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Date: 22nd July 2017

To,
M/s Chaitanya C. Dalal & Co.
Chartered Accountants
111, Maker Chambers-III
223, Nariman Point,
Mumbai-400021

Sir,

Reg: Management Representation Letter in respect of Statutory Audit of Books of Accounts under the Provisions of Companies Act 2013

This representation letter is provided in connection with your audit of Ind AS financial statements of **Gactel Turnkey Projects Limited** which comprise Balance Sheet as at March 31, 2017 ,the statement of Profit & Loss (including comprehensive income), statement of cash flows and statement of changes in equity for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows in conformity with accounting standards generally accepted in the India. We confirm that to the best of our knowledge and belief, the information provided here is true and fair and we had made such inquiries as we considered necessary for the purpose of appropriately informing ourselves.

We acknowledge our responsibility for the preparation and fair presentation of the reporting entity. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statement that are free from material misstatements, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

We confirm to the best of our knowledge and belief, as of 31st March 2017, the following representations were made to you during your audit:

1. The accounting policies, which are material or critical in determining the results of operations for the year and the financial position, are set out in the financial statement and are consistent with those adopted in the financial statement for the previous year.

2. That in preparation of the annual accounts, the applicable Indian Accounting Standards have been followed and no material departures have been made from the same;

3. We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4. The Company has prepared the annual accounts on a going concern basis.

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5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable & disclosed in the financial statements.

6. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

7. We have complied with all aspects of contractual agreements that could have material effect on the financial statement in the event of non-compliance. We confirm that no liability on account of liquidity damages will arise further than that provided for in the accounts.

8. We believe that the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

9. There has been no:

i. Fraud involving management or employees who have significant roles in internal control.

ii . Fraud involving others that could have a material effect on the financial statements.

10. The financial statement are fairly presented true and fair view of Income, expenditure and assets, liabilities of the company for the period under audit.

11. The following have been properly recorded or disclosed in the financial statements:

i. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

ii. Guarantees, whether written or oral, under which the company is contingently liable.

12. There are no :

i Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

ii. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with applicable Ind AS

13. The company has satisfactory title to all owned assets and are duly utilised for the business purpose only. There are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except for those as mentioned in schedule enclosed. None of the fixed assets have been revalued or impaired during the year. Tangible fixed assets have been capitalised and depreciation have been charged from the date fixed assets put to use.

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14. That the company has not entered into any "International Transactions", as defined by section 92B of the Act. There are no "Domestic Transaction" took place during the year.

15. The cash in hand was physically verified and agreeing as shown in the financial Statements. which were duly reconciled up to 31st March, 2017.

16. That there is no personal / Capital expenditure debited to the Profit & Loss Account;

17. That all the Current Assets & Current Liabilities are stated at their realisable value

18. None of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act. On the basis of written representations received from directors and taken on record, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

19. We have provided requisite disclosures in its 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.

20. The fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

21. The physical verification of inventory has been done by the management at reasonable intervals during the year. No material discrepancies were noticed.

22. 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.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforesaid financial statements.

For Gactel Turnkey Projects Limited

Director

GTPL

Chaitanya C. Dalal & Co.
CHARTERED ACCOUNTANTS

111, Maker Chambers-III, 11th Floor, 223,
Nariman Point, Mumbai 400021, India
Off:(022)-22873338, 22040533
e.mail: ccd2@rediffmail.com Web: caccd.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Gactel Turnkey Projects 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 **Gactel Turnkey Projects 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. We have also audited the 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

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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

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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 3and 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.

    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 is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

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Chartered Accountants
MUMBAI

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 not complied with provision of section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 which mandates every public limited company having paid up capital of Rs 5 Cr or more to appoint whole time company secretary.

V. 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 & CO. Chartered Accountants MUMBAI

Chaitanya C. Dalal
Partner
Membership No. 35809

Place: Mumbai
Date: 7th September, 2017

Annexure "A" to the Independent Auditor's Report
As at and for the year ended 31st March, 2017 on the Ind AS Financial Statements

To the Members of **Gactel Turnkey Projects Limited**

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

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the company does not have any immovable properties. Therefore, the clause is not applicable.

(ii) As explained to us, physical verification of inventory has been conducted by the management at the end of year. No material discrepancies were noticed.

(iii) As verified from the records and books of accounts, the Company has granted unsecured loan amounting to Rs. 25,53,28,006/- to any companies covered in the register maintained under section 189 of the Companies Act, 2013. No repayment of principal and payment of interest is stipulated. There is no repayment of principal and interest during the year.

As per management representation, loan to parties mentioned above are repayable after 5 years. Accordingly, Ind AS impact have been given in the financials.

(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:

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(a) Service Tax amounting to Rs. 1.41 Cr is outstanding since 1st April 2011 & Rs. 6.67 lakhs is outstanding for the year and a period more than six month from the date they become payable.

(b) There are disputed amounts payable as per Annexure 1 in respect of Income-tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(viii) During the year, the company has defaulted in payment of quarterly payment of principal amount aggregating to Rs. 14.50 Cr. on working capital bank loan.

(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) All transactions with the related parties are in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable and details of related party transactions have been disclosed that are required to be disclosed in the Ind AS financial statements as per 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.

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Chartered Accountants
MUMBAI

(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 & CO. Chartered Accountants MUMBAI

Chaitanya C. Dalal
Partner
M No. 35809

Place: Mumbai
Date: 9th September 2017

Annexure 1:

Clause (vii) (b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.

