INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF FERROVIA TRANSRAIL SOLUTION PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **FERROVIA TRANSRAIL SOLUTION PRIVATE LIMITED** ***which*** comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit/Loss and its Cash Flow 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"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the ***"Annexure* A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   d. in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations which would impact its financial position. – Refer Note (P) to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
RMA & Associates
Chartered Accountants
FRN:000978N

Rajiv Bajpai
Partner
M.No.405219

Place: Delhi
Date: 27 APR 2016

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are dues of Entry tax outstanding on account of dispute.

Name of Statue	Subject matter of dispute	Amount in INR(Million)	Period to which the amount Relates	Forum where the dispute is pending
Entry tax	Demand of Entry tax on Rail track in Bihar	319.10	2013-14 and 2014-15	DCCT,Sasaram(Bihar)

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
RMA & Associates
Chartered Accountants
FRN:000978N

Rajiv Bajpai
Partner
M.No.405219

Place: Delhi
Date: 27 APR 2016

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of FERROVIA TRANSRAIL SOLUTION PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **FERROVIA TRANSRAIL SOLUTION PRIVATE LIMITED** as of March 31, 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

For and on behalf of
RMA & Associates
Chartered Accountants
FRN:000978N

Rajiv

Rajiv Bajpai
Partner
M.No.405219

Place: Delhi
Date: 27 APR 2016

Ferrovia Transrail Solutions Pvt. Ltd.
CIN NO:- U45300DL2012PTC239645
Balance Sheet as at 31st March , 2016

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a)Share capital	3	100,000	100,000
(b)Reserves and surplus	4	(165)	(12,837)
Non-current liabilities			
(a)Long-term borrowings			
(b)Deferred tax liabilities (Net)		309,016	-
(c)Other Long term liabilities			
(d)Long-term provisions	5	137,447	129,000
Current liabilities			
(a)Short-term borrowings	6	253,548,437	280,805,337
(b)Trade payables	7	4,353,913	35,147,304
(c)Other current liabilities	8	12,797,602	8,691,566
(d)Short-term provisions	9	20,933,151	12,510,413
Total		**292,179,401**	**337,370,783**
ASSETS			
Non-current assets			
(a)Fixed assets			
(i)Tangible assets	10	18,561,350	19,489,697
(ii)Intangible assets	10	4,400	13,634
(iii)Intangible Assets Under Development		-	-
(b)Non-current investments			
(c) Deferred Tax Assets (Net)	11	-	211,167
(d)Long-term loans and advances			
(e)Other non-current assets	12	82,913,284	66,013,407
Current assets			
(a)Current investments			
(b)Project Work In Progress		-	-
(c)Trade receivables	13	-	1,036,563
(d)Cash and cash equivalents	14	294,774	549,008
(e)Short-term loans and advances	15	20,563,408	13,638,344
(f)Other current assets	16	169,842,184	236,418,963
Total		**292,179,401**	**337,370,783**

The accompanying notes forms an integral part of these financial statements.
Chartered Accountants
For RMA & Associates
Chartered Accountants
Firm Registration Number: 000978N

Rajiv Bajpai
Partner
Membership No 405219
Place: Delhi
Date: 27 APR 2016

On behalf of the Board of Directors

D K Maheshwari   Madan Lal

Ferrovia Transrail Solutions Pvt. Ltd.
CIN NO:- U45300DL2012PTC239645
Profit and Loss For the Year ending 31st March 2016

(Amount in Rupees)

Particulars	Note No.	For the Year Ended March 2016	For the Year Ended March 2015
Revenue			
Revenue from operations	17	278,186,638	550,341,995
Other income	18	1,784,117	2,444,223
Total Revenue		**279,970,755**	**552,786,218**
Expenses:			
Project Expenses	19	207,344,998	445,600,813
Employee benefits expense	20	1,525,069	1,264,300
Depreciation and amortization expenses	10	1,825,389	2,499,939
Finance costs	21	40,352,611	50,602,474
Other expenses	22	28,389,833	52,792,133
Total expenses		**279,437,900**	**552,759,659**
Profit before exceptional and extraordinary items & tax		532,854	26,559
Exceptional items			
Profit before extraordinary items and tax		532,854	26,559
Extraordinary Items			
Profit before tax		532,854	26,559
Tax expense:			
Current tax		-	204,420
Deferred tax		(520,183)	(196,213)
Profit for the period from continuing operation		12,671	18,352
Profit/ (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit/(Loss) for the period		**12,671**	**18,352**
Earnings per equity share:			
[Nominal Value of share Rs. 10 (March 31 , 2016 Rs. 10)			
Basic		1.27	1.84
Diluted		1.27	1.84

The accompanying notes forms an integral part of these financial statements.

