- Leave wages	**4,603,389**	4,803,831	3,575,232
	- Medical benefits (Refer note 35)	**817,928**	836,556	748,041
	- Silver jubilee and star awards	**2,958,824**	2,621,013	2,115,640
		8,380,141	8,261,400	6,438,913
19	**Loans - Current (unsecured)**			
	Loan from Related party - Siemens Industry Software Pvt. Ltd.(Note a)	**-**	252,000,000	252,000,000
	Loan from Related party - Siemens limited (Note a)	**150,000,000**	51,000,000	45,000,000
		150,000,000	303,000,000	297,000,000
a	Loan is repayable on demand and carries interest of 6.75% p.a			
20	**Trade Payables - Current**			
	Total outstanding dues of creditors other than micro enterprises and small enterprises	**124,693,484**	89,837,084	178,624,605
		124,693,484	89,837,084	178,624,605
	Trade payables are non-interest bearing and generally have a payment terms of 45 to 90 days.			
21	**Other financial liabilities - Current**			
	Financial liabilities at amortised cost			
	Interest accrued but not due	**108,185**	127,690	121,389
	Others	**10,054,478**	6,916,508	33,086,593
		10,162,663	7,044,198	33,207,982
22	**Short-term provisions**			
a)	***Provision for employee benefits***			
	- Leave wages	**359,868**	397,156	326,225
	- Gratuity (Refer note 35)	**6,152,249**	5,666,165	3,830,300
	- Silver jubilee and star awards	**120,000**	200,000	-
		6,632,117	6,263,321	4,156,525
b)	***Others***			
	- Warranty (Refer notes 32)	**1,413,116**	-	-
	- Loss order (Refer note 32)	**987,229**	475,047	-
	- Other matters (Refer note 32)	**1,500,000**	1,500,000	-
		3,900,345	1,975,047	-
		10,532,462	8,238,368	4,156,525
23	**Other current liabilities**			
	Advances from customers	**2,112,695**	653,083	6,547,613
	Billing in excess / advance billings	**115,153,318**	122,073,092	100,576,226
	Accrued salaries and benefits	**49,137**	-	-
	Other liabilities			
	- Withholding and other taxes payable	**1,817,660**	4,241,740	5,822,829
	- Other project related provisions	**16,609,453**	-	-
		135,742,263	126,967,915	112,946,668

Siemens Rail Automation Private Limited

Notes to the financial statements (continued)
for the year ended 30 September 2017

(Currency : Indian rupees)

		30 Sept 2017	30 Sept 2016
24	**Revenue from operations**		
	Revenue from operations		
	Revenue from projects	**576,371,564**	365,672,015
	Sale of services	**24,167,117**	11,905,439
		600,538,681	377,577,454
	Other operating revenue		
	Liabilities written back	**8,296,422**	-
		8,296,422	-
		608,835,103	377,577,454
25	**Other income**		
	Interest income	**539,923**	538,011
		539,923	538,011
26	**Project bought outs and other direct costs**		
	Project bought outs	**345,061,597**	179,444,258
		345,061,597	179,444,258
27	**Employee benefits expense**		
	Salaries, wages and bonus, net	**87,420,026**	82,232,370
	Contribution to provident and other funds	**5,808,518**	5,460,021
	Staff welfare expenses	**5,155,187**	5,880,753
		98,383,731	93,573,144
28	**Finance costs**		
	Interest - Others	**17,854,581**	23,295,649
		17,854,581	23,295,649
29	**Other expenses**		
	Exchange loss / (gains), net	**2,765,218**	(1,875,083)
	Travel and conveyance	**24,323,450**	17,461,986
	Software license fees and other information technology related costs	**3,843,356**	9,673,709
	Rates and taxes	**5,322**	3,837,081
	Communications	**5,902,054**	5,723,631
	Power and fuel	**2,567,944**	1,602,860
	Insurance	**4,907,256**	2,830,464
	Rent	**9,430,714**	9,374,735
	Repairs		
	- on building	**14,933**	14,750
	- on machinery	**30,892**	832,332
	- others	**5,900,917**	3,957,444
	Legal and professional [includes auditors' remuneration (Refer note 31)]	**16,873,989**	17,350,447
	Other Subcontracting cost	**7,244,672**	6,807,285
	Office supplies, printing and stationery	**4,671,964**	3,735,192
	Bank guarantee commission / bank charges	**91,360**	181,660
	Bad debts	**95,917**	-
	Provision for doubtful debts and advances, net	**11,041,424**	(24,037,041)
	Miscellaneous expenses	**4,305,145**	8,625,989
		104,016,527	66,097,441

Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)
as at 30 September 2017

(Currency : Indian rupees)

30 Commitments and contingent liabilities

	30 Sept 2017	30 Sept 2016	Oct 2015
(a) Contingent liabilities (to the extent not provided for)			
Liability on account of non-submission of C Forms	**1,646,547**	5,738,750	103,649,104
Liability on account of VAT input disallowance	**7,832,353**		
	9,478,900	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 for Company's liability to be possible have accordingly been disclosed as contingent liability. Inrespect of above contingent liabilities, the future cash outflow are determinable only on receipt if judgements pending at verious forumns/ authorities

31 Auditors' remuneration (for audit services exclusive of service tax / GST)

	30 Sept 2017	30 Sept 2016
- Audit fees	**780,300**	789,200
- Tax audit fees	**350,000**	350,000
	1,130,300	1,139,200

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Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

as at 30 September 2017

(Currency : Indian rupees)

32 Disclosure relating to Provisions

Provision for warranty

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

Provision for loss orders

A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

Provision for other matters

The Company has made provisions for known pending assessments in respect of taxes, duties and other levies, the outflow of which would depend on the cessation of the respective events.

The movements in the above provisions are summarised below:

	Warranty		**Loss orders**		**Other matters**	
	30 Sept 2017	30 Sept 2016	**30 Sept 2017**	30 Sept 2016	**30 Sept 2017**	30 Sept 2016
Balance as at 1 October			**475,047**		**1,500,000**	
Provisions :				-		-
- Created	**1,413,116**	-	**621,239**	1,103,948	**-**	1,500,000
- Utilised		-	**(109,057)**	(628,901)	**-**	-
- Reversed	**-**	-	**-**	-	**-**	-
Balance as at 30 September	**1,413,116**	-	**987,229**	475,047	**1,500,000**	1,500,000
- Current	**1,413,116**	-	**987,229**	475,047	**1,500,000**	-
- Non-current					**-**	-

33 Disclosure pursuant to Indian Accounting Standard - 11 'Construction Contracts' :

		30 Sept 2017	**30 Sept 2016**
(i)	Contract Revenue recognised for the year ended 30 September	**576,371,564**	365,672,015
(ii)	Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress as at 30 September	**2,306,771,136**	2,333,513,201
(iii)	Amount of advances received	**2,112,695**	653,083
(iv)	Amount of retentions	**47,744,188**	122,664,140
(v)	Amounts due from customers	**152,222,428**	129,030,012
(vi)	Amounts due to customers	**115,153,318**	122,524,064

Siemens Rail Automation Private Limited
Notes to the financial statements (Continued)
for the year ended 30 Sep 2017

(Currency : Indian rupees)

34 Related party transactions (Continued)

34.1 Parties where control exists

Siemens Ltd. (w.e.f. October 1, 2014)	Holding company	India
Siemens AG (w.e.f May 2, 2013)	Ultimate Holding Company	Germany