According to the information and explanations given to us and records of the Company examined by us, the particulars of statutory dues which have not been deposited on account of dispute are as follows:

STATES	TIN	YEAR	RETURN	ASSESSEMENT	DEMAND RAISED	STATUS
Maharashtra	27690588698	2007-08	Filed	Ex Party Order Passed	3,565,805	Appeal Filed On dated 26/10/2016
Maharashtra	27690588698	2008-09	Filed	Ex Party Order Passed	8,885,275	Appeal Filed
Andhra Pradesh	28169174643	2010-11	Filed	VAT Assessment Completed Order Passed with Demand	7,190,779	Required Tribunal Filed
West Bengal	19856489082	2011-12	Filed	Ex Party Order Passed	1,972,450	Required to Appeal or Rectification of Order
Uttar Pradesh (Allahabad)		2008-09	Filed	Order Passed with a demand due to Rejection of Form E-I/C	5,905,607	Appeal Filed
Uttar Pradesh (Allahabad)		2009-10	Filed	Order Passed with a demand due to Rejection of Form E-I/C	30,396,632	Appeal Filed
Gujrat	24190304727	2010-11	Filed	Order Passed With a demand due to non-providing of E-1 & C Form	41,495,524	Appeal Filed got Stay Order
Jharkhand	20860905264	2011-12	Filed	Ex-Party Order Pass	4,328,576	Required Reopen
Rajasthan	08332958677	13-14	Filed	Ex-Party Order Pass	3,200,000	Required Reopen
Rajasthan	08332958677	14-15	Filed	Ex-Party Order Pass	2,200,000	Required Reopen
Total					**109,140,648**	

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GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Balance Sheet as at 31st March, 2017

(Amount In Rs.)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at Oct 1, 2014
ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	2	720,05,125	790,90,746	1160,36,762
(b) Intangible Asset		-	-	-
(c) Financial assets				
(i) Investments	3	49,000	6817,01,512	6817,01,512
(ii) Trade receivable	4	1479,65,265	2676,88,894	2931,89,203
(iii) Loans	5	-	1237,49,544	895,63,616
(iv) Others	6	-	-	-
(d) Deferred tax assets (net)	14	1775,70,504	-	-
(e) Other non-current assets	7	-	-	-
TOTAL NON-CURRENT ASSETS		3975,89,895	11522,30,696	11804,91,093
CURRENT ASSETS				
(a) Inventories	8	949,89,915	1071,87,748	1116,74,002
(b) Financial assets				
(i) Investments	3	3525,97,328	2614,29,328	2614,29,066
(ii) Trade receivables	4	251,05,711	194,23,089	987,58,824
(iii) Cash and cash equivalents	9	51,06,445	114,92,008	120,10,641
(iv) Bank balances		-	-	-
(v) Loans	5	2553,28,006	2456,52,950	2871,57,989
(vi) Others	6	2632,17,448	2160,83,422	1292,00,335
(c) Other current assets	7	1209,49,195	-	-
TOTAL CURRENT ASSETS		11172,94,048	8612,68,545	9002,30,857
TOTAL ASSETS		15148,83,943	20134,99,241	20807,21,950
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	10	505,00,000	505,00,000	505,00,000
(b) Other equity	11	(14588,89,227)	(7633,97,406)	(3709,96,655)
TOTAL EQUITY		(14083,89,227)	(7128,97,406)	(3204,96,655)
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	12	13500,00,000	14500,00,000	14500,54,002
(ii) Trade payables		-	-	-
(b) Provisions	13	-	-	12,94,785
(c) Deferred tax liabilities (net)	14	-	56,95,742	120,84,892
(d) Other non-current liabilities		-	-	-
TOTAL NON-CURRENT LIABILITIES		13500,00,000	14556,95,742	14634,33,679
CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	15	10477,35,874	7898,20,087	4851,53,431
(ii) Trade payables	16	2689,09,452	2450,36,503	2445,42,363
(iii) Other financial liabilities	17	2016,88,435	1571,02,298	463,89,712
(b) Other current liabilities	18	539,95,319	777,83,466	1613,52,286
(c) Provisions	13	9,44,091	9,58,551	3,47,133
(d) Current tax liabilities (net)		-	-	-
TOTAL CURRENT LIABILITIES		15732,73,170	12707,00,906	9377,84,925
TOTAL EQUITY AND LIABILITIES		15148,83,943	20134,99,241	20807,21,950

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements
As per our report of even date

For Chaitanya C. Dalal and Co.
Chartered Accountants
FRN NO. 101632W

Chaitanya C. Dalal & Co. Chartered Accountants Mumbai

Chaitanya C. Dalal
Partner
Membership No.: 035809

Place : Mumbai
Dated : 07/09/2017

For and on behalf of the Board of Directors

A B Desai
Director
DIN: 00105836

V.N. Heggade
Director
DIN: 03203031

GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Statement of Profit & Loss for the Year ended 31st March, 2017

(Amount in Rs.)

