

# **FRANCO TOSI TURBINES PRIVATE LIMITED**

**CIN: U29268MH2010PTC202531**

**Register Office : Gammon House, Veer Savarkar Marg, Prabhadevi,  
Mumbai - 400025. Maharashtra**

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED**

**31<sup>st</sup> MARCH 2017**

**FRANCO TOSI TURBINES PRIVATE LIMITED**

CIN: U29268MH2010PTC202531

**Audited Statement of Assets and Liabilities as at March 31, 2017**

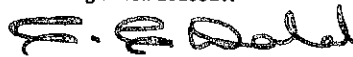
| Particulars                         | Note | As at March 31,<br>2017 | As at March 31,<br>2016 | As at March 31,<br>2015 |
|-------------------------------------|------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                       |      |                         |                         |                         |
| <b>NON-CURRENT ASSETS</b>           |      |                         |                         |                         |
| (a) Other non-current assets        | 2    | 25,000                  | 25,000                  | 25,000                  |
| <b>TOTAL NON-CURRENT ASSETS</b>     |      | <b>25,000</b>           | <b>25,000</b>           | <b>25,000</b>           |
| <b>CURRENT ASSETS</b>               |      |                         |                         |                         |
| (a) Inventories                     | 3    | 4,575,942               | 6,835,554               | 6,835,554               |
| (b) Financial Assets                |      |                         |                         |                         |
| (i) Trade Receivable                | 4    | -                       | 318,518,658             | 6,778,500               |
| (ii) Cash and cash equivalents      | 5    | 1,404,500               | 1,031,044               | 4,748,196               |
| (iii) Loans                         | 6    | -                       | 102,374,563             | 101,052,740             |
| (iv) Other financial assets         | 7    | 343,351                 | 38,581,952              | 30,710,804              |
| (c) Other current assets            | 8    | -                       | 145,165,396             | 145,155,925             |
| <b>TOTAL CURRENT ASSETS</b>         |      | <b>6,323,793</b>        | <b>612,507,167</b>      | <b>295,281,719</b>      |
| <b>TOTAL ASSETS</b>                 |      | <b>6,348,793</b>        | <b>612,532,167</b>      | <b>295,306,719</b>      |
| <b>EQUITY AND LIABILITIES</b>       |      |                         |                         |                         |
| <b>EQUITY</b>                       |      |                         |                         |                         |
| (a) Equity Share capital            | 9    | 951,450                 | 951,450                 | 951,450                 |
| (b) Other Equity                    | 10   | 4,392,678               | 3,263,223               | (2,330,435)             |
| <b>TOTAL EQUITY</b>                 |      | <b>5,344,128</b>        | <b>4,214,673</b>        | <b>(1,378,985)</b>      |
| <b>LIABILITIES</b>                  |      |                         |                         |                         |
| <b>CURRENT LIABILITIES</b>          |      |                         |                         |                         |
| (a) Financial Liability             |      |                         |                         |                         |
| (i) Trade payables                  | 11   | 720,000                 | 333,410,005             | 20,949,846              |
| (ii) Borrowings                     | 12   | 176,272                 | 18,500                  | 18,500                  |
| (iii) Other financial liabilities   | 13   | -                       | 1,524,060               | 2,259,612               |
| (b) Other current liabilities       | 14   | 108,393                 | 273,364,929             | 273,457,746             |
|                                     |      | <b>1,004,666</b>        | <b>608,317,494</b>      | <b>296,685,704</b>      |
| <b>TOTAL EQUITY and LIABILITIES</b> |      | <b>6,348,793</b>        | <b>612,532,167</b>      | <b>295,306,719</b>      |

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements.

As per our report of even date.

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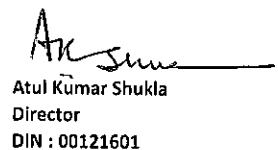
For Chaitanya C Dalal & Co.  
Chartered Accountants  
Firm's Regn. No.: 101632W



Chaitanya C. Dalal  
Partner  
Membership No : 35809

For and on Behalf of Board of Directors

  
Rajul Bhansali  
Director  
DIN : 00178558

  
Atul Kumar Shukla  
Director  
DIN : 00121601

Place : Mumbai

Dated : 29 AUG 2017

Place : Mumbai

Dated : 29 AUG 2017

## FRANCO TOSI TURBINES PRIVATE LIMITED

CIN: U29268MH2010PTC202531

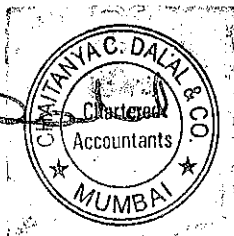
## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2017

| Particulars |  | Note No. | April 2016 - March 2017 | April 2015 - March 2016 |
|-------------|--|----------|-------------------------|-------------------------|
|             | <b>INCOME</b>  |          |                         |                         |
| I           | Revenue from Operations  |          | -                       | -                       |
| II          | Other Income   | 15       | 1,583,427               | 9,563,000               |
| III         | Total Income (I + II)  |          | 1,583,427               | 9,563,000               |
| IV          | <b>Expenses:</b>   |          |                         |                         |
|             | Finance Cost   | 16       | 16,695                  | 8,563                   |
|             | Other Expenses   | 17       | 85,277                  | 960,779                 |
|             | Total Expenses   |          | 101,972                 | 969,342                 |
| V           | Profit/(Loss) before exceptional items and tax                     |          | 1,481,455               | 8,593,658               |
| VI          | Exceptional items Income / (Expense)                               |          | -                       | -                       |
| VII         | Profit / (Loss) before tax   |          | 1,481,455               | 8,593,658               |
| VIII        | <b>Tax Expenses</b>  |          |                         |                         |
|             | Current Income Tax   |          | 352,000                 | 3,000,000               |
|             | Tax of earlier years   |          | -                       | -                       |
|             | Total tax expenses   |          | 352,000                 | 3,000,000               |
|             | Profit/(Loss) for the period from continuing operations (VII-VIII) |          | 1,129,455               | 5,593,658               |
| IX          | <b>Earning Per Equity Share (for Continuing Operation)</b>         | 18       |                         |                         |
|             | Basic  |          | 11.87                   | 58.79                   |
|             | Diluted  |          | 11.87                   | 58.79                   |

As per our report of even date.

