

Chaitanya C. Dalal & Co.
CHARTERED ACCOUNTANTS

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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, 2018 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, 2018.

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



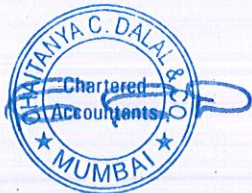
adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

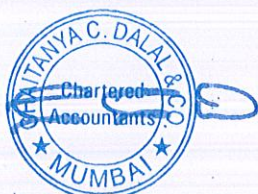
10. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 2018, 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 2018.

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.
 - 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.



Chaitanya C Dalal & Co

Chartered Accountants

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.

For Chaitanya C. Dalal & Co.

Chartered Accountants

FRN: 101632W



Chaitanya C. Dalal

Partner

Membership No. 35809

Place: Mumbai

Date: 31st August, 2018

Annexure "A" to the Independent Auditor's Report

As at and for the year ended 31st March, 2018 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. 408078777/- 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.

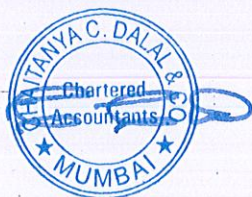
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees which require compliance with the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the 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 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 2018 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. 33.50 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.



Chaitanya C Dalal & Co

Chartered Accountants

(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: 31st August, 2018

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	3,376,826	Appeal Filed On dated 26/10/2016
Maharashtra	27690588698	2008-09	Filed	Ex Party Order Passed	5,508,450	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	37,78,610	Required Reopen
Rajasthan	08332958677	14-15	Filed	Ex-Party Order Pass	4,218,210	Required Reopen
Chattishgarh	22925201198	12-13	Filed	Ex-Party Order Pass	9,298,383	Required Reopen
Total					117,470,047	



GACTEL TURNKEY PROJECTS LIMITED

CIN - U40101MH1995PLC088439

Balance Sheet as at 31st March, 2018

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	56,853,016	72,005,125
(b) Intangible Asset		-	-
(c) Financial assets			
(i) Investments	3	49,000	49,000
(ii) Trade receivable	4	165,549,186	147,965,265
(iii) Loans	5	408,078,777	-
(iv) Others	6	263,188,562	-
(d) Deferred tax assets (net)	14	-	177,570,504
(e) Other non-current assets	7	-	-
TOTAL NON-CURRENT ASSETS		893,718,541	397,589,895
CURRENT ASSETS			
(a) Inventories	8	73,899,258	94,989,915
(b) Financial assets			
(i) Investments	3	3,501	352,597,328
(ii) Trade receivables	4	8,296,228	25,105,711
(iii) Cash & Bank and cash equivalents	9	21,688,918	5,106,445
(v) Loans	5	-	255,328,006
(vi) Others	6	49,610	263,217,448
(c) Other current assets	7	111,936,901	120,949,195
TOTAL CURRENT ASSETS		215,874,416	1,117,294,048
TOTAL ASSETS		1,109,592,957	1,514,883,943
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	50,500,000	50,500,000
(b) Other equity	11	(1,923,275,896)	(1,458,889,227)
TOTAL EQUITY		(1,872,775,896)	(1,408,389,227)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	12	1,350,000,000	1,350,000,000
(ii) Trade payables		-	-
(b) Provisions	13	-	-
(c) Deferred tax liabilities (net)	14	2,807,225	-
(d) Other non-current liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		1,352,807,225	1,350,000,000
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	1,062,656,194	1,047,735,874
(ii) Trade payables	16	304,319,522	268,909,452
(iii) Other financial liabilities	17	218,392,250	201,688,435
(b) Other current liabilities	18	43,295,724	53,995,319
(c) Provisions	13	897,938	944,091
(d) Current tax liabilities (net)		-	-
TOTAL CURRENT LIABILITIES		1,629,561,628	1,573,273,170
TOTAL EQUITY AND LIABILITIES		1,109,592,957	1,514,883,943