	Particulars	Note No.	April 2016 - March 2017	Oct 2014 - March 2016
I	**Revenue from Operations :**	19	1025,68,998	1685,24,837
II	**Other Income**	20	471,48,079	957,15,564
III	**Total Income (I +II)**		1497,17,077	2642,40,401
IV	**Expenses:**			
	Cost of material consumed	21	354,64,559	1444,52,707
	Purchases of stock-in-trade			
	stock-in-trade	22	112,19,578	96,04,340
	Employee benefits expense	23	35,00,379	212,65,616
	Subcontracting Expenses		199,28,457	1029,10,498
	Finance Costs	24	2989,62,691	4286,38,401
	Depreciation & amortization	25	183,52,551	334,19,078
	Other expenses	26	1221,98,380	537,51,219
	Total Expenses		5096,26,595	7940,41,859
V	**Profit/(Loss) before exceptional items and tax (III-IV)**		(3599,09,518)	(5298,01,458)
VI	**Exceptional items Income / (Expense)**			
	Adjustable Receipt of Earlier Year Accounted Now		-	818,48,475
	Provision for loss on dimunition of investments		5904,84,512	-
VII	**Profit / (Loss) before extraordinary items and tax (V-VI)**		(9503,94,030)	(4479,52,983)
VIII	**Profit/(Loss) from continuing operations**		(9503,94,030)	(4479,52,983)
IX	**Tax expenses**			
	Current Tax		-	
	Deferred Tax Liability / (asset)		(1832,66,246)	63,89,150
	Total tax expenses		(1832,66,246)	63,89,150
X	**Profit / (Loss) for the period (VIII-IX)**		(7671,27,784)	(4415,63,833)
	Other Comprehensive Income:			
	Items that will not be reclassified to profit or loss		-	-
	Income tax thereon		-	-
XI	**Total Comprehensive Income / (Loss) For The Period**		(7671,27,784)	(4415,63,833)
XII	**Earnings per equity share**			
	Basic		(68.32)	(90.90)
	Diluted		(68.32)	(90.90)

Statement on Significant Accounting Policies and Notes annexed hereto and form part of the Financial Satements.

As per our attached report of even date
For Chaitanya C. Dalal and Co.
Chartered Accountants
FRN NO. 101632W

CHAITANYA C. DALAL & CO. Chartered Accountants MUMBAI

Chaitanya C. Dalal
Partner
Membership No.: 035809

For and on behalf of the Board of Directors

A B Desai
Director
DIN: 00105836

V.N. Heggade
Director
DIN: 03203031

Place : Mumbai
Dated : 07/09/2017

Statement of Changes in Equity for the period ended March 31, 2017

A **Equity Share Capital**

Particulars	March 31, 2017 Number of Shares	March 31, 2017 Rs. in crores	March 31, 2016 Number of Shares	March 31, 2016 Rs. in crores	Oct 1, 2014 Number of Shares	Oct 1, 2014 Rs. in crores
Equity shares of INR 10 each issued, subscribed and fully paid						
Opening Balance	50,50,000	-	50,50,000	505,00,000.00	50,50,000	505,00,000
Changes in equity share capital during the year			-	-	-	0
Balance at March 31, 2017	**50,50,000**	-	**50,50,000**	**505,00,000.00**	**50,50,000**	**505,00,000**

B **Other Equity**

Particulars	Retained Earnings	Security Premium Reserve	Other Comprehensive Income	Equity Suspense	Debenture Redemption Reserve	Total
Balance as at 1 October 2014	(3709,96,655)	-	-	-	-	(3709,96,655)
Profit for the year	(4415,63,833)	-	-	-	-	(4415,63,833)
Depreciation Adjustment	(35,39,838)	-	-	-	-	(35,39,838)
Other Comprehensive Income-Ind AS I	527,02,921	-	-	-	-	527,02,921
Balance as at 31 March 2016	**(7633,97,406)**	-	-	-	-	**(7633,97,406)**
Profit for the year	(7671,27,784)	-	-	-	-	(7671,27,784)
Premium on issue of shares		-	-	-	-	-
Shares pending allotment (Refer Note 9 (e))		-	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-
Remeasurement gain/(loss) on defined benefit plans net of taxes		-	-	-	-	-
Other Comprehensive Income-Ind AS I	603,69,031	-	-	-	-	603,69,031
Depreciation Adjustment as Per Schedu	112,66,932	-	-	-	-	112,66,932
Balance as at 31 March 2017	**(14588,89,227)**	-	-	-	-	**(14588,89,227)**

As per our report of even date

For Chaitanya C. Dalal and Co.
Chartered Accountants
FRN NO. 101632W

CHAITANYA C. DALAL & CO. Chartered Accountants MUMBAI

Chaitanya C. Dalal
Partner
Membership No.: 035809

Place : Mumbai
Dated : 07/09/2017

For and on behalf of the Board of Directors

A B Desai	**V.N. Heggade**
Director	**Director**
DIN: 00105836	DIN: 03203031

GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Cash Flow Statement for the year ended 31st March, 2017

(Amount in Rs.)