For Chaitanya C Dalal & Co.  
Chartered Accountants  
Firm's Regn. No.: 101632W

Chaitanya C. Dalal  
Partner  
Membership No : 35809



For and on Behalf of Board of Directors

Rajul Bhansali  
Director  
DIN: 00178558

Atul Kumar Shukla  
Director  
DIN : 00121601

Place : Mumbai

Dated : 29 AUG 2017

Place : Mumbai

Dated : 29 AUG 2017

## FRANCO TOSI TURBINES PRIVATE LIMITED

CIN: U29268MH2010PTC202531

## CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017


| Particulars   | April 2016 - March 2017 | April 2015 - March 2016 |
|---|-------------------------|-------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                          |                         |                         |
| Net Profit Before Tax and Extraordinary Items                         | 1,129,455               | 5,593,658               |
| <b>Operating Profit Before Working Capital Changes</b>                | <b>1,129,455</b>        | <b>5,593,658</b>        |
| <b>Changes in working capital:</b>                                    |                         |                         |
| Change in Inventories   | 2,259,612               | -                       |
| Trade Receivable  | 318,518,658             | (311,740,158)           |
| Other financial assets  | 38,238,601              | (7,871,148)             |
| Other current assets  | 145,165,396             | (9,471)                 |
| Trade payables  | (332,690,005)           | 312,460,159             |
| Other financial liabilities   | (1,524,060)             | (735,552)               |
| Other current liabilities   | (273,256,536)           | (92,817)                |
| <b>CASH GENERATED FROM THE OPERATIONS</b>                             | <b>(102,158,880)</b>    | <b>(2,395,329)</b>      |
| Direct Taxes Paid   | -                       | -                       |
| <b>Net Cash from Operating Activities</b>                             | <b>(102,158,880)</b>    | <b>(2,395,329)</b>      |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                          | <b>-</b>                | <b>-</b>                |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                          |                         |                         |
| Loans   | 102,374,563             | (1,321,823)             |
| Borrowings  | 157,772                 | -                       |
|   | <b>102,532,335</b>      | <b>(1,321,823)</b>      |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b> | <b>373,456</b>          | <b>(3,717,152)</b>      |
| Balance as at the beginning of the period                             | 1,031,045               | 4,748,196               |
| Balance as at the end of the period                                   | 1,404,500               | 1,031,045               |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                      | <b>373,456</b>          | <b>(3,717,151)</b>      |
| Note: Figure in brackets denote outflows                              |                         |                         |

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements.

For Chaitanya C Dalal &amp; Co.

Chartered Accountants

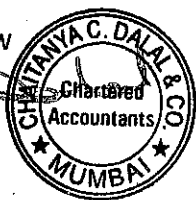
Firm's Regn. No.: 101632W



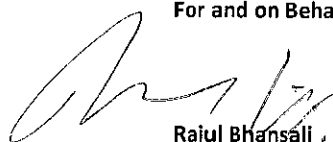
Chaitanya C. Dalal

Partner

Membership No : 35809



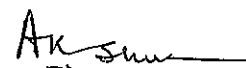
For and on Behalf of Board of Directors



Rajul Bhansali,

Director

DIN: 00178558



Atul Kumar Shukla

Director

DIN : 00121601

Place : Mumbai

Dated : 29 AUG 2017

Place : Mumbai

Dated : 29 AUG 2017

**FRANCO TOSI TURBINES PRIVATE LIMITED**

CIN: U29268MH2010PTC202531

**Statement of Changes in Equity**


| Particulars                          | Equity Share Capital | General Reserve    | Total              |
|--------------------------------------|----------------------|--------------------|--------------------|
| <b>Balance as at October 1, 2014</b> |                      |                    |                    |
| Balance as per previous GAAP         | 951,450              | (2,330,435)        | (1,378,985)        |
| <b>Adjustments:</b>                  |                      |                    |                    |
| Total IND AS Adjustments             | -                    | -                  | -                  |
| <b>Balance as at October 1, 2014</b> | <b>951,450</b>       | <b>(2,330,435)</b> | <b>(1,378,985)</b> |
| Profit for the year                  | -                    | 5,593,658          | 5,593,658          |
| <b>Balance as at 31 March 2016</b>   | <b>951,450</b>       | <b>3,263,223</b>   | <b>4,214,673</b>   |
| Profit for the year                  | -                    | 1,129,455          | 1,129,455          |
| Others                               | -                    | -                  | -                  |
| <b>Balance as at 31 March 2017</b>   | <b>951,450</b>       | <b>4,392,678</b>   | <b>5,344,128</b>   |

As per our report of even date.

**For Chaitanya C Dalal & Co.**

**Chartered Accountants**

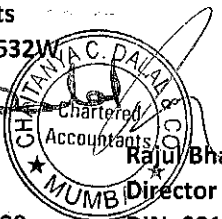
**Firm's Regn. No.: 101632W**

 **Chaitanya C. Dalal**

**Partner**

**Membership No : 35809**

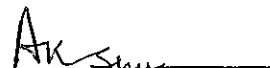
**For and on Behalf of Board of Directors**



 **Raju Bhansali**

**Director**

**DIN: 00178558**



**Atul Kumar Shukla**

**Director**

**DIN : 00121601**

**Place : Mumbai**

**Dated : 29 AUG 2017**

**Place : Mumbai**

**Dated : 29 AUG 2017**

# FRANCO TOSI TURBINES PRIVATE LIMITED

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS.