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

Partner

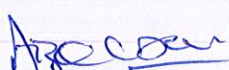
Membership No.: 035809



Place : Mumbai

Dated : 31/08/2018

For and on behalf of the Board of Directors



A B Desai

Director

DIN: 00105836



V.N. Heggade

Director

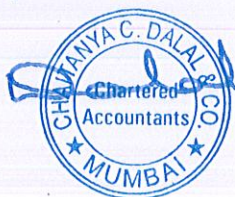
DIN: 03203031

<p style="text-align: center;">GACTEL TURNKEY PROJECTS LIMITED CIN - U40101MH1995PLC088439 Statement of Profit & Loss for the Year ended 31st March, 2018 (Amount in Rs.)</p>			
Particulars	Note No.	March 2018	March 2017
I Revenue from Operations :	19	63,407,827	102,568,998
II Other Income	20	3,537,690	47,148,079
III Total Income (I +II)		66,945,517	149,717,077
IV Expenses:			
Cost of material consumed	21	23,719,539	35,464,559
Purchases of stock-in-trade Changes in inventories of finished goods, work-in progress and stock-in-trade	22	10,267,174	11,219,578
Employee benefits expense	23	2,951,233	3,500,379
Subcontracting Expenses		70,733,371	19,928,457
Finance Costs	24	93,195,304	298,962,691
Depreciation & amortization	25	15,152,110	18,352,551
Other expenses	26	34,935,727	122,198,380
Total Expenses		250,954,458	509,626,595
V Profit/(Loss) before exceptional items and tax (III-IV)		(184,008,940)	(359,909,518)
VI Exceptional items Income / (Expense)		-	-
Provision for loss on diminution of investments/ Loss in Loan		100,000,000	590,484,512
VII Profit / (Loss) before extraordinary items and tax (V-VI)		(284,008,940)	(950,394,030)
VIII Profit/(Loss) from continuing operations		(284,008,940)	(950,394,030)
IX Tax expenses			
Current Tax		-	-
Deferred Tax Liability / (asset)(See Note No 14)		180,377,729	(183,266,246)
Total tax expenses		180,377,729	(183,266,246)
X Profit / (Loss) for the period (VIII-IX)		(464,386,669)	(767,127,784)
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss		-	-
Income tax thereon		-	-
XI Total Comprehensive Income / (Loss) For The Period		(464,386,669)	(767,127,784)
XII Earnings per equity share			
Basic		(91.96)	(68.32)
Diluted		(91.96)	(68.32)

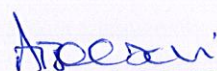
Statement on Significant Accounting Policies and Notes annexed hereto and form part of the Financial Statements.

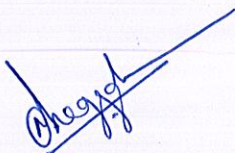
As per our attached report of even date
For Chaitanya C. Dalal and Co.
Chartered Accountants
FRN NO. 101632W