Particulars	For the period April-16 to Mar-17	For the period Oct-14 to Mar-16
A. Cash Flow From Operating Activities		
Net Loss before Tax and Extraordinary items	**(9503,94,030)**	**(4654,15,487)**
Adjustments For :		
Depreciation & Amortisation	183,52,551	334,19,078
Interest & Dividend Income	471,38,079	1101,94,005
Interest & Finance Expense	2989,62,691	4616,07,568
Other Comprehensive Income-Ind AS Impact	603,69,031	
Provision for Gratuity, Leave Encashment, Pensions and other Benefits	-	-
Provision for loss on dimunition of investments	5904,84,512	-
Operating Cash Flow Before Working Capital Changes	**649,12,833**	**1398,05,165**
Adjustments For :		
Trade and Other Receivables	1140,41,007	1048,36,044
Inventories	121,97,833	44,86,254
Loans and Advances (Current and Non current)	(521,19,262)	(934,53,552)
Trade Payables and Liabilities (Current and Non current)	446,70,939	593,12,289
Cash Generated From Operations	**1837,03,350**	**2149,86,200**
Direct Taxes - Paid	(19,03,931)	(10,05,670)
Net Cash Flow From Operating Activities	**1817,99,419**	**2139,80,530**
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets		(12,900)
Units of Mutual Fund Redemmed	-	(262)
Interest & Dividend Received	(471,38,079)	(1101,94,005)
Sale of Fixed Assets	-	-
Net Cash Used in Investing Activities	**(471,38,079)**	**(1102,07,167)**
C. Cash Flow From Financing Activities		
Interest Paid	(2989,62,691)	(4616,07,568)
Proceeds from Parent company as inter company deposit	2579,15,787	3573,69,576
Repayment of Long term Borrowings	(1000,00,000)	(54,002)
Net Cash Used in Financing Activities-	**(1410,46,904)**	**(1042,91,994)**
Net Increase/(Decrease) in Cash and Cash Equivalents	**(63,85,563)**	**(5,18,632)**
Cash and Cash Equivalents		
- Opening Balance	114,92,009	120,10,641
- Closing Balance	51,06,445	114,92,009
Net increase/(decrease) in cash and cash equivalents	**(63,85,563)**	**(5,18,632)**

Notes :
1. All figures in brackets are outflow.
2. Direct Taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing activities.
3. Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

As per our report of even date attached

For Chaitanya C. Dalal and Co.
Chartered Accountants
FRN NO. 101632W

CHAITANYA C. DALAL & CO. Chartered Accountants MUMBAI

Chaitanya C. Dalal
Partner
Membership No.: 035809

Place: Mumbai
Dated: 07/09/2017

For and on behalf of the Board

A B Desai
Director
DIN: 00105836

V.N. Heggade
Director
DIN: 03203031

2 Property, Plant and Equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

A Tangible Assets

(Amount in Rs.)

Particulars	Plant & Machinery	Mounds & Equipments	Testing Equipments	DG Set	Furniture & Fixtures	Office Formation	Site Office Formation	Office Equipments	Air Condition	Computer	Library Book	Vehicle	Total
GROSS BLOCK													
As at 01 October 2014	1172,79,489	54,69,924	26,49,520	8,94,473	114,65,372	89,11,150	83,18,273	56,46,230	16,14,880	144,07,532	4,27,297	18,82,026	1789,66,166
Fair Value Adjustment on account of IND AS	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments/Impairments	-	-	-	-	2,62,798	23,64,103	2,94,231	-	-	-	-	-	29,21,132
As at 01 October 2014 after INDAS effects	1172,79,489	54,69,924	26,49,520	8,94,473	112,02,574	65,47,047	80,24,042	56,46,230	16,14,880	144,07,532	4,27,297	18,82,026	1760,45,034
Additions	12,900	-	-	-	-	-	-	-	-	-	-	-	12,900
As at 31 March 2016	1172,92,389	54,69,924	26,49,520	8,94,473	112,02,574	65,47,047	80,24,042	56,46,230	16,14,880	144,07,532	4,27,297	18,82,026	1760,57,934
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	1172,92,389	54,69,924	26,49,520	8,94,473	112,02,574	65,47,047	80,24,042	56,46,230	16,14,880	144,07,532	4,27,297	18,82,026	1760,57,934
DEPRECIATION													
As at 01 October 2014	274,16,233	9,59,795	5,82,447	2,51,713	38,09,944	38,62,825	70,42,027	19,36,005	4,63,771	125,93,252	1,42,510	9,47,750	600,08,272
Depreciation adjustment								15,12,096	5,05,258	12,37,697	2,84,787		35,39,838
Charge for the Year	249,75,702	6,85,943	3,03,349	1,15,959	18,34,652	18,28,998	9,82,015	14,53,159	4,21,839	5,76,583	-	2,40,879	334,19,078
As at 31 March 2016	523,91,935	16,45,738	8,85,796	3,67,672	56,44,596	56,91,823	80,24,042	49,01,260	13,90,868	144,07,532	4,27,297	11,88,629	969,67,188
Charge for the Year	141,78,742	5,60,499	3,15,962	1,16,033	18,40,177	3,69,796	-	4,49,957	1,84,461	-	-	3,36,925	183,52,552
Disposals/Adjustments	112,66,932	-	-	-	-	-	-	-	-	-	-	-	112,66,932
As at 31 March 2017	553,03,745	22,06,237	12,01,758	4,83,705	74,84,773	60,61,619	80,24,042	53,51,217	15,75,329	144,07,532	4,27,297	15,25,554	1040,52,808
NET BLOCK													
As at October 1, 2014	898,63,256	45,10,129	20,67,073	6,42,760	73,92,630	26,84,222	9,82,015	37,10,225	11,51,109	18,14,280	2,84,787	9,34,276	1160,36,762
As at 31 March 2016	649,00,454	38,24,186	17,63,724	5,26,801	55,57,978	8,55,224	-	7,44,970	2,24,012	-	-	6,93,397	790,90,746
As at 31 March 2017	619,88,644	32,63,687	14,47,762	4,10,768	37,17,801	4,85,428	-	2,95,013	39,551	-	-	3,56,472	720,05,125

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CHAITANYA C. DALAL & CO.
Chartered Accountants
MUMBAI