### Company Background

The company has been assigned a power plant project at Tamilnadu on joint venture with Nagai Power Pvt Ltd vide agreement dated 20.12.2013. On 28.02.2014 vide Novation agreement, Gammon India Limited has taken over entire project and scope of Franco Tosi Turbines Pvt Ltd and subsequently all the assets and liabilities pertaining to the project in the books of Franco Tosi Turbines Pvt Ltd have been transferred to Gammon India Limited on 01.01.2017

### I Basis of Accounting

The financial statements are prepared under historical cost convention, on going concern concept and in compliance with the India Accounting Standards (Ind AS) notified under the provisions of the Companies Act 2013 as the its holding company Gammon India Limited is required to prepare financial statements as per Ind AS. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting policies.

### II Taxes on Income

- (a) Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Act, 1961.
- (b) In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", deferred tax resulting from timing differences between book and tax profits are accounted for at tax rate substantially enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallised.

Deferred Tax Assets arising on account of carried forward losses and unabsorbed depreciation as per Income Tax Act, 1961 are recognised to the extent there is a virtual certainty supported by convincing evidence that such assets will be realised.

### III Foreign Currency Transactions

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

### IV Revenue Recognition

- (a) On Turnkey Contracts

Long term contracts and Joint Ventures are progressively evaluated at the end of each accounting year. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected expenditure of the job.

- (b) Service income is recognised as per the terms of contract with customers when the related services are performed.
- (c) Dividends are accounted for when the right to receive dividend is established.
- (d) Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate method.



## **V Provisions, Contingent Liabilities and Contingent Assets**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognised nor disclosed.

## **VI Accounting Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

## **V Financial Instruments**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value.

## **VI Inventories**

- (a) Raw materials are valued at lower of cost (net of Excise Duty and Value Added Tax) and net realizable value, wherever applicable. Costs are determined on Weighted Average Method.
- (b) Stores and Spares and material at construction site are valued and stated at lower of cost or net realizable value. The Weighted Average Method of inventory valuation is used to determine the cost.
- (c) Work In Progress on construction contracts are carried at lower of value of material inputs, expenses and appropriate production overheads incurred on contracts including estimated profits in evaluated jobs and net realizable value.
- (d) Work In Progress from manufacturing operation is valued at lower of cost and net realizable value. Costs are determined on Weighted Average Method.
- (e) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average Method.
- (f) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

FRANCO TOSI TURBINES PRIVATE LIMITED  
CIN: U29268MH2010PTC202531  
Notes on Financial Statements for year ended 31st March, 2017

| 2 Non-current assets - other non-current assets |                |                |                |
|---|----------------|----------------|----------------|
| Particulars                                     | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| Others  | 25,000         | 25,000         | 25,000         |
| Security Deposits                               |                |                |                |
| <b>Total</b>                                    | <b>25,000</b>  | <b>25,000</b>  | <b>25,000</b>  |

| 3 Inventories    |                  |                  |                  |
|------------------|------------------|------------------|------------------|
| Particulars      | March 31, 2017   | March 31, 2016   | March 31, 2015   |
| Work In Progress | 4,575,942        | 6,835,554        | 6,835,554        |
| <b>Total</b>     | <b>4,575,942</b> | <b>6,835,554</b> | <b>6,835,554</b> |

| 4 Financial Assets - Trade Receivables               |                |          |                |                    |                |                  |
|--|----------------|----------|----------------|--------------------|----------------|------------------|
| Particulars  | March 31, 2017 |          | March 31, 2016 |                    | March 31, 2015 |                  |
|  | Non Current    | Current  | Non Current    | Current            | Non Current    | Current          |
| <b>Trade Receivables :</b>                           |                |          |                |                    |                |                  |
| (Unsecured, considered good unless otherwise stated) |                |          |                |                    |                |                  |
| Considered good                                      | -              | -        | -              | 318,518,658        | -              | 6,778,500        |
| Doubtful debts                                       | -              | -        | -              | -                  | -              | -                |
| Provision for debts                                  | -              | -        | -              | 318,518,658        | -              | 6,778,500        |
| Less: Expected credit loss                           | -              | -        | -              | -                  | -              | -                |
| <b>Total</b>   | <b>-</b>       | <b>-</b> | <b>-</b>       | <b>318,518,658</b> | <b>-</b>       | <b>6,778,500</b> |

| 5 Current financial assets - Cash and Bank Balance |                  |                  |                  |
|--|------------------|------------------|------------------|
| Particulars  | March 31, 2017   | March 31, 2016   | March 31, 2015   |
| Cash and Cash Equivalents                          | -                | -                | -                |
| Cash on Hand                                       | 1,404,500        | 1,031,044        | 4,748,196        |
| Balances with Banks                                |                  |                  |                  |
| <b>Total</b>                                       | <b>1,404,500</b> | <b>1,031,044</b> | <b>4,748,196</b> |

Disclosure pursuant to Note no. 6(X) of Part I of Schedule III to the Companies Act, 2013