As per our attached report of even date
For RMA & Associates
Chartered Accountants
Firm Registration Number: 000978N

On behalf of the Board of Directors

Rajiv Bajpai

Partner
Membership No 405219

D K Maheshwari

Madan Lal

Place: Delhi
Date: [illegible]

Ferrovia Transrail Solutions Pvt. Ltd.
CIN NO:- U45300DL2012PTC239645
Cash Flow Statement for the year Ended March 31, 2016

(Amount in Rupees)

Sr. No.	Particulars	For the Year Ended March 2016		For the Year Ended March 2015	
A	**Cash Flow from Operations**				
	Profit before Taxation		532,854		26,559
	Adjustments for:				
	Depreciation	1,825,389		2,499,939	
	Diminution in value of Fixed Assets/Investments	-		-	
	Deferred Tax Liability	(520,183)		196,213	
	Finance Charges	40,352,611		50,602,474	
	Provision for Tax	-		(204,420)	
	(Profit)/Loss on Sale of Fixed Assets	-	41,657,817	-	53,094,206
	Operating Profit before Working Capital Changes		**42,190,672**		**53,120,766**
	(Increase)/Decrease in Current Assets				
	Projects WIP	-		-	
	Trade Receivables	1,036,563		3,783,860	
	Other Current Assets	66,576,778		111,136,692	
	Other Non-current Assets	(16,688,710)		(42,799,972)	
	Short-term Loans and Advances	(6,925,064)		31,307,110	
			43,999,567		103,427,690
	Increase/(Decrease) in Current Liabilities				
	Trade Payables	(30,793,391)		(11,526,709)	
	Other Current Liabilities	4,106,036		(134,972,157)	
	Other Long Term Liabilities	309,016		-	
	Long Term Provision	8,447		66,000	
	Short Term Provision	8,422,738	(17,947,153)	(2,305,871)	(148,738,737)
	Cash Inflow/(Outflow) from Operations		**68,243,085**		**7,809,719**
	Direct Taxes Paid				
	Income Tax Paid	-		-	
	Income Tax for Earlier years Written Back	-	-		-
	Net Cash Inflow/ (Outflow) from Operation (A)		**68,243,085**		**7,809,719**
B	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets		(887,808)		(3,464,254)
	Sale of Fixed Asset and Adjustments				
	Net Cash Inflow/ (Outflow) from Investing Activities (B)		**(887,808)**		**(3,464,254)**
C	**Cash Flow from Financing Activities**				
	Increase in Share Capital				
	Increase/(Decrease) in Borrowings		(27,256,900)		46,034,803
	Decrease in Long Term Borrowing				
	Interest Income		-		-
	Finance Charges		(40,352,611)		(50,602,474)
	Net Cash Inflow/(Outflow) from Financing Activities (C)		**(67,609,512)**		**(4,567,671)**
	Net Change in Cash or Cash Equivalents during the Year		(254,234)		(222,207)
	Cash and Cash Equivalents at the beginning of the year		549,008		771,215
	Cash and Cash Equivalents at the end of the year		**294,774**		**549,008**

Chartered Accountants
For RMA & Associates
Chartered Accountants
Firm Registration Number: 000978N

Rajiv Bajpai

Partner
Membership No 405219

Place: Delhi
Date: 27 APR 2016

On behalf of the Board of Directors

D K Maheshwari

Madan Lal

c) Depreciation and amortization on tangible assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Depreciation is being provided in accordance with the provisions of the Companies Act, 2013 in the manner and at the rates specified in the said Act. Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/installation.

Type of Asset	Estimated useful life
Furniture and Fixtures	10 years
Office Equipment	5 years
Temporary Structure & Porta Cabin	4 years
Plant & Machinery	15 years
Software & Website	3 Years

d) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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

e) Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of work-in-progress and finished goods are determined on a weighted average basis.