B Intangible Assets

Particulars	Computer Software	Total
GROSS BLOCK		
As at 01 October 2014	136,01,815	**136,01,815**
Additions		-
Disposals/Adjustments		-
Transfer under Scheme and BTA (Refer Note 38)		-
As at 31 March 2016	**136,01,815**	**136,01,815**
Additions		-
Disposals/Adjustments		-
Transfer under Scheme and BTA (Refer Note 38)		-
As at 31 March 2017	**136,01,815**	**136,01,815**
AMORTISATION		
As at 01 October 2014	136,01,815	**136,01,815**
Charge for the Year		-
Disposals/Adjustments		-
Transfer under Scheme and BTA (Refer Note 38)		-
As at 31 March 2016	**136,01,815**	**136,01,815**
Charge for the Year		-
Disposals/Adjustments		-
Transfer under Scheme and BTA (Refer Note 38)		-
As at 31 March 2017	**136,01,815**	**136,01,815**
NET BLOCK		
As at October 1, 2014	-	-
As at 31 March 2016	-	-
As at 31 March 2017	-	-

CHAITANYA C. DALAL & CO. Chartered Accountants MUMBAI

Statement of Significant Accounting Policies and Other Explanatory Notes -

B OTHER NOTES

3

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Trade Investments (Quoted)						
Investment in Equity Instruments- valued at market price						
Gammon Infrastructure Projects Limited - Fellow Subsidiary		6816,52,512	6816,52,512		6816,52,512	
2,24,00,000 Equity Shares Of Rs. 2/- each fully paid-up (Market Value Rs. 4.07 per share) Less: Provision for diminution of value of investment (Rs. 30.43-4.07)*No of Shares	-	5904,84,512	-	-	-	-
Investment in Equity Instruments (at market price)		911,68,000	6816,52,512		6816,52,512	
Other Equity Instruments						
Investment in Equity (Metropolitan Infra)-Ind AS Impact	-	-		-		-
Other Investments (Unquoted)	-	-	-	-	-	-
Investment in Government Securities- valued at Cost	-	-	-	-	-	-
6-year National Saving Certificate-VIII issue	49,000		49,000		49,000	
Current Investments						
Investment in Mutual Funds (Quoted)-valued at NAV	-	3,501	-	3,501	-	3,239
150 Units (PY 312906.706) units in Birla Sun Life Mutual Fund	-	-	-	-	-	-
(Formerly ING Liquid Regular)- Daily Dividend Option						
Total	**49,000**	**911,71,501**	**6817,01,512**	**3,501**	**6817,01,512**	**3,239**

Sub Note:

Aggregate value of quoted investment

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Aggregate value of quoted investment						
Aggregate amount of quoted investments	-	911,71,501	6816,52,512	-	6816,52,512	-
Market Value of Quoted Investments	-	911,71,501	1099,84,000	-	3178,56,000	-
Aggregate amount of unquoted investments	49,000	-	49,000	-	49,000	-
Total	**49,000**	**911,71,501**	**6817,01,512**	-	**6817,01,512**	-

4 Financial Assets - Trade Receivables

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Trade Receivables :						
(Unsecured, considered good unless otherwise stated)						
Considered good	1053,28,453	251,05,711	2321,08,481	194,23,089	2931,89,203	987,58,824
Doubtful debts	454,64,097	-	355,80,413	-	-	-
Provision for debts	-		-	-	-	-
	1507,92,549	251,05,711	2676,88,894	194,23,089	2931,89,203	987,58,824
Less: Expected credit loss	-	-	-	-	-	-
Less: Provision for Doubtful Debts	28,27,284					
	1479,65,265	251,05,711	2676,88,894	194,23,089	2931,89,203	987,58,824
Total	**1479,65,265**	**251,05,711**	**2676,88,894**	**194,23,089**	**2931,89,203**	**987,58,824**

5 Financial Assets: Loans (at amortised cost)

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :						
Considered Good	-	2553,28,006	-	2456,52,950	-	2455,74,173
Deposits						
Considered Good	-	-	-	-	-	-
Other Loans and Advances						
Prepaid Expenses	-	-	1237,49,544	-	895,63,616	2,46,554
Advance to Vendors	-	-	-	-	-	413,37,262
Total	-	**2553,28,006**	**1237,49,544**	**2456,52,950**	**895,63,616**	**2871,57,989**

(i) Details of Loans given to Related Parties

Name of the Related Party	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured and Considered Good						
Metropolitan Infrahousing Private Limited	-	2455,74,173		2455,74,173		2455,74,173
Franco Tosi Turbines Private Limited	-	78,777		78,777		-
Gammon Retail Infrastructure Pvt Ltd		10,00,000				
Gammon Engineers Contracts Pvt Ltd		86,75,056				
Total	-	**2553,28,006**	-	**2456,52,950**	-	**2455,74,173**

CHAITANYA C. DALAL & CO. Chartered Accountants MUMBAI

6 **Other Financial Assets**

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Interest Accrued Receivable	-	2550,68,390	-	2079,34,364	-	1166,49,162
Deposits	-	81,20,172	-	81,20,172	-	124,21,015
Other Receivable	-	28,886	-	28,886	-	1,30,158
Total	-	2632,17,448	-	2160,83,422	-	1292,00,335

Interest Accrued Receivable from related party:-

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
'Metropolitan Infrahousing Pvt. limited	-	2550,68,390	-	2079,34,364	-	1132,69,232
'Franco Tosi Turbines Pvt limited	-	-	-	-	-	20,99,401
'Deepmala Infrastructure Pvt limited	-	-	-	-	-	12,80,529
Total	-	2550,68,390	-	2079,34,364	-	1166,49,162

7 **Other current Assets**

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current	Non Current	Current	Non Current	Current
Taxes Paid Net of Provisions	-	619,48,402	-	-	-	-
Statutory dues receivable	-	590,00,793	-		-	
Total	-	1209,49,195	-	-	-	-