Chaitanya C. Dalal
Partner
Membership No.: 035809



For and on behalf of the Board of Directors


A B Desai
Director
DIN: 00105836

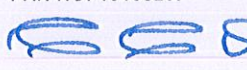

V.N. Heggade
Director
DIN: 03203031

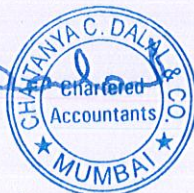
Place : Mumbai
Dated : 31/08/2018

GACTEL TURNKEY PROJECTS LIMITED CIN - U40101MH1995PLC088439 Cash Flow Statement for the year ended 31st March, 2018 (Amount in Rs.)		
Particulars	For the period April-17 to Mar-18	For the period April-16 to Mar-17
A. Cash Flow From Operating Activities		
Net Loss before Tax and Extraordinary Items	(284,008,940)	(950,394,030)
Adjustments For :		
Depreciation & Amortisation	15,152,110	18,352,551
Interest & Dividend Income	3,537,690	47,138,079
Interest & Finance Expense	93,195,304	298,962,691
Other Comprehensive Income-Ind AS Impact	-	60,369,031
Loss on Sale of Investments	4,083,295	-
Provision for loss on dimunition of investments/Loss in Loan	100,000,000	590,484,512
Operating Cash Flow Before Working Capital Changes	(68,040,542)	64,912,834
Adjustments For :		
Trade and Other Receivables	(774,438)	114,041,007
Inventories	21,090,657	12,197,833
Loans and Advances (Current and Non current)	18,882,122	(52,119,262)
Trade Payables and Liabilities (Current and Non current)	41,414,290	44,670,939
Cash Generated From Operations	12,572,090	183,703,350
Direct Taxes - Paid	(1,261,649)	(1,903,931)
Net Cash Flow From Operating Activities	11,310,441	181,799,419
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-	-
Units of Mutual Fund Redemmed	-	-
Interest & Dividend Received	(3,537,690)	(47,138,079)
Sale of Investment	87,084,705	-
Net Cash Used in Investing Activities	83,547,015	(47,138,079)
C. Cash Flow From Financing Activities		
Interest Paid	(93,195,304)	(298,962,691)
Proceeds from Parent company as Inter company deposit	14,920,321	257,915,787
Repayment of Long term Borrowings	0	(100,000,000)
Net Cash Used in Financing Activities	(78,274,983)	(141,046,904)
Net Increase/(Decrease) in Cash and Cash Equivalents	16,582,473	(6,385,563)
Cash and Cash Equivalents		
- Opening Balance	5,106,445	11,492,009
- Closing Balance	21,688,918	5,106,445
Net increase/(decrease) in cash and cash equivalents	16,582,473	(6,385,563)
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.		

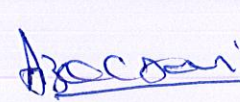
As per our report of even date attached


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


Chaitanya C. Dalal
Partner
Membership No.: 035809



For and on behalf of the Board


A B Desai
Director
DIN: 00105836


V.N. Heggade
Director
DIN: 03203031

Place: Mumbai
Dated: 31/08/2018

GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Notes to financial statements for the year ended March 31, 2018

Statement of Changes in Equity for the period ended March 31, 2018

A Equity Share Capital

Particulars	March 31, 2018		March 31, 2017	
	Number of Shares	Rs. in crores	Number of Shares	Rs. in crores
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening Balance	5,050,000	50,500,000.00	5,050,000	50,500,000.00
Changes in equity share capital during the year			-	-
Balance at March 31, 2017	5,050,000	50,500,000.00	5,050,000	50,500,000.00


B Other Equity

Particulars	Retained Earnings	Security Premium Reserve	Other Comprehensive Income	Equity Suspense	Debenture Redemption Reserve	Total
Balance as at 31 March 2017	(1,458,889,227)	-	-			(1,458,889,227)
Profit for the year	(464,386,669)					(464,386,669)
Premium on issue of shares		-				-
Shares pending allotment				-		-
Transfer to Debenture Redemption Reserve	-				-	-
Remeasurement gain/(loss) on defined benefit plans net of taxes			-			-
Balance as at 31 March 2018	(1,923,275,896)	-	-	-	-	(1,923,275,896)

As per our report of even date

For Chaitanya C. Dalal and Co.
Chartered Accountants

FRN NO. 101632W

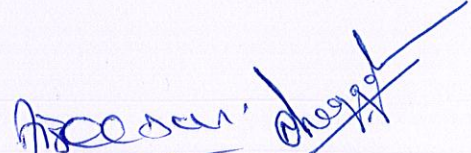


Chaitanya C. Dalal
Partner
Membership No.: 035809

Place : Mumbai
Dated : 31/08/2018



For and on behalf of the Board of Directors



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