Scrap is valued at net realizable value.

Dies are amortized over their productive life. Expenditure incurred to repair the dies from time to time is charged to statement of profit and loss.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f) Foreign currency translation

Foreign currency transactions and balances

I) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

II) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

a. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
b. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

c. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of (a) and (b) above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statement at lower of cost of acquisition and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However provision for diminution in value of investments is made to recognize a decline other than temporary in the value of investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

A) Sale of goods

1) Revenue from domestic sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch from the point of sale, consequent to property in goods being transferred. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

2) Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading.

B) Construction Contracts

Project Revenue is recognized by applying percentage of completion method only when the outcome of the construction activity can be estimated reliably. Project revenue and project cost associated to project related activity is recognized as revenue and expense respectively by reference to stage of completion. The stage of completion is either determined with reference to proportion of cost incurred for work performed to the estimated total cost respectively, or with respect to completion of physical proportion of the contract work. Project revenue is recognized when the stage of completion of the project reaches a significant level as compared to the total estimated cost of the project.

Revenue earned in excess of billing is reflected under "Other Current Assets". Billing to customer in excess of revenue earned is reflected under "Current Liabilities".

i) Employee Benefits:

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

The Company operates one defined benefit plan for its employees, viz., gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

j) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

k) Provisions:

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

l) Impairment of tangible asset

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Axis Bank is having exclusive charge on the current assets of the company to the extent of Rs. 55 Crore against the credit facility availed by BF Infrastructure Limited.

o) Cash and cash equivalents

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

p) Tax Litigation Pending

The Assistant Commissioner, Commercial Tax, Sasaram passed an assessment order dated January 19, 2015 against Ferrovia Transrail Solutions Pvt. Ltd for the Year 2013-2014 imposing an aggregate demand of Rs.182.24 million under the provisions of Bihar Tax on Entry of Goods Act, 1993 including a demand for entry tax for 60.81 million Against non-payment of entry tax on certain commodities purchased by FTSPL and imposing a penalty for Rs.121.63 million. Aggrieved by the order, company has filed writ petition before Hon'ble High Court, Patna on 25.03.2015. Patna High Court vide its order dated 29.02.2016 has quashed the order of assessing officer and directed for fresh assessment.

However while proceeding afresh assessing officer has maintained earlier view and passed assessment for F.Y. 2013-14 and 2014-15 imposing an aggregate demand of Rs.319.11 Million as under:-

Rs. In Million

Financial Year	Commercial Tax (Entry Tax)	Penalty	Total
2013-14	59.24	118.49	177.73
2014-15	47.13	94.25	141.38

The Company has decided to file appeal again the order of Assessing officer with higher forum.

Refund Claim of Commercial Taxes amounting to Rs.45.59 Million filled by the company is also pending before assessing officer. Refund claimed is eligible for setoff against commercial taxes payable.

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

		(Amount in Rupees)
3	As at March 31, 2016	As at March 31, 2015
SHARE CAPITAL		
Equity Share Capital		
AUTHORISED	100,000	100,000
10,000.00 shares of par value of Rs.10/- each (Previous year 10,000 shares of par value of Rs.10/- each)		
ISSUED, SUBSCRIBED AND PAID-UP	100,000	100,000
10,000.00 shares of par value of Rs.10/- each (Previous year 10,000 shares of par value of Rs.10/- each)		

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

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	No.	In Rs.	No.	In Rs.
At the begining of the year	10,000	100,000	10,000	100,000
Issued During the year	-	-	-	-
Outstanding at the year end	10,000	100,000	10,000	100,000

(b) Terms rights attached to equity shares

The Company has only one class of issued equity shares having a par value of ` 10/- per share. Each holder of equity shares is entitled to one vot per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approva of the shareholders in the ensuing Annual General Meeting.