8 **Inventories**

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 1st Oct 2014
Raw Materials	137,83,973	147,62,228	96,44,142
Work In Progress	812,05,942	924,25,520	1020,29,860
Total	949,89,915	1071,87,748	1116,74,002

Mode of Valuation

As taken, valued and certified by the Director

Raw Material	At Cost
Work In Progress -Construction Contracts	At Cost plus estimated profit on jobs evaluted

9 **Cash and Cash Equivalent**

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 1st Oct 2014
Cash on Hand	86,278	2,24,565	9,35,531
Bank Deposit With more than 12 months maturity	1,31,631	81,631	12,18,631
Balances with Bank	48,88,536	111,85,812	98,56,479
Total	51,06,445	114,92,008	120,10,641

Disclosure on specified bank notes (SBNs)

During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notificationG.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs(*)	Other notes	Total
Closing cash on hand as at 8 November 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash on hand as at 30 December 2016	-	-	-

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India.

10 **Equity Share Capital**

(a) Authorised, Issued, Subscribed and Fully Paid up :

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Authorised Capital :						
Equity Shares of Rs.10/- each	100,00,000	1000,00,000	100,00,000	1000,00,000	100,00,000	1000,00,000
Issued, Subscribed and Fully Paid up Capital :						
Issued Capital						
505000(Previous Year : 5050000) Equity Shares of Rs.10/- each, fully paid-up	50,50,000	505,00,000	50,50,000	505,00,000	50,50,000	505,00,000
Subscribed and Fully Paid up Capital						
Equity Shares of Rs.10/- each, fully paid	50,50,000	505,00,000	50,50,000	505,00,000	50,50,000	505,00,000
Total		505,00,000		505,00,000		505,00,000

Reconciliation of Number of Shares Outstanding

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	50,50,000	505,00,000	50,50,000	505,00,000	50,50,000	505,00,000
Add: Issued during the year	-	-	-	-	-	-
As at the end of the year	50,50,000	505,00,000	50,50,000	505,00,000	50,50,000	505,00,000

CHAITANYA C. DALAL & CO. Chartered Accountants MUMBAI

Details of Shareholding in Excess of 5%

Name of Shareholder	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
-	No of Shares	%	No of Shares	%	No of Shares	%
Gammon India Limited	50,50,000	100.00%	50,50,000	100.00%	50,50,000	100.00%

Terms / rights attached to equity shares

The Company has only one class of equity shares referred to as equity share having a par value of Rs.10/- each. Each holder if equity share is entitled to one vote per share.

11 **Other Equity**

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 1st Oct 2014
Retained earnings			
Op. Balance as Per Last Balance Sheet	(7633,97,406)	(3709,96,655)	(3946,05,353)
Add: Profit/(Loss) For the year	(7671,27,784)	(4415,63,833)	(1095,75,017)
Add: Depreciation Adjustment as Per Schedule	112,66,932	(35,39,838)	-
Other Comprehensive Income-Ind AS Impact	603,69,031	527,02,921	1331,83,715
Total	**(14588,89,227)**	**(7633,97,406)**	**(3709,96,655)**

12 **Non Current Financial Liabilities - Borrowings**

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non Current	Current Maturities	Non Current	Current Maturities	Non Current	Current Maturities
Term Loans- Secured From Axis Bank	13500,00,000	-	14500,00,000	-	14500,00,000	-
From Tata Motor Finance Limited (Secured by Hypothecation of Car Purchased)	-	-		-	54,002	-
TOTAL	**13500,00,000**	-	**14500,00,000**	-	**14500,54,002**	-
The above amount includes						
Secured Borrowings	13500,00,000	-	14500,00,000	-	14500,54,002	-
Unsecured Borrowings	-	-	-	-	-	-

Sub Note:-

a : Terms & Conditions of Term Loan

Name of the Bank	Rate of Interest	Repayment Schedule	
Axis Bank Limited	**Interest Rate p.a.**	**4 Quarterly Installments of Rs.**	**Total for the year**
Secured by Hypothecation of Current Assets and Fixed Assets and negative Lien on 75% of land at Bhopal and construction thereon standing in the name of Deepmala Infrastructure Private Limited. - Fellow Subsidiary and Corporate Guarantee of Gammon India Limited, the Holding Company	Base Rate+ 1.75% p.a. in first year and Base Rate+ 2.75% p.a. from 2nd year onwards	3.625 Crores each in four Quarterly Intstallments for FY 2016-17	Rs. 14.50 Crores
		7.250 Crores each in four Quarterly Intstallments for FY 2017-18	Rs. 29.00 Crores
		10.875 Crores each in four Quarterly Intstallments for FY 2018-19	Rs. 43.50 Crores
		14.500 Crores each in four Quarterly Intstallments for FY 2019-20	Rs. 58.00 Crores

13 **Provisions**

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Provision for Employee Benefits						
Provision for Gratuity	-	8,66,201	-	8,80,661	12,94,785	1,21,886
Provision for Leave Encashment	-	77,890	-	77,890	-	2,25,247
Total	-	**9,44,091**	-	**9,58,551**	**12,94,785**	**3,47,133**