As per MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016,

| Particulars                           | SBNs | Other Denomination Notes | Total |
|---------------------------------------|------|--------------------------|-------|
| Closing cash in hand as on 08.11.2016 | -    | -                        | -     |
| (+) Permitted receipts                | -    | -                        | -     |
| (-) Permitted payments                | -    | -                        | -     |
| (-) Amount deposited in Banks         | -    | -                        | -     |
| Closing cash in hand as on 30.12.2016 | -    | -                        | -     |

| 6 Current financial assets: Loans     |                |          |                |                    |                    |
|---------------------------------------|----------------|----------|----------------|--------------------|--------------------|
| Particulars                           | March 31, 2017 |          | March 31, 2016 |                    | March 31, 2015     |
| Loans and advances to related parties | -              | -        | -              | 102,374,563        | 101,052,740        |
| Considered Good                       | -              | -        | -              | -                  | -                  |
| Considered Doubtful                   | -              | -        | -              | -                  | -                  |
| Less : Provision for Doubtful Loans   | -              | -        | -              | -                  | -                  |
| <b>Total</b>                          | <b>-</b>       | <b>-</b> | <b>-</b>       | <b>102,374,563</b> | <b>101,052,740</b> |

| Details of Loans given to Related Parties |                |          |                |                    |                |                    |
|---|----------------|----------|----------------|--------------------|----------------|--------------------|
| Particulars                               | March 31, 2017 |          | March 31, 2016 |                    | March 31, 2015 |                    |
|   | Non Current    | Current  | Non Current    | Current            | Non Current    | Current            |
| <b>Considered Good:</b>                   |                |          |                |                    |                |                    |
| Gammon India Limited                      | -              | -        | -              | 64,500,000         | -              | 64,500,000         |
| Gammon Realty Limited                     | -              | -        | -              | -                  | -              | 1,000,000          |
| Metropolitan Infrahousing Private Limited | -              | -        | -              | 17,500,000         | -              | 17,500,000         |
| Campo Puma Oriente                        | -              | -        | -              | 16,529,280         | -              | 16,629,280         |
| Gactel Turnkey Projects Limited           | -              | -        | -              | 1,445,283          | -              | 1,423,460          |
| Anslado Caldaie Boilers India Pvt Ltd     | -              | -        | -              | 2,300,000          | -              | -                  |
| <b>Total</b>                              | <b>-</b>       | <b>-</b> | <b>-</b>       | <b>102,374,563</b> | <b>-</b>       | <b>101,052,740</b> |

| 7 Current financial assets: Other financial assets |                |                |                |                   |                |                   |
|--|----------------|----------------|----------------|-------------------|----------------|-------------------|
| Particulars  | March 31, 2017 |                | March 31, 2016 |                   | March 31, 2015 |                   |
|  | Non Current    | Current        | Non Current    | Current           | Non Current    | Current           |
| Interest Accrued Receivable:                       |                |                |                |                   |                |                   |
| Considered Good                                    | -              | 343,351        | -              | 38,581,952        | -              | 30,710,804        |
| Considered Doubtful                                | -              | -              | -              | -                 | -              | -                 |
| Less : Provision for Doubtful Interest             | -              | -              | -              | -                 | -              | -                 |
| <b>Total</b>                                       | <b>-</b>       | <b>343,351</b> | <b>-</b>       | <b>38,581,952</b> | <b>-</b>       | <b>30,710,804</b> |

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**FRANCO TOSI TURBINES PRIVATE LIMITED**  
CIN: U29268MH2010PTC202531  
Notes on Financial Statements for year ended 31st March, 2017

**Interest Accrued Receivable**

| Particulars                                  | March 31, 2017 |                | March 31, 2016 |                   | March 31, 2015 |                   |
|--|----------------|----------------|----------------|-------------------|----------------|-------------------|
|  | Non Current    | Current        | Non Current    | Current           | Non Current    | Current           |
| Considered Good:                             |                |                |                |                   |                |                   |
| Gammon India Limited                         | -              | -              | -              | 33,258,879        | -              | 26,292,879        |
| Deepmala Infrastructure Private Limited(Net) | -              | -              | -              | 1,106,037         | -              | 1,290,163         |
| Gammon Realty Limited                        | -              | 343,351        | -              | 343,351           | -              | 302,851           |
| Metropolitan Infrahousing Private Limited    | -              | -              | -              | 3,873,685         | -              | 2,456,185         |
| Gactel Turnkey Projects Limited              | -              | -              | -              | -                 | -              | 368,726           |
| <b>Total</b>                                 | -              | <b>343,351</b> | -              | <b>38,581,952</b> | -              | <b>30,710,804</b> |

**8 Other current assets**

| Particulars           | March 31, 2017 |         | March 31, 2016 |                    | March 31, 2015 |                    |
|-----------------------|----------------|---------|----------------|--------------------|----------------|--------------------|
|                       | Non Current    | Current | Non Current    | Current            | Non Current    | Current            |
| Advances to suppliers | -              | -       | -              | 145,155,925        | -              | 145,155,925        |
| Other Receivable      | -              | -       | -              | 9,471              | -              | -                  |
| <b>Total</b>          | -              | -       | -              | <b>145,165,396</b> | -              | <b>145,155,925</b> |

The company had secured order for supply of Boiler, Turbine and Generator for 1 x 30 Nagai Power Plant from Nagai Power Project Ltd. of Rs.306 crores in May,2010. The total contract was to be executed in consortium between AnsaldoBreda Boilers India Pvt Ltd.(ACBI) and Franco Tosi Turbines Pvt. Ltd. (FTT). Gammon India Ltd. had given Bank Guarantee on behalf of consortium partners for securing mobilization advance and performance guarantee of Rs.49.9 Cr. Since there was no progress on the project on planned, Nagai Power Project Ltd. (NPPL) invoked and en-cashed the Bank Guarantee and Gammon India Ltd. had to pay Rs.49.9 crores on behalf of the consortium partners. The encashment of BGS amount to deemed termination of contract. Further, no legal action has been taken by FTT or ACBI, the consortium partners on encashment of BGS. However, no provision / adjustment has been made in the Balance Sheet in respect of the following: -

For any liquidated damages that may be claimed by Nagai Power Project Ltd. (NPPL).