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

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

Out of Equity and Preference shares issued by the company , shares held by its holding company are as below :

Details of Equity Shares held by holding company

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	% Holding	No.	% Holding
PNC Infratech Limited	51,000	51%	51,000	51%
Total	**51,000**	**51%**	**51,000**	**51%**

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years

e) Details of Equity Shareholders holding more that 5% shares in the company

Particulars	As at March 31, 2016		As at March 31, 2015	
	No.	% Holding	No.	% Holding
PNC Infratech Limited	51,000	51%	51,000	51%
BF Infrastructure Ltd.	49,000	49%	49,000	49%
Total	**100,000**	**100%**	**100,000**	**100%**

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

4 RESERVES AND SURPLUS	**As at March 31, 2016**	**As at March 31, 2015**
General Reserve		
Surplus /(Loss)		
As per last balance sheet	(12,837)	(31,189)
Add(Less):-Profit (Loss) after tax for the year from Profit & Loss Statement	12,671	18,352
Sub-Total	(165)	(12,837)

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

5 LONG TERM PROVISION	As at March 31, 2016	As at March 31, 2015
Provision for Gratuity	137,447	129,000
Sub-Total	**137,447**	**129,000**

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

6 SHORT TERM BORROWINGS	As at March 31, 2016	As at March 31, 2015
BF Infrastructure Limited	253,548,437	280,805,337
Closing Balance	**253,548,437**	**280,805,337**

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

7 Trade Payables	As at March 31, 2016	As at March 31, 2015
Trade Payable	4,353,913	35,147,304
TOTAL	**4,353,913**	**35,147,304**

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

8 OTHER CURRENT LIABILITIES	As at March 31, 2016	As at March 31, 2015
Securities Held	12,491,150	8,691,566
Advance from Dedicated Freight Corridor Corporation of India	306,452	-
	12,797,602	**8,691,566**

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Notes to the Financial Statements for the year Ended March 31, 2016

		(Amount in Rupees)
9 SHORT TERM PROVISION	**As at March 31, 2016**	**As at March 31, 2015**
Expenses Payable	16,713,984	7,839,069
Duties & Taxes	4,069,401	4,539,344
Gratuity	1,068	2,000
Leave Encashment	11,658	10,000
Leave Encashment Payable	137,040	120,000
	20,933,151	**12,510,413**

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(Amount in Rupees)

10. Fixed Assets

	Tangible						Intangible			Total Assets
	Furniture and fixtures	Office equipments	Temporary Structure	Porta Cabin	Plant & Machinery	Sub Total	Software	Website	SubTotal	As at 31.03.16
As at March 31, 2015	**46,850**	**318,440**	**2,183,694**	**789,464**	**24,087,743**	**27,426,191**	**43,050**	**44,944**	**87,994**	**27,514,185**
Additions	-	-	-	-	887,808	**887,808**	-	-	-	**887,808**
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**46,850**	**318,440**	**2,183,694**	**789,464**	**24,975,551**	**28,313,999**	**43,050**	**44,944**	**87,994**	**28,401,993**
Depreciation										
As at March 31, 2015	**30,828**	**105,433**	**1,441,430**	**527,081**	**5,831,721**	**7,936,494**	**36,619**	**37,741**	**74,360**	**8,010,854**
Charge for the year	2,052	63,994	361,053	127,128	1,261,927	**1,816,155**	4,279	4,956	**9,234**	**1,825,389**
Disposals	-	-	-	-	-		-			
As at March 31, 2016	**32,881**	**169,427**	**1,802,483**	**654,209**	**7,093,648**	**9,752,649**	**40,897**	**42,697**	**83,594**	**9,836,243**
Net Block										
As at March 31, 2015	**16,022**	**213,007**	**742,264**	**262,383**	**18,256,022**	**19,489,697**	**6,431**	**7,203**	**13,634**	**19,503,331**
As at March 31, 2016	**13,969**	**149,013**	**381,211**	**135,255**	**17,881,903**	**18,561,350**	**2,153**	**2,247**	**4,400**	**18,565,750**

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

11 Deferred Tax Liability/Assets	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability		
On account of timing difference in		
Impact of difference between tax depreciation / amortization and depreciation / amortization for the financial reporting	-	-
Deferred Tax Asset		
On account of timing difference in		
Impact of difference between tax depreciation / amortization and depreciation / amortization for the financial reporting	520,183	(211,167)
Net Deferred Tax Liability /(Asset)	**520,183**	**(211,167)**

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

12 Non Current Assets	As at March 31, 2016	As at March 31, 2015
Taxes and Duties including VAT	82,913,284	66,013,407
Total	82,913,284	66,013,407