14 **Deferred Tax (Liabilities) / Assets (Net)**

Particulars	As at 31st Mar 2017		As at 31st Mar 2016		As at 1st Oct 2014	
Deferred Tax Liability						
Depreciation		(57,86,909)		(57,21,014)		(121,57,973)
Deferred Tax Asset						
Provision for Doubtful Debts	8,73,631		-		-	
Provision for others	1824,59,714					
Provision for Leave Salary	24,068		25,271		73,081	
ICDS Adjustments	-	1833,57,413	-	25,271	-	73,081
Deferred Tax (Liabilities) / Assets (Net)		**1775,70,504**	**25,271**	**(56,95,742)**	**73,081**	**(120,84,892)**

CHAITANYA C. DALAL & CO. Chartered Accountants MUMBAI

15 **Current Fiancial Liabilities - Borrowings**

.The borrowings are analysed as follows :

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 1st Oct 2014
Loans Repayable on Demand :			
Overdraft form Axis Bank Ltd	1464,52,331	1469,39,424	1512,73,441
Other Loans and Advances :			
Loan form Related Parties	-	-	-
'Gammon India Limited (Holding Company)	5427,01,157	3595,24,699	2663,42,684
'Franco Tosi Turbines Private Limited	-	-	14,00,000
'Deepmala Infrastructure Private Limited	3585,82,386	2833,55,964	661,37,307
TOTAL	**10477,35,874**	**7898,20,087**	**4851,53,431**

The above amount includes			
Secured Borrowings	1464,52,331	1469,39,424	1512,73,441
Unsecured Borrowings	9012,83,543	6428,80,663	3338,79,990

16 **Current Financial Liabilities - Trade Payables**

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 1st Oct 2014
Trade Payables			
Micro, Small and Medium Enterprises			
Others	2689,09,452	2450,36,503	2445,42,363
Total	**2689,09,452**	**2450,36,503**	**2445,42,363**

On the basis of information and documents available with the Company, the Company has not received any information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and therefore, disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the said Act have not been given.

17 **Other Current Financial Liabilities**

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 1st Oct 2014
Current Maturities of Term Loan	-	-	1,04,732
Interest Accrued and Due on boprrowings	56,36,913	459,04,831	423,38,454
Payable for Capital Goods	-	-	-
Other Payables	-	-	-
- Related Party	-	-	-
'Gammon India Limited (Holding Company)	1264,67,481	763,92,034	-
'Deepmala Infrastructure Private Limited	695,84,041	348,05,434	39,46,526
- Others	-	-	-
Total	**2016,88,435**	**1571,02,298**	**463,89,712**

18 **Other Current Liabilities**

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 1st Oct 2014
Advances From Custtomers	235,36,638	475,37,038	1415,64,607
Duty & Taxes Payable	223,12,498	220,18,092	90,83,989
Others	81,46,183	82,28,336	107,03,690
Total	**539,95,319**	**777,83,466**	**1613,52,286**

19 **Revenue from Operations**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
(a) Work Contract Income	1021,01,379	1682,60,096
(b) Sale of other Goods	4,00,000	-
(c) Sale of Scrap	67,619	2,64,741
Total	**1025,68,998**	**1685,24,837**

20 **Other Income**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Interest Income	471,38,079	946,87,080
Miscellaneous Income	-	10,28,222
Others	10,000	262
Total	**471,48,079**	**957,15,564**

21 **Cost of Materials Consumed**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Opening Stock	147,62,228	96,44,142
Add : Purchases (Net of Discount)	344,86,304	1495,70,793
Less : Closing Stock	137,83,973	147,62,228
Total	**354,64,559**	**1444,52,707**

22 **Changes in Inventories of Finished Goods and Work In Progress**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Work In Progress at Opening	924,25,520	1020,29,860
Work In Progress at Closing	(812,05,942)	(924,25,520)
Total	**112,19,578**	**96,04,340**

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23 **Employee Benefits**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Salaries, Bonus, Perquisites etc.	30,82,997	20198497
Staff Welfare Expenses	4,17,382	10,67,119
Total	**35,00,379**	**212,65,616**

24 **Finance Cost**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Interest Expense	2945,19,556	4074,70,740
Other Financial Charges	44,43,135	211,67,661
Total	**2989,62,691**	**4286,38,401**

25 **Depreciation & Amortisation**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Depreciation	183,52,551	334,19,078
Total	**183,52,551**	**334,19,078**

26 **Other Expenses**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Hire Charges	62,77,285	176,93,274
Consumption of Spares	65,72,986	81,25,930
Power & Fuel	5,41,438	12,94,825
Freight & Other Expeses	5,20,616	22,29,270
Rent	2,27,000	-
Rates & Taxes	51,21,995	27,52,221
Travelling Expenses	8,42,954	15,51,389
Repairs to Plant & Machinery	85,870	4,42,270
Other Expenses (None of Which individually forms more than 1% of the Operating Revenue)	989,25,150	194,02,489
Donation	5,802	9,551
Provision for Doubtful Debts	28,27,284	-
Remuneration to Auditors	2,50,000	2,50,000
Total	**1221,98,380**	**537,51,219**

(a) **Remuneration to Statutory Auditors**

Particulars	April 2016 -March 2017	Oct 2014 - March 2016
Audit Fees	2,50,000	2,50,000
Certification	-	-
Total	**2,50,000**	**2,50,000**

27 **Disclosure as required by Indian Accounting Standard (Ind AS) 11** **(Amount in Rs.)**

Particulars	As at 31st Mar 2017	As at 31st Mar 2016
Contractual Revenue Recognized	1021,01,379	1682,60,096
Method used to Determine Recognition of contractual, Revenue and Stage of Completion of Contracts in Progress	Percentage Completion Method	Percentage Completion Method
Disclosures for Contracts in progress as at the year end:		
Aggregate amount of cost incurred	54078,36,078	52463,26,701
Profit recognized (Net of Losses recognized)	8178,32,271	8954,79,729
Advances received	1871,19,998	1397,23,344
Amount due from customer for contract work	3630,18,258	4268,35,328
Amount due to Customer for contract work	240,00,400	475,37,038

The Company follows the system of accounting of retention revenue for erection/supply contracts based on the stage of completion of the contracts. However, during the warranty period of the contracts, the company may have to incur cost. On the basis of technical assessment of the cost to be incurred, the company is of the view that no further provision is required for any foreseeable expenditure/ contingencies. Being a technical matter, the auditors have relied on certification from management in this regard.