For recovery of advance initially given to FrancoTosi Maccanica (SPA) FTM.

For cancellation of order placed on BHEL in place of FTM and recovery of advance of Rs.410 lacs paid to BHEL and any liquidated claim that may be raised by BHEL.

Cancellation of various orders and recovery of advances given to various suppliers.

\* Advance to Others includes interest free loan of Rs. 1,66,29,280 to Campo Puma Oriente S.A.

**9 Equity Share Capital**

Authorised, Issued, Subscribed and Fully Paid up :

| Particulars   | March 31, 2017 |                | March 31, 2016 |                | March 31, 2015 |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
|   | No of Shares   | Amount         | No of Shares   | Amount         | No of Shares   | Amount         |
| Authorised Capital :<br>Equity Shares of Rs.10/- each   | 250,000        | 2,500,000      | 250,000        | 2,500,000      | 250,000        | 2,500,000      |
| Issued, Subscribed and Fully Paid up Capital :<br>Issued Capital<br>Equity Shares of Rs.10/- each, fully paid | 95,145         | 951,450        | 95,145         | 951,450        | 95,145         | 951,450        |
| Subscribed and Fully Paid up Capital<br>Equity Shares of Rs.10/- each, fully paid                             | 95,145         | 951,450        | 95,145         | 951,450        | 95,145         | 951,450        |
| <b>Total</b>  | <b>95,145</b>  | <b>951,450</b> | <b>95,145</b>  | <b>951,450</b> | <b>95,145</b>  | <b>951,450</b> |

**Reconciliation of Number of Shares Outstanding**

| Particulars                     | March 31, 2017 |                | March 31, 2016 |                | March 31, 2015 |                |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                 | No of Shares   | Amount         | No of Shares   | Amount         | No of Shares   | Amount         |
| As at the beginning of the year | 95,145         | 951,450        | 95,145         | 951,450        | 95,145         | 951,450        |
| Add: Issued during the year     | -              | -              | -              | -              | -              | -              |
| As at the end of the year       | <b>95,145</b>  | <b>951,450</b> | <b>95,145</b>  | <b>951,450</b> | <b>95,145</b>  | <b>951,450</b> |

**Details of Shareholding In Excess of 5%**

| Name of Shareholder          | March 31, 2017 |        | March 31, 2016 |        | March 31, 2015 |        |
|------------------------------|----------------|--------|----------------|--------|----------------|--------|
|                              | No of Shares   | %      | No of Shares   | %      | No of Shares   | %      |
| Franco Tosi Meccanica S.P.A. | 85,145         | 89.49% | 85,145         | 89.49% | 85,145         | 89.49% |
| Gammon India Limited         | 9,998          | 10.51% | 9,998          | 10.51% | 9,998          | 10.51% |

**Terms / rights attached to equity shares**

The Company has only one class of Equity Shares having a par value of Rs.10/- each. Each holder of Equity Share is entitled to one vote per share. The distribution will be in proportion to the number

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However,

**10 Other Equity**

| Particulars       | March 31, 2017   | March 31, 2016   | March 31, 2015     |
|-------------------|------------------|------------------|--------------------|
| General Reserve   | 4,392,678        | 3,263,223        | (2,330,435)        |
| Retained earnings | -                | -                | -                  |
| <b>Total</b>      | <b>4,392,678</b> | <b>3,263,223</b> | <b>(2,330,435)</b> |

*Handwritten signature/initials*

**11 Financial Liabilities - Trade Payables**

| Particulars  | March 31, 2017 |         | March 31, 2016 |             | March 31, 2015 |            |
|--|----------------|---------|----------------|-------------|----------------|------------|
|  | Non Current    | Current | Non Current    | Current     | Non Current    | Current    |
| <b>Trade Receivables :</b><br>(Unsecured, considered good unless otherwise stated) |                |         |                |             |                |            |
| Considered good  | -              | 720,000 | -              | 333,410,005 | -              | 20,949,846 |
| Doubtful debts   | -              | -       | -              | -           | -              | -          |
| Provision for debts  | -              | -       | -              | -           | -              | -          |
|  | -              | 720,000 | -              | 333,410,005 | -              | 20,949,846 |
| Less: Expected credit loss   | -              | -       | -              | -           | -              | -          |
| <b>Total</b>   | -              | 720,000 | -              | 333,410,005 | -              | 20,949,846 |

**12 Current Financial Liabilities - Borrowings**

| Particulars                    | March 31, 2017 |                    | March 31, 2016 |                    | March 31, 2015 |                    |
|--------------------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|
|                                | Non Current    | Current Maturities | Non Current    | Current Maturities | Non Current    | Current Maturities |
| Borrowing from related parties | -              | 157,772            | -              | -                  | -              | -                  |
| Directors                      | -              | 18,500             | -              | 18,500             | -              | 18,500             |
| <b>Total</b>                   | -              | 176,272            | -              | 18,500             | -              | 18,500             |

**Details of Loans given to Related Parties**

| Particulars          | March 31, 2017 |         | March 31, 2016 |         | March 31, 2015 |         |
|----------------------|----------------|---------|----------------|---------|----------------|---------|
|                      | Non Current    | Current | Non Current    | Current | Non Current    | Current |
| Considered Good:     |                |         |                |         |                |         |
| Gammon India Limited | -              | 157,772 | -              | -       | -              | -       |
| <b>Total</b>         | -              | 157,772 | -              | -       | -              | -       |