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

13 Trade Receivables	As at March 31, 2016	As at March 31, 2015
Unsecured considered good unless stated otherwise	-	1,036,563
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	-	-
Considered Doubtful	-	-
Less : Provision for Doubtful Receivables	-	-
	-	-
Other Receivables , Considered Good	-	-
Total	**-**	**1,036,563**

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

14 CASH AND BANK BALANCES	As at March 31, 2016	As at March 31, 2015
Cash-in- Hand	49,849	24,485
Cash Imprest - Sasaram	160,754	176,811
	210,603	**201,296**
CASH-AT-BANK		
Axis Bank - Sasaram	-	12,339
Axis Bank- Noida	84,171	335,374
	84,171	**347,712**
TOTAL	**294,774**	**549,008**

Ferrovia Transrail Solutions Pvt. Ltd.

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

15 SHORT TERM LOANS AND ADVANCES	As at March 31, 2016	As at March 31, 2015
BF-NTPC Energy Systems Ltd.	-	18,381
Mobilization Advance	9,828,627	10,205,366
Recovarable from Vendors	10,734,781	3,414,597
Total	**20,563,408**	**13,638,344**

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

		(Amount in Rupees)
16 OTHER CURRENT ASSETS	**As at March 31, 2016**	**As at March 31, 2015**
Prepaid Expenses	-	626,411
Income accrued but not Billed	138,570,438	218,531,180
Security Deposit	56,000	62,600
Withheld - DFCC	31,165,746	17,046,017
Imprest to Employee	50,000	152,755
TOTAL	**169,842,184**	**236,418,963**

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(Amount in Rupees)

17 Revenue from operations	For the Year Ended March 2016	For the Year Ended March 2015
Revenue from operations		
Contract Revenue	278,186,638	550,341,995
	278,186,638	**550,341,995**

Disclosure pursuant to Accounting Standard-7 'Construction Contracts'

Particulars	For the Year Ended March 2016	For the Year Ended March 2015
Contract Revenue Recognized during the period	278,186,638	550,341,995
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	279,437,900	552,759,659
Amount of vendor advances outstanding for contracts in progress up to the reporting date	9,828,627	10,205,366
Retention amount due from vendors for contract in progress up to the reporting date	12,491,150	8,691,566
Due from customers	-	1,036,563
Due to customers	4,353,913	35,147,304

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

18	Other Income	For the Year Ended March 2016	For the Year Ended March 2015
	Interest Income from Vendor	1,105,197	2,444,223
	Interest on Income Tax Refund	678,920	-
	Total	**1,784,117**	**2,444,223**

(Amount in Rupees)

19 PROJECT EXPENSES	For the Year Ended March 2016	For the Year Ended March 2015
Alignment of Bukled Track	1,383,745	-
Warphage Charges	313	-
Welding Points	2,856,652	-
Balancing & Regulation of Ballast	704,139	-
Excise Duty	6,369,046	35,962,061
Erection of Paver Block	-	418,048
Construction of Approach Road	554,801	-
Land Upgradation	-	338,455
Labour Cess	3,722,435	6,249,696
Elastic Rail Clip	8,262,048	44,792,412
Fixing of Fittings & Paver Block	2,522,860	9,818,481
Destressing of Rail	4,888,336	-
Dismanting of Track	1,090,225	-
WBM Work	254,976	-
ISMB Supply	177,000	-
Linking of Check Rail	115,200	-
Making & Supply of Kilometer 7 Gradients Posts	507,500	-
M S Fencing	8,026,249	-
GFN Liners	2,490,214	-
Post Tamping	4,848,552	-
Rail Stacking Bed	-	218,227
Earth Work at Level Crossing	395,469	-
End Buffers	935,980	-
Penalty	3,167,160	-
Pre-Mixing Work	471,993	-
Sinage Boards	1,078,560	-
TOE Road	61,000	-
Turnouts	72,456,342	-
Shifting Charges	-	87,306
Transportation Charges	1,868,545	4,491,496
Sleepers	21,801,307	152,585,964
Fitings and Installations	-	29,624,218
CST 2%	1,950,401	6,992,046
CST 14.50%	465,821	-
Packing	2,622,809	2,077,050
Design Consultancy Fee	205,999	2,067,972
Dead Ends	588,000	-
Drealing Switch	80,919	-
Flash Butt Welding	3,333,750	24,723,750
Track-Laying	15,543,019	78,432,645
Ultrasonic Testing of Joints	462,500	3,105,250
Freight and Cartage Charge	2,822,636	7,016,092
HexagomalPaver Block	272,782	1,123,704
Insurance Expenses	3,088,734	1,894,024
Inspection Charges	1,471,546	314,544
Loading & Unloading Exp.	2,099,139	12,633,244
Switch Expension Joints	-	4,346,000
Fabrication of Check Rail	-	763,600
Reimburshment of Inspection Charges	-	296,748
Setting out Alignment	-	22,505
Spreading and Compacting	6,873,465	8,747,641
Site Expenses	9,802,832	6,187,890
Demurrage Charges	-	269,744
SEJ Installation	4,649,999	-
Total	**207,344,998**	**445,600,813**