28 **Disclosure in terms of clause 32 of the listing agreement:** (Amount in Rs.)

Name of the Company to whom Loans / Advances given	As at 31st Mar 2017	As at 31st Mar 2016
a) Maximum amount of loan / Advance outstanding at any time during the period -Metropolitan Infrahousing Private Limited	2455,74,173	2455,74,173
b) Amount outstanding at the year end -Metropolitan Infrahousing Private Limited	2455,74,173	2455,74,173
c) Rate of interest and repayment schedule	11.75% p.a interest with repayment schedule	11.75% p.a interest with repayment schedule
d) Investment by Loanee	Not Applicable	Not Applicable

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Annexure: - I SIGNIFICANT ACCOUNTING POLICIES:

Basis of Preparation of Financial Statements:

- Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company, being subsidiary company of Gammon India Limited, is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS.
- For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first set of financial statements that the Company has prepared in accordance with Ind AS.
- The financial statements have been prepared to comply in all material respects with the notified accounting standards issued by the companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.
- The classification of assets and liabilities of the company is done into current and non-current based on the criterion specified in the Revised Schedule VI notified under the Companies Act, 2013.
- The accounting policies are consistent with those used in the previous year.
- Interest income is recognized on time proportion methods basis taking into account the amounts outstanding and the rate applicable.
- Dividend income is accounted when the right to receive the same is established.
- Investments that are readily realizable and intended to be held for not more than a year are classified current investments. All other investments are classified as long term –investments.
- Borrowing costs directly attributable to the acquisition or construction of qualifying assets are

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capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred in determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

Use of Estimates:

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

Revenue Recognition:

On Construction Contracts:

- Long-term contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognized by evaluation of the 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 job till each review date to total expenditure of the job.
- Additional claims (including for escalation), which in the opinion of the Management are recoverable on the contract, are recognized at the time of evaluating the job.
- Insurance claims are accounted for on cash basis.

Turnover:

- Turnover represents work certified as determined by taking into consideration the actual cost incurred and profit evaluated by adopting the percentage of the work completion method of accounting.

Research and Development Expenses:

- All expenditure of revenue nature is charged to Profit and Loss Account of the period. All expenditure of capital nature is capitalized and depreciation provided thereon, at the rates as applied to other assets of similar nature.

Property, Plant and Equipment:

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the

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plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

- Property, plant and equipment are derecognized from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.
- The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Depreciation on the property, plant and equipment is provided over the useful life of assets at Straight Line basis as specified in Schedule II to the Companies Act, 2013 or as determined by the Independent Valuer as the case may be. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.
- Intangible assets are amortized uniformly over three years.

Employee Retirement Benefits:

- Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the profit and Loss Account for the year / period when the contributions are due.
- The company does not provide for liabilities in respect of Gratuity & Leave Encashment as the same are not applicable to the company.

Impairment of Assets:

- On annual basis Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.
- An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.
- The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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Investments:

- Investments are classified as current and long term investments. Current Investments are valued at lower of cost or market value. Long Term Investments are stated at cost. The decline in the value of long term Investments, other than temporary, is provided for.

Inventories:

- Stores and Construction Materials are valued at cost. The Weighted Average method of inventory valuation is used to determine the cost.
  Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.
- Raw materials are valued at cost, net of excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on Weighted Average basis
- Work in progress from manufacturing operation is valued at cost and Cost is determined on Weighted Average method.
- Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average method.

Foreign Currency Transaction

- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.
- Any gain or loss on account of exchange difference either on settlement or translation is recognized in Profit and Loss Account.

Taxation:

Tax expenses comprise Current Tax and Deferred Tax.

- Current Tax is calculated after considering benefits admissible under Income tax Act, 1961.
  Deferred Tax is recognized on timing differences being the differences between the taxable incomes and Accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets, subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income 'Nil'are available against which such Deferred Tax Assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on Balance Sheet date.
- At each Balance Sheet date the company re-assesses un-recognized Deferred Tax Assets/ Liabilities. It recognizes 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 assets can be realized.

Sales Tax/ VAT/WCT and Service Tax:

Sales Tax VAT/Works Contract Tax and Service Tax are accounted on accrual basis.

Provision, Contingent Liabilities and Contingent Assets:

- Provisions involving substantial degree of estimation in measurement are recognized when an enterprise has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate is made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligations at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Disputed demands in respect of Central Excise, Customs, Income tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.
- Contingent Assets are neither recognized nor disclosed in the financial statements.

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

Fair value measurement:

- The Company measures financial instruments such as certain investments, at fair value at each balance sheet date.

Financial instruments

- **Financial assets :**

- All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- ➢ Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.
- ➢ For purposes of subsequent measurement financial assets are classified in two broad categories: Financial assets at fair value or Financial assets at amortized cost
- ➢ Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

- **Financial liabilities:**
  - ➢ All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
  - ➢ The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.
  - ➢ After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

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