**13 Current Financial Liabilities - Other financial liabilities**

| Particulars                         | March 31, 2017 |         | March 31, 2016 |           | March 31, 2015 |           |
|-------------------------------------|----------------|---------|----------------|-----------|----------------|-----------|
|                                     | Non Current    | Current | Non Current    | Current   | Non Current    | Current   |
| Interest Accrued But Not Due        | -              | -       | -              | 1,524,050 | -              | 2,259,612 |
| Interest payable to related parties | -              | -       | -              | -         | -              | -         |
| <b>Total</b>                        | -              | -       | -              | 1,524,050 | -              | 2,259,612 |

**Details of Interest payable to related parties**

| Particulars                           | March 31, 2017 |         | March 31, 2016 |           | March 31, 2015 |           |
|---------------------------------------|----------------|---------|----------------|-----------|----------------|-----------|
|                                       | Non Current    | Current | Non Current    | Current   | Non Current    | Current   |
| Gactel Turnkey Projects Limited (Net) | -              | -       | -              | 1,524,060 | -              | 2,075,486 |
| Deepmala Infrastructure Pvt Ltd       | -              | -       | -              | -         | -              | 184,126   |
| <b>Total</b>                          | -              | -       | -              | 1,524,060 | -              | 2,259,612 |

**14 Other current liabilities**

| Particulars                    | March 31, 2017 |         | March 31, 2016 |             | March 31, 2015 |             |
|--------------------------------|----------------|---------|----------------|-------------|----------------|-------------|
|                                |                |         |                |             |                |             |
| Duty & Taxes Payable           |                | 88,393  |                | 1,853,937   |                | 1,968,120   |
| Advances received from Clients |                | -       |                | 271,408,567 |                | 271,408,567 |
| Other payable                  |                | 20,000  |                | 102,425     |                | 81,059      |
| <b>Total</b>                   |                | 108,393 |                | 273,364,929 |                | 273,457,746 |

**15 Other Income**

| Particulars                 | April 2016 - March 2017 |           | April 2014 - March 2016 |           |
|-----------------------------|-------------------------|-----------|-------------------------|-----------|
|                             |                         |           |                         |           |
| Interest Income - Others    |                         | 1,575,000 |                         | 9,563,000 |
| Sundry Balance Written Back |                         | 8,427     |                         | -         |
| <b>Total</b>                |                         | 1,583,427 |                         | 9,563,000 |

**16 Finance Cost**

| Particulars       | April 2016 - March 2017 |        | April 2014 - March 2016 |       |
|-------------------|-------------------------|--------|-------------------------|-------|
|                   |                         |        |                         |       |
| Interest Expenses |                         | 16,695 |                         | 8,563 |
| <b>Total</b>      |                         | 16,695 |                         | 8,563 |

**17 Other Expenses**

| Particulars                         | April 2016 - March 2017 |        | April 2014 - March 2016 |         |
|-------------------------------------|-------------------------|--------|-------------------------|---------|
|                                     |                         |        |                         |         |
| Audit Fees                          |                         | 20,000 |                         | 29,160  |
| Bank Charges & Guarantee Commission |                         | 114    |                         | 294     |
| Fees & Consultations                |                         | 28,878 |                         | 884,602 |
| Rates & Taxes (incl indirect taxes) |                         | 35,648 |                         | 2,500   |
| Other Expenses                      |                         | 637    |                         | 44,223  |
| <b>Total</b>                        |                         | 85,277 |                         | 960,779 |

**Remuneration to Statutory Auditors**

| Particulars          | April 2016 - March 2017 |        | April 2014 - March 2016 |        |
|----------------------|-------------------------|--------|-------------------------|--------|
|                      |                         |        |                         |        |
| Statutory Audit Fees |                         | 20,000 |                         | 29,160 |
| Tax                  |                         | -      |                         | -      |
| <b>Total</b>         |                         | 20,000 |                         | 29,160 |

FRANCO TOSI TURBINES PRIVATE LIMITED  
CIN: U29268MH2010PTC202531  
Notes on Financial Statements for year ended 31st March, 2017

18 Earnings Per Share

| Particulars   | April 2016 - March 2017 | April 2014 - March 2016 |
|---|-------------------------|-------------------------|
| Net Profit attributable to the Equity Share holders   | 1,129,455               | 5,593,658               |
| O/s number of Equity Shares at the end of the year    | 95,145                  | 95,145                  |
| Weighted Number of Shares during the period - Basic   | 95,145                  | 95,145                  |
| Weighted Number of Shares during the period - Diluted | 95,145                  | 95,145.00               |
| Earning Per Share - Basic (Rs.)                       | 11.87                   | 58.79                   |
| Earning Per Share - Diluted (Rs.)                     | 11.87                   | 58.79                   |

19 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures" has been set out in a separate Annexure - 1.

20 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 could not be provided.

21 Confirmations

The balances in the accounts of Trade Receivables, Trade Payables, Loans and Advances, Other Current Assets and Other Current Liabilities are subject to confirmation / reconciliation, if any. The Management does not expect any significant variance from the reported figures.

22 No information relating to employee benefits is given as per AS - 15 since such benefits are not applicable to the Company

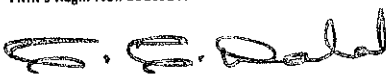
23 Previous Year's figures have been rearranged or regrouped wherever applicable necessary.

24 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2017.

As per our report of even date.

For Chaltanya C Dalal & Co.  
Chartered Accountants  
Firm's Regn. No.: 101632W

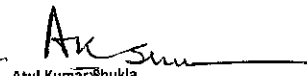
For and on Behalf of Board of Director



Chaltanya C. Dalal  
Partner  
Membership No : 35809



Rajul Bhansali  
Director  
DIN: 00178558



Atul Kumar Shukla  
Director  
DIN : 00121601

Place : Mumbai  
Dated :

Place : Mumbai  
Dated :

**Annexure - I: Related Party Disclosure****A. List of Related Parties and Relationship****a) Holding Company**

Franco Tosi Meccanica

1 SPA

Gammon India Limited

Ultimate Holding

2 Company

**b) Personnel**

1 Srikant Jainapur

2 Ajay Mehrotra

1 Gammon Realty Limited

2 Deepmala Infrastructure Pvt. Ltd.

3 Gactel Turnkey Projects Limited

4 Metropolitan Infrahousing Pvt. Ltd.

5 Campo Puma Oriente S.A.

**c) Enterprises over which Key Management Personnel and their relatives exercise significant influence or control:****B. Transactions with Related Parties**

| Particulars                      | Holding Company                      |                                      | Ultimate Holding Company             |                                      | Gammon Realty Limited                |                                      | Anisado Caldaie Boilers India Pvt Ltd |                                      | Deepmala Infrastructure Pvt. Ltd.    |                                      | Gammon Retail Infrastructure Pvt. Ltd. |                                      | Gactel Turnkey Projects Limited      |                                      | Campo Puma Oriente S.A.              |                                      |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                                  | Franco Tosi Meccanica S.P.A          |                                      | Gammon India Limited                 |                                      | April 2015 - April 2016 - March 2017 |                                      | April 2015 - April 2016 - March 2017  |                                      | April 2015 - April 2016 - March 2017 |                                      | April 2015 - April 2016 - March 2017   |                                      | April 2015 - April 2016 - March 2017 |                                      | April 2015 - April 2016 - March 2017 |                                      |
|                                  | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017  | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017   | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 | April 2015 - April 2016 - March 2017 |
| Loans/ Advances / Deposits Given | -                                    | -                                    | -                                    | -                                    | -                                    | -                                    | -                                     | -                                    | -                                    | -                                    | -                                      | -                                    | 21,823                               | -                                    | -                                    | -                                    |
| Interest Income                  | -                                    | -                                    | -                                    | 77,40,000                            | -                                    | 45,000                               | -                                     | -                                    | -                                    | -                                    | -                                      | -                                    | 2,03,000                             | -                                    | -                                    | -                                    |
| Transfer to Gammon India Limited | 813,60,750                           | -                                    | (21,69,70,769)                       | -                                    | -                                    | -                                    | 23,00,000                             | -                                    | 11,06,037                            | -                                    | -                                      | (78,777)                             | -                                    | -                                    | 1,66,29,280                          | -                                    |
| Reimbursement of Expenses        | -                                    | -                                    | -                                    | -                                    | 1,975                                | 1,975                                | -                                     | -                                    | 22,613                               | 300                                  | 4,870                                  | -                                    | -                                    | -                                    | -                                    | -                                    |
| Closing Balances Trade Payables  | -                                    | 106,35,000                           | -                                    | 31,47,29,648                         | -                                    | -                                    | -                                     | -                                    | -                                    | -                                    | 7,20,000                               | -                                    | -                                    | -                                    | -                                    | -                                    |
| Short-term borrowings            | -                                    | -                                    | -                                    | -                                    | -                                    | -                                    | -                                     | -                                    | -                                    | -                                    | -                                      | -                                    | -                                    | -                                    | -                                    | -                                    |
| Interest Payable                 | -                                    | -                                    | -                                    | -                                    | -                                    | -                                    | -                                     | -                                    | -                                    | -                                    | -                                      | -                                    | -                                    | -                                    | -                                    | -                                    |
| Interest Receivable              | -                                    | -                                    | -                                    | -                                    | -                                    | -                                    | -                                     | -                                    | -                                    | 1,84,126                             | -                                      | -                                    | -                                    | 20,75,486                            | -                                    | -                                    |
| Other Current Assets             | -                                    | -                                    | -                                    | -                                    | -                                    | -                                    | -                                     | -                                    | -                                    | 12,90,163                            | -                                      | -                                    | -                                    | 5,51,426                             | -                                    | -                                    |
| Loans                            | -                                    | 924,95,750                           | -                                    | -                                    | -                                    | -                                    | -                                     | -                                    | -                                    | -                                    | -                                      | -                                    | -                                    | -                                    | -                                    | -                                    |
| Other payable                    | -                                    | -                                    | -                                    | -                                    | -                                    | -                                    | -                                     | -                                    | -                                    | -                                    | -                                      | -                                    | -                                    | -                                    | -                                    | -                                    |
|                                  | -                                    | -                                    | -                                    | -                                    | -                                    | -                                    | 23,00,000                             | -                                    | -                                    | -                                    | -                                      | -                                    | -                                    | 14,45,283                            | -                                    | 1,66,29,280                          |
|                                  | -                                    | -                                    | -                                    | -                                    | -                                    | 1,975                                | -                                     | -                                    | -                                    | 22,613                               | -                                      | -                                    | -                                    | -                                    | -                                    | -                                    |

\*Figures in the bracket indicate previous years figures



**ANNEXURES ATTACHED TO AND FORMING PART OF THE NOTES ON FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31ST MARCH, 2017**