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

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

34.3 Related party transactions

Description	2017		2016	
	Holding Company and Ultimate Holding Company	**Fellow Subsidiaries**	Holding Company and Ultimate Holding Company	Fellow Subsidiaries
Revenue (net of taxes)				
- Siemens Ltd.	**12,737,647**	**-**	6,336,085	-
- Siemens Industry, Inc.		**10,175,052**	-	-
Purchase of goods and services				
- Siemens AG	**4,125,636**	**-**	177,741	-
- Siemens Rail Automation Pty Ltd	**-**	**175,989**	-	89,495
- Siemens Rail Automation Holdings Ltd.	**-**	**1,503,829**	-	1,017,392
- Siemens Rail Automation S.A.U.(Siemens Rail, Dimetronics)	**-**	**-**	-	2,856,524
- Siemens Ltd.	**61,778,915**	**-**	63,543,687	-
- Siemens Technology Services Pvt Ltd	**-**	**3,020,977**	-	7,566,448
- Siemens Pte Ltd.	**-**	**223,701**	-	8,467,709
Interest expenses				
- Siemens Industry Software (India) Pvt. Ltd	**-**	**1,601,753**	-	19,454,055
- Siemens Ltd.	**16,229,588**	**-**	3,427,341	-
Inter corporate deposit taken				
- Siemens Ltd.	**301,000,000**	**-**	155,000,000	-
Inter corporate deposit repaid				
- Siemens Industry Software (India) Pvt. Ltd.	**-**	**252,000,000**	-	-
- Siemens Ltd.	**202,000,000**	**-**	149,000,000	-
Outstanding Balances				
Receivables				
- Siemens Ltd.	**-**	**-**	1,424,611	-
- Siemens Industrial Turbomachinery Ltd.	**-**	**642,979**	-	-
Payables				
- Siemens Rail Automation Pty Ltd	**-**	**1,402,026**	-	-
- Siemens Rail Automation Holdings Ltd.	**-**	**214,267**	-	-
- Siemens AG	**4,550,805**	**-**	112,418	-
- Siemens Technology Services Pvt Ltd	**-**	**145,536**	-	-
- Siemens Ltd.	**1,160,461**	**-**	3,391,952	-
- Siemens Pte. Ltd.	**-**	**7,707**	-	-
Inter corporate deposits payable				
- Siemens Ltd.	**150,000,000**	**-**	51,000,000	-
- Siemens Industry Software (India) Pvt. Ltd.	**-**	**-**	-	252,000,000
Interest payable on inter corporate deposits	**-**	**-**		
- Siemens Ltd.	**-**	**-**	82,640	-
- Siemens Industry Software (India) Pvt. Ltd.	**-**	**-**	-	45,049

No payments are made to key managerial personnel

Siemens Rail Automation Private Limited

Notes to the financial statements *(Continued)*

for the year ended 30 September 2017

(Currency : Indian rupees)

35 Disclosure pursuant to Accounting Standard - IND AS 19 'Employee Benefits' :

(i) Defined Contribution Plans

Amount of Rs.3,960,196 (2016: Rs.3,871,481) is recognised as an expense and included in "employee benefits expense" (Refer note 27) in the statement of profit and loss.

(ii) Defined Benefit Plans

a) Amounts for the current period are as follows :

	Particulars	Gratuity		Medical	
		Sept 2017	Sept 2016	**Sept 2017**	Sept 2016
I	**Change in defined benefit obligation**				
	Liability at the beginning of the year	**6,046,021**	4,196,658	**836,557**	748,041
	Expenses recognised in profit and loss Account				
	- Interest cost	**413,861**	323,318	**58,558**	59,694
	- Current service cost	**1,461,051**	1,193,337	**210,027**	224,266
	- Past service cost	**-**	101,119		
	Actuarial (gain) / loss arising from				
	i Change in demographic assumptions	**-**	-		
	ii Change in financial assumptions	**(244,644)**	793,451	**(48,291)**	175,292
	iii Experience variance	**(37,056)**	149,853	**(238,923)**	(370,736)
	Benefits paid	**(1,058,828)**	(711,715)		
	Liability at the end of the year	**6,580,405**	6,046,021	**817,928**	836,557
II	**Fair value of plan assets**				
	Fair value of plan assets at the beginning of the year	**379,856**	366,358	**-**	-
	Expenses recognised in profit and loss Account			**-**	-
	- Expected return on plan assets	**26,590**	29,235	**-**	-
	Recognised in Other Comprehensive Income			**-**	-
	- Acturial gain / (loss) on plan assets	**21,710**	(15,737)	**-**	-
	Fair value of plan assets at the end of the year	**428,156**	379,856	**-**	-
III	**Actual return on plan assets**				
	Expected return on plan assets	**26,590**	29,235	**-**	-
	Actuarial gain / (loss) on plan assets	**21,710**	(15,737)	**-**	-
	Actual return on plan assets	**48,300**	13,498	**-**	-
IV	**Amount recognised in the balance sheet**				
	Defined benefit obligation at the end of the year	**6,580,405**	6,046,021	**817,928**	836,557
	Fair value of plan assets at the end of the year	**428,156**	379,856	**-**	-
	(Surplus)/Deficit	**6,152,249**	5,666,165	**817,928**	836,557
	Current portion of the above	**6,152,249**	5,666,165		
	Non Current portion of the above			**817,928**	836,556
V.a	**Expenses recognised in the statement of profit and loss**				
	Net Interest Expense	**387,271**	294,083	**58,558**	59,694
	Current service cost	**1,461,051**	1,193,337	**210,027**	224,266
	Past service cost	**-**	101,119	**-**	
	Expense recognised in statement of profit and loss	**1,848,322**	1,588,539	**268,585**	283,960
V.b	**Included in other comprehensive income**				
	Expected return on plan assets excluding net interest	**(21,710)**	15,737	**-**	-
	Net actuarial (gain) / loss recognised	**(281,700)**	943,304	**-**	-
	Acturial (Gain) or Loss recognised in OCI	**(303,410)**	959,041	**-**	-

Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

for the year ended 30 September 2017

(Currency : Indian rupees)

35 Disclosure pursuant to Accounting Standard - IND AS 19 'Employee Benefits' : *(Continued)* :

		Gratuity			Medical		
		Sept 2017	Sept 2016	Oct -2015	**Sept 2017**	Sept 2016	Oct -2015
VII	**Actuarial Assumptions**						
	Discount Rate	**7.24%**	7.00%	7.98%	**7.24%**	7.00%	7.98%
	Attrition rate:						
	upto 30 years	**15.00%**	15.00%	15.00%	**15.00%**	15.00%	15.00%
	31-50 years	**3.00%**	3.00%	3.00%	**3.00%**	3.00%	3.00%
	above 50 years	**2.00%**	2.00%	2.00%	**2.00%**	2.00%	2.00%
	Salary Escalation / Pension increase rate / Medical cost increase rate	**8.00%**	8.00%	8.00%	**8.00%**	0.00%	0.00%
VIII	**Sensitivity**						
	Change in Liability for 0.5% decrease in discount rate	**7,104,900**	5,620,969		**922,503**	946,893	
	Change in Liability for 0.5% increase in discount rate	**6,109,547**	6,518,670		**727,425**	741,059	
	Change in Liability for 0.5% decrease in salary/ medical inflation rate	**6,110,696**	6,511,785		**736,118**	749,448	
	Change in Liability for 0.5% increase in salary/ medical inflation rate	**7,098,519**	5,622,849		**912,343**	936,974	
IX	**Maturity Profile of Defined Benefit Obligation (Undiscounted amount)**						
	Year 1	**304,761**	267,449		**-**		
	Year 2	**294,098**	278,006		**-**		
	Year 3	**255,568**	270,481		**-**		
	Year 4	**261,313**	235,459		**-**		
	Year 5	**242,275**	234,627		**-**		
	Years 6 to 10	**1,846,485**	1,604,662		**272,677**		
X	**Weighted Average Duration of Defined Benefit Obligation**						
	Duration (Years)	**15.23**	14.52	-	-	-	-

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.304,761 (2016: Rs. 267,449) to gratuity fund in 2017-18.

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.

(iii) General descriptions of significant defined plans

I Gratuity Plan

Gratuity is payable to all eligible employees of the Group 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. Under the act, employee who has completed five years of service is entitled to the benefit. The level of benefits provided depends on the members length of service and salary at retirement age.

II Medical

Post retirement medical benenfit is paid to the retired employees till thier survival and after thier death, benefits are available to the employee's spouse. It consists of 3 components, which is health insurance, Domiciliary medical allowance and Company support in case the expenses incurred are more than the health insurance coverage subject to the celing limit as per the grades.

(iv) Broad category of Fair value of plan assets & as a percentage of total plan assets of the Gratuity plan

	2017		2016		2015	
Particulars (Unquoted)	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Equity Instruments	**-**	0%	-	0%	-	0%
Debt Instruments	**428,156**	100%	379,856	100%	366,358	100%
Total Plan Assets	428,156	100%	379,856	100%	366,358	100%

(Currency : Indian rupees)

36 Earnings per share:

	30 Sept 2017	30 Sept 2016
Weighted average number of equity shares outstanding during the year	**64,898**	64,898
Profit after tax	**30,311,488**	(34,173,931)
Basic and diluted earnings per share	**467.06**	(526.58)

37 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, 2017 and September 30, 2016. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year.

38 Share-based payment transactions

Under Siemens profit sharing (SPS) shares of ultimate Holding Company are granted to the eligible employees on achievements of targets by Holding company.

Siemens Rail Automation Private Limited

Notes to the financial statements (Continued)

as at 30 September 2017

(Currency : Indian rupees)

39 Capital management

For the purpose of the Company's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The management and the Board of Directors monitors the return on capital.

40 Financial Instruments

A) Accounting Classifications and Fair Values

i) Category-wise classification for applicable financial assets:

		Carrying value / Fair value		
Particulars	**Notes**	**30 Sept 2017**	30 Sept 2016	1 Oct 2015
Measured at amortised cost:				
(a) Trade Receivables	5 & 11	**159,924,558**	254,195,455	284,506,813
(b) Cash and cash equivalents and other bank balances	12 & 13	**33,754,268**	8,276,560	4,488,248
(c) Other financial assets	6 & 14	**152,874,055**	135,134,718	310,124,117
Total		**346,552,881**	397,606,733	599,119,178

ii) Category-wise classification for applicable financial liabilities:

Particulars	**Notes**	**30 Sept 2017**	30 Sept 2016	1 Oct 2015
Measured at amortised cost:				
(a) Trade payables	20	**124,693,484**	89,837,084	178,624,605
(b) Loans	19	**150,000,000**	303,000,000	297,000,000
(c) Other liabilities	21	**10,162,663**	7,044,198	33,207,982
Total		**284,856,147**	399,881,282	508,832,587

The carrying amounts of financial insturments such as cash and cash equivalents, other bank balances,trade receivables, trade payables and other current financial assets and liabilities are considered to be same as their fair values due to their short term nature.

(Currency : Indian rupees)

41 Financial Risk Management

A Credit risk

Credit risk is defined as an unexpected loss in financial instruments if the contractual partner is failing to discharge its obligations in full and on time. The Company is exposed to credit risk from its operating and financing activities like trade receivables, deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

The major exposure to credit risk at the reporting date is primarily from receivables comprising of trade and project unbilled receivables (net).
Credit risk on receivables is limited due to the Company's large and diverse customer base which includes public sector enterprises, state owned companies and private corporates. The effective monitoring and controlling of credit risk through credit evaluations and ratings is a core competency of the Company's risk management system.

For receivables, as a practical expedient, the Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.
The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.The ECL is calculated on rating and default probability percentage arrived from the historic default trend. In order to determine the default probability percentage, a simple average of customer wise specific allowances or actual bad debts incurred in succeeding year (derived rates) (whichever is higher) for the preceding three years is considered as a percentage of gross receivables positions for each grading i.e. rating and division of each customer as at reporting date.

The reconciliation of ECL is as follows:

Particulars	**30 Sept 2017**	30 Sept 2016
Balance at the beginning of the year	(27,883,656)	(52,599,203)
Loss allowance based on ECL	(10,107,774)	(24,715,547)
Balance at the year end	(37,991,430)	(27,883,656)

B Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.The Company regularly monitors the rolling forecasts and actual cashflows, to ensure it has sufficient funds to meet the operational needs.
The table below summarise the maturity profile of the Company's financial liabilties based on contractually agreed undiscounted cash flows :

Particulars	**Notes**	**Total**	**Payable within 1 year**	**More than 1 year**
As at 30 Sept 2017				
Trade Payables	20	124,693,484	124,693,484	-
Other financial liabilities	21	10,162,663	10,162,663	-
		134,856,147	134,856,147	-
As at 30 Sept 2016				
Trade Payables	20	89,837,084	89,837,084	-
Other financial liabilities	21	7,044,198	7,044,198	-
		96,881,282	96,881,282	-
As at 1 Oct 2015				
Trade Payables	20	178,624,605	178,624,605	-
Other financial liabilities	21	33,207,982	33,207,982	-
		211,832,587	211,832,587	-

(Currency : Indian rupees)

42 First time adoption of Ind As

These financial statements, for the year ended 30 September 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 30 September 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind AS applicable for the year ended on 30 September 2017, together with the comparative period data as at and for the year ended 30 September 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 October 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 October 2015 and the financial statements as at and for the year ended 30 September 2016.

A) Exemptions and exceptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

i) The Company is allowed to choose any date in the past from which it wants to account for the business combinations under Ind AS 103, without having to restate business combinations prior to such date. Since business combinations of the Company involve entities under common control, no restatement is required of past business combinations.

ii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

iii) The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

iv) The Company has applied the impairment requirements of Ind AS 109 retrospectively based on facts and circumstances existing on transition date.

v) The estimates at 1 October 2015 and at 30 September 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following item where application of Indian GAAP did not require estimation:
- Impairment of financial assets based on expected credit loss model

B) Reconciliation between previously reported Indian GAAP (IGAAP) and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from erstwhile Indian GAAP to Ind AS.

i) Reconciliation of Equity between IGAAP and Ind AS

	Notes	As at 30 September 2016	As at 1 October 2015
Equity (shareholder's funds) under IGAAP		106,034,480	178,041,124
Impairment of financial assets (ECL)	1	(15,083,509)	(42,267,823)
Deferred Tax		6,825,676	-
Restatement of prior period adjustment		-	(2,863,683)
Equity (shareholder's funds) under Ind AS		**97,776,647**	132,909,619

ii) Reconciliation of Net profit after tax as previously reported under IGAAP and the total comprehensive income as per Ind AS for the year ended 30 September 2016

	Notes	Year ended 30 September 2016
Net Profit/ (Loss) after tax (IGAAP)		(72,006,644)
Impairment of financial assets (ECL)	1	27,184,315
Reclassification of net actuarial gain/loss on defined benefit obligations to other comprehensive income	2	959,041
Deferred Tax		6,825,676
Restatement of Employee Benefits		2,863,683
Net Profit/ (Loss) after tax as per Ind AS		**(34,173,930)**
Other comprehensive income (net of tax)		(959,041)
Total comprehensive income/ (Loss) under Ind AS		**(35,132,971)**

iii) Reconciliation of cash flows for the year ended 30 September 2016

The transition from erstwhile Indian GAAP to Ind AS has not made a material impact on the statement of cash flows.

Notes:

1 Under Indian GAAP, the allowance for bad and doubtful debts were accounted based on incurred loss model. Whereas, under Ind AS, this provision is created based on Expected Credit Loss Model (ECL). Consequently, Rs. 42,267,822 as at 1 October 2015 has been recognized as additional allowance with a charge to transition reserves. Also, Rs. 27,184,314 during the year ended 30 September 2016 has been recognized as a reversal of allowance.

2 Under Indian GAAP, the entire cost, including actuarial gains and losses on post-employment defined benefit plan is charged to the statement of profit or loss. Under Ind AS remeasurements comprising of actuarial gains and losses are recognised through Other Comprehensive Income. Rs. 959,041 is reclassified from employee benefits to Other comprehensive income during the year ended 30 September 2016.

3 Reassessment of differed tax asset : The Company has performed an annual reassessment of recognition of deferred tax asset as per requirement of Ind AS 12, and accordingly recognised deferred tax asset of Rs.32,552,934 in respect of carried forward losses and temporary difference.

(Currency : Indian rupees)

43 The Government of India introduced Goods and Service Tax ('GST') with effect from 1 July 2017, consequently the revenue from operations for period 1 July 2017 to 30 September 2017 is net of GST. However, the revenue from operations for the period 1 October 2016 to 30 June 2017 and year ended 30 September 2016 is inclusive of excise duty.

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

per Sudhir Soni
Partner
Membership No: 41870

Place : Mumbai
Date: 15 November 2017

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

Ritesh Khandelwal
DIN : 07877939
Director

Vaibhav Haria
DIN : 07867271
Director

Place : Gurgaon
Date: 15 November 2017