Ferrovia Transrail Solutions Pvt. Ltd.

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

20 Employee Benefit Expenses	For the Year Ended March 2016	For the Year Ended March 2015
Personnel Expenses		
Employee Benefits Expenses		
Salaries, wages and bonus (including managing and whole time director's remuneration)	1,517,554	1,197,300
Contributions to		
- Provident fund		
- Superannuation scheme		
- Other fund / scheme		
- Gratuity fund [Refer note 29]	7,515	67,000
- Special Gratuity fund [Refer note 29]		
Employee voluntary retirement scheme compensation		
Staff welfare expenses		
Total	**1,525,069**	**1,264,300**

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Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

21 Finance Cost	For the Year Ended March 2016	For the Year Ended March 2015
Interest Expenses	1,414,502	1,300,000
Interest Expenses-Cash Credit -BFIL	33,604,525	33,131,349
Bank Charges	709,638	3,393,486
Interest Expenses-DFCC	-	5,338,975
BG Commission	2,855,282	2,824,028
Interest Expenses-Reliance	1,312,576	4,446,582
Interest on TDS	442,323	167,150
Interest on Service Tax	13,766	903
TOTAL	**40,352,611**	**50,602,474**

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

	For the Year Ended March 2016	For the Year Ended March 2015
OTHER EXPENSES		
Business Promotion	1,564,266	586,944
Office Expenses	584,524	707,269
Travelling and Conveyance	2,839,399	3,155,775
Prior Period Expenses	-	4,410
Electricity Exp	347,586	268,012
Vat Expenses 13.5%	37,359	160,648
Write Off	-	2,478
Payment to auditors	449,440	425,871
Consultancy Fee	8,533,104	11,959,558
Management Fees	4,238,681	25,842,800
Retainership Fee	4,762,394	5,641,384
Festival Expneses	156,534	156,061
Legal and Professional Charges	2,466,131	864,182
Lodging and Boarding	147,437	219,194
Rent Expenses	393,250	435,300
Security Charges	1,757,477	2,074,254
Repair and Maintenace	112,251	287,993
Total	**28,389,833**	**52,792,133**

Payment to Auditors

(Amount in Rupees)

	For the Year Ended March 2016	ear Ended March 2015
As auditors		
- Audit Fee	449,440	425,871
- Other (Including Certification Fee)	–	–
Total	**449,440**	**425,871**

Ferrovia Transrail Solutions Pvt. Ltd.
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Gratuity and other Post-employment benefits plans

The company has a defined gratuity plan. Under the gratuity plan every employee who has completed at least five years of service gets a gratuity on departure at 15 days last drawn basic salary for each completed year of service. The scheme is funded with an insurance in the form of a qualifying insurance poliy.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for respective plan.