## **Annexure - I : Related Party Disclosure**

| Enterprises controlled by Key Management Personnel & Their Relatives |                           |                         |                         |                         |                                     | Key Management Personnel |                         |                         |  |
|--|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------------------|--------------------------|-------------------------|-------------------------|--|
| Gannan Power   | Franco Tsai Hydro Pvt Ltd |                         | Prest township Pvt Ltd  |                         | Metropolitan Infrahousing Pvt. Ltd. | Ajay Mehrotra            |                         |                         |  |
| April 2015 - March 2017  | April 2016 - March 2017   | April 2015 - March 2016 | April 2016 - March 2017 | April 2015 - March 2016 | April 2016 - March 2017             | April 2015 - March 2016  | April 2016 - March 2017 | April 2015 - March 2016 |  |
| -  | -                         | -                       | -                       | -                       | -                                   | -                        | -                       | -                       |  |
| -  | -                         | -                       | -                       | -                       | 15,75,000                           | 15,75,000                | -                       | -                       |  |
| -  | -                         | -                       | -                       | -                       | 213,73,685                          | -                        | -                       | -                       |  |
| 600  | 3,200                     | 3,200                   | 500                     | 500                     | 600                                 | 600                      | -                       | -                       |  |
| -  | -                         | -                       | -                       | -                       | -                                   | -                        | -                       | -                       |  |
| -  | -                         | -                       | -                       | -                       | -                                   | -                        | 18,500                  | 18,500                  |  |
| -  | -                         | -                       | -                       | -                       | -                                   | 38,73,685                | -                       | -                       |  |
| 600  | -                         | 3,200                   | -                       | 500                     | -                                   | -                        | -                       | -                       |  |
| -  | -                         | -                       | -                       | -                       | -                                   | 175,00,000               | -                       | -                       |  |
| -  | -                         | -                       | -                       | -                       | -                                   | 600                      | -                       | -                       |  |



#### **V Provisions, Contingent Liabilities and Contingent Assets**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

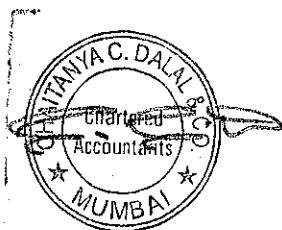
Contingent Assets are neither recognised nor disclosed.

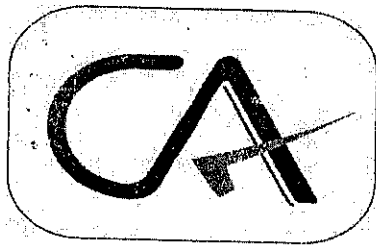
#### **VI Accounting Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

#### **V Financial Instruments**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value.





**Chaitanya C. Dalal & Co.**  
**CHARTERED ACCOUNTANTS**

111, Maker Chambers-III, 11<sup>th</sup> Floor, 223,  
Nariman Point, Mumbai 400021, India  
Off: (022)-22873338, 22040533  
e.mail: [ccd2@rediffmail.com](mailto:ccd2@rediffmail.com) Web: [caccd.com](http://caccd.com)

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
Franco Tosi Turbines Private Limited

**Report on the Ind AS Financial Statements & Internal Financial Controls over Financial Reporting**

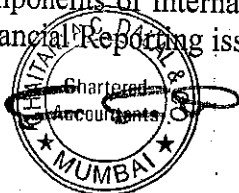
1. We have audited the accompanying Ind AS financial statements of **Franco Tosi Turbines Private Limited**, which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. Also, we have audited Internal Financial Controls over Financial Reporting as at March 31, 2017.

**Management's Responsibility for the Ind AS Financial Statements & for Internal Financial Controls over Financial Reporting**

2. The Board of Directors of the Company are 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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

3. 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



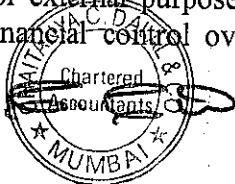
the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

4. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting based on our audit.
5. 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.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. 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 the Ind AS financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
7. An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and 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 risks that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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.
8. 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 and the Ind AS financial statements.

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

9. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS financial statements.

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

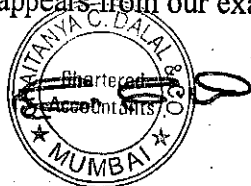
10. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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**

11. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.
12. In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017.

### **Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. 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 purposes of our audit;
- B) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



# Chaitanya C Dalal & Co

Chartered Accountants

- C) The balance sheet, the statement of profit and loss, the statement of cash flows and the 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 Rule 7 of the Companies (Accounts) Rules 2014.
- E) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors except Mr Atul Kumar Shukla, Mr. Rajul Bhansali and Mr. Ajay Singh Mahrotra are disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- F) With respect to the 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 does not have any pending litigations which would impact its financial position.
  - 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. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company.

**For Chaitanya C. Dalal & Co.**

**Chartered Accountants**

**FRN: 101632W**

**Chaitanya C. Dalal**

**Partner**

**Membership No. 35809**



Place: Mumbai

Date: 29 AUG 2017

## **Chaitanya C Dalal & Co**

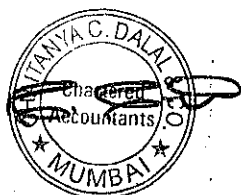
Chartered Accountants

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

As at and for the year ended 31<sup>st</sup> March, 2017 on the Ind AS Financial Statements  
To the Members of **Franco Tosi Turbines Private Limited**

(Referred to in paragraph 12 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have fixed assets & immovable property. Hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) As explained to us, the physical verification of inventory has been done by the management at reasonable intervals during the year. No material discrepancies were noticed.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits. Hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Service Tax, and Value Added Tax as on 31<sup>st</sup> March 2017 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.



## Chaitanya C Dalal & Co

Chartered Accountants

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud on the Company by its officers has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration during the year and hence the limits and approvals mandated by the provisions of section 197 are deemed to have been complied with.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934

For Chaitanya C. Dalal & Co

Chartered Accountants

FRN: 101632W



Chaitanya C. Dalal

Partner

M No. 35809



Place: Mumbai

Date: 29 AUG 2011