Gratuity Plan

Statement of Profit and Loss account
Net employee benefit expense recognized in employee cost in statement of Profit and Loss Account

	For the Year Ended March 2016	For the Year Ended March 2015
Current Service Cost	60,363	52,709
Interest cost on benefit obligation	10,480	5,120
Expected (Return) on Plan asset	-	-
Net acturail (Gain) / Loss recognized in the year	(63,328)	9,171
Interest Income	-	-
Net Benefit expense	-	-
Expense Recognized in Profit and Loss Account	7,515	67,000

Balance Sheet
Amount recognized in Balance Sheet

	For the Year Ended March 2016	For the Year Ended March 2015
Opening fair value of plan	-	-
Present value of benfit obligation at the end of period	131,000	131,000
Funded Status	7,515	131,000
Unrecognized Transitional Liability at the end of period	-	-
Net Liability Recognized in Balance Sheet	138,515	131,000

Table Showing Change in Benefit Obligation	For the Year Ended March 2016	For the Year Ended March 2015
Projected Benefit Obligatons (PBO) at the beginning of the year	131,000	64,000
Interest Cost	10,480	5,120
Service Cost	60,363	52,709
Benefits paid	-	-
Actuarial (gain) loss on obligations	(63,328)	9,171
PBO at the end of the year	138,515	131,000

Tables of Fair value of Plan Assets

Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions/Transfers	-	-
Benefits paid	-	-
Gain / (loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	-	-

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

24 Related Party Disclosure:

Name of related Parties and related parties relationship

Holding Company	PNC Infratech Limited
Venturer Company	BF Infrastructure Limited
Fellow Subsidiary of Venturer Company	BF-NTPC Energy Systems Limited
Key Managerial Persons	Mr.Sunil Kumar Nayyar (till 9th Novembar 2015)
	Mr.Madan Lal
	Mr.Devendra Kumar Maheshwari
	Mr.Anil Kumar Rao
	Ms.Swati Goyal

(Amount in Rs)

Sr.No	Nature of Transaction	Name of Related Party and Nature of Relationship	Year Ended 31.03.2016	Year Ended 31.03.2015
1	**Services Rendred**	**Associates**		
		1. BF Infrastructure Limited	4,238,680	25,842,800
		Total	**4,238,680**	**25,842,800**
2	**Reimburshment of Expenses**	**Associates**		
		1. BF Infrastructure Limited	33,226,150	36,109,273
		2.BF-NTPC Energy Systems Limited	-	-
		Total	**33,226,150**	**36,109,273**

Sr.No	Balance Outstanding as at year ended			
1	**Payable towards Services Rendred**	**Associates**		
		1. BF Infrastructure Limited	4,238,680	25,842,800
		Total	**4,238,680**	**25,842,800**
2	**Payable towards Reimburshment of Expenses**	**Associates**		
		1. BF Infrastructure Limited	249,309,757	254,962,537
		2.BF-NTPC Energy Systems Limited	-	18,381
		Total	**249,309,757**	**254,962,537**

Ferrovia Transrail Solutions Pvt. Ltd.

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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

25	Capital and Other Commitments	For the Year Ended March 2016	For the Year Ended March 2015
	Capital Commitments	-	-
	Total	-	-

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

26 Details of Dues to Micro and Small enterprises as defined under MSMED Act, 2006

(Amount in Rupees)

As at March 31 ,	For the Year Ended March 2016	For the Year Ended March 2015
Principal amount due to supplier under MSMED Act , 2006	-	-
Interest accrued and due to suppliers under MSMED Act , 2006 on above	-	-
Payment made due to supplier (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act 2006 (other than sec 16)	-	-
Interest paid to suppliers under MSMED Act 2006 (sec 16)	-	-
Interest due and payable to suppliers under MSMED Act , 2006 for the payment already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act , 2006	-	-
Total	-	-

The information has been given in respect of such vendor to the extent they could be identified as " Micro and Small" enterprises on the basis of information available with the company.

Ferrovia Transrail Solutions Pvt. Ltd.
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Notes to the Financial Statements for the year Ended March 31, 2016

(Amount in Rupees)

27 Contingent Liabilities	For the Year Ended March 2016	For the Year Ended March 2015
Entry Tax Demand-Matters under dispute #	319,105,686	177,730,387
Total	**319,105,686**	**177,730,387**

The company is contesting the damands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appllate process. No tax expense has been accrued in the financial statements for the tax demand raised.

Note No. 28

Previous year figures have been regrouped / reclassified where necessary , to confirm to current year classifiction.

Chartered Accountants
For RMA & Associates
Chartered Accountants
Firm Registration Number: 000978N

On behalf of the Board of Directors

Rajiv Bajpai

D K Maheshwari   Madan Lal

Partner
Membership No 405219

Place: Delhi
Date: