



Chaitanya C. Dalal & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Gactel Turnkey Projects Limited.

Report on the Indian Accounting Standards (Ind AS) financial statements

Opinion

We have audited the accompanying Ind AS financial statements of **Gactel Turnkey Projects Limited. CIN:U40101MH1995PLC088439** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, of the financial position of the Company as at 31st March 2019, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Meaning of Internal Financial Controls over Financial Reporting

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

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.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is given in the "Annexure A" on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:

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.

- (a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (b) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- (c) 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;
- (d) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (e) 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 as on 31st March 2019;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) the company has not declared any dividend during the past years hence it there was no requirement to transfer amount to the Investor Education and Protection Funds 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.

UDIN NO: 19035809AAAAEH5087

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No.: 101632W

Chaitanya C. Dalal
Partner
Membership No: 035809

Place: Mumbai
Date: 31st August 2019



Annexure "A" to the Independent Auditor's Report

As at and for the year ended 31st March, 2019 on the Ind AS Financial Statements

To the Members of **Gactel Turnkey Projects Limited (CIN:U40101MH1995PLC088439)**

(Referred to in paragraph 1 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. 408,000,000/- 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:



Chaitanya C Dalal & Co

Chartered Accountants

- (a) 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 2019 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. 77.00 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

UDIN: 19035809AAAAEH5087

For Chaitanya C. Dalal & Co
Chartered Accountants
FRN: 101632W

Chaitanya C. Dalal
Partner
M No. 35809

Place: Mumbai
Date: 31st August, 2019



Chaitanya C Dalal & Co

Chartered Accountants

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	ASSESSMENT	DEMAND RAISED	STATUS
Andhra Pradesh	28169174643	2010-11	Filed	VAT Assessment Completed Order Passed with Demand	7,190,779	Appeal Filed in Tribunal
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
Maharashtra	27690588698	2012-13	Filed	VAT Assessment Order Passed with a demand due to Rejection of Vat input Credit	422028	Appeal Filed
Maharashtra	27690588698	2013-14	Filed	VAT Assessment Order Passed with a demand due to Rejection of Vat input Credit	3428779	Required to File Appeal Against Order
Maharashtra	27690588698	2013-14	Filed	CST Assessment Order Passed with a demand due to non-produce of statutory form	5874781	Required Rectification of Order
Total					101,015,156	

GACTEL TURNKEY PROJECTS LIMITED

CIN - U40101MH1995PLC088439
Balance Sheet as at 31st March, 2019

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	40,412,865	56,853,016
(b) Intangible Asset		-	-
(c) Financial assets			
(i) Investments	3	49,000	49,000
(ii) Trade receivable	4	16,875,074	165,549,186
(iii) Loans	5	408,000,000	408,078,777
(iv) Others	6	263,191,562	263,188,562
(d) Deferred tax assets (net)	14	-	-
(e) Other non-current assets	7	-	-
TOTAL NON-CURRENT ASSETS		728,528,501	893,718,541
CURRENT ASSETS			
(a) Inventories	8	29,632,640	73,899,258
(b) Financial assets			
(i) Investments	3	3,501	3,501
(ii) Trade receivables	4	59,631,764	8,296,228
(iii) Cash & Bank and cash equivalents	9	1,206,078	21,688,918
(v) Loans	5	-	-
(vi) Others	6	58,012	49,610
(c) Other current assets	7	103,234,594	111,936,901
TOTAL CURRENT ASSETS		193,766,591	215,874,416
TOTAL ASSETS		922,295,092	1,109,592,957
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	50,500,000	50,500,000
(b) Other equity	11	(2,457,722,200)	(1,923,275,896)
TOTAL EQUITY		(2,407,222,200)	(1,872,775,896)
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	1,291,132	2,807,225
(d) Other non-current liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		1,351,291,132	1,352,807,225
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	1,055,273,973	1,062,656,194
(ii) Trade payables	16	404,210,761	304,319,522
(iii) Other financial liabilities	17	512,090,072	218,392,250
(b) Other current liabilities	18	5,771,841	43,295,724
(c) Provisions	13	879,513	897,938
(d) Current tax liabilities (net)		-	-
TOTAL CURRENT LIABILITIES		1,978,226,159	1,629,561,628
TOTAL EQUITY AND LIABILITIES		922,295,092	1,109,592,957

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

For and on behalf of the Board of Directors

Chaitanya C. Dalal
Partner
Membership No.: 035809


Director

Director

Place : Mumbai
Dated : 31/08/2019



<p style="text-align: center;">GACTEL TURNKEY PROJECTS LIMITED CIN - U40101MH1995PLC088439 Statement of Profit & Loss for the Year ended 31st March, 2019</p>			
Particulars		(Amount in Rs.)	
	Note No.	March 2019	March 2018
I Revenue from Operations :	19	136,699,728	63,407,827
II Other Income	20	2,015,078	3,537,690
III Total Income (I +II)		138,714,806	66,945,517
IV Expenses:			
Cost of material consumed	21	5,402,214	23,719,539
Purchases of stock-in-trade Changes in inventories of finished goods, work-in progress and stock-in-trade	22	44,237,396	10,267,174
Employee benefits expense	23	2,012,972	2,951,233
Subcontracting Expenses		229,944,199	70,733,371
Finance Costs	24	294,081,791	93,195,304
Depreciation & amortization	25	14,648,296	15,152,110
Other expenses	26	107,714,420	34,935,727
Total Expenses		698,041,288	250,954,458
V Profit/(Loss) before exceptional items and tax (III-IV)		(559,326,482)	(184,008,940)
VI Exceptional items Income / (Expense)			
Adjustable Receipt of Earlier Year Accounted Now		23,364,085	-
Provision for loss on diminution of investments/ Loss in Loan		-	100,000,000
VII Profit / (Loss) before extraordinary items and tax (V-VI)		(535,962,397)	(284,008,940)
VIII Profit/(Loss) from continuing operations		(535,962,397)	(284,008,940)
IX Tax expenses			
Current Tax		-	-
Deferred Tax Liability / (asset)(See Note No 14)		(1,516,093)	180,377,729
Total tax expenses		(1,516,093)	180,377,729
X Profit / (Loss) for the period (VIII-IX)		(534,446,304)	(464,386,669)
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss		-	-
Income tax thereon		-	-
XI Total Comprehensive Income / (Loss) For The Period		(534,446,304)	(464,386,669)
XII Earnings per equity share			
Basic		(105.83)	(91.96)
Diluted		(105.83)	(91.96)

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

For and on behalf of the Board of Directors

Chaitanya C. Dalal
Partner
Membership No.: 035809


Director

Director

Place : Mumbai
Dated : 31/08/2019



GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Cash Flow Statement for the year ended 31st March, 2019

(Amount in Rs.)

Particulars	For the period April-18 to Mar-19	For the period April-17 to Mar-18
A. Cash Flow From Operating Activities		
Net Loss before Tax and Extraordinary Items	(535,962,397)	(284,008,940)
Adjustments For :		
Depreciation & Amortisation	14,648,296	15,152,110
Interest & Dividend Income	133,188	3,537,690
Interest & Finance Expense	294,081,791	93,195,304
Loss on Sale of Investments	-	4,083,295
Provision for loss on diminution of investments/Loss in Loan	-	100,000,000
Asset Written Off	1,791,854	-
Operating Cash Flow Before Working Capital Changes	(225,307,267)	(68,040,541)
Adjustments For :		
Trade and Other Receivables	97,335,576	(774,438)
Inventories	44,266,618	21,090,657
Loans and Advances (Current and Non current)	11,399,183	18,882,122
Trade Payables and Liabilities (Current and Non current)	356,065,178	41,414,290
Cash Generated From Operations	283,759,288	12,572,089
Direct Taxes - Paid	(2,644,927)	(1,261,649)
Net Cash Flow From Operating Activities	281,114,361	11,310,440
B. Cash Flow From Investing Activities		
Interest & Dividend Received	(133,188)	(3,537,690)
Sale of Investment	-	87,084,705
Net Cash Used in Investing Activities	(133,188)	83,547,015
C. Cash Flow From Financing Activities		
Interest Paid	(294,081,791)	(93,195,304)
Proceeds from Parent company as Inter company deposit	(7,382,222)	14,920,321
Repayment of Long term Borrowings	0	-
Net Cash Used in Financing Activities-	(301,464,013)	(78,274,983)
Net Increase/(Decrease) in Cash and Cash Equivalents	(20,482,840)	16,582,473
Cash and Cash Equivalents		
- Opening Balance	21,688,918	5,106,445
- Closing Balance	1,206,078	21,688,918
Net increase/(decrease) in cash and cash equivalents	(20,482,840)	16,582,473
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

For and on behalf of the Board

Chaitanya C. Dalal
Partner
Membership No.: 035809


Director

Director

Place: Mumbai
Dated: 31/08/2019



GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Notes to financial statements for the year ended March 31, 2019

Statement of Changes in Equity for the period ended March 31, 2019

A Equity Share Capital
Particulars

Particulars	March 31, 2019		March 31, 2018	
	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, 2019	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 2018	(1,923,275,896)	-	-	-	-	(1,923,275,896)
Profit for the year	(534,446,304)	-	-	-	-	(534,446,304)
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 2019	(2,457,722,200)	-	-	-	-	(2,457,722,200)

As per our report of even date

For Chaitanya C. Dalal and Co.
Chartered Accountants

For and on behalf of the Board of Directors

FRN NO. 101632W

Chaitanya C. Dalal
Partner
Membership No.: 035809


Director

Director

Place : Mumbai
Dated : 31/08/2019



GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Notes to financial statements for the year ended March 31, 2019

2 Property, Plant and Equipment

Following are the charges in the carrying value of Property, plant and equipment for the year ended March 31, 2019

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 April 2018	117,292,389	5,469,924	2,649,520	894,473	11,202,574	6,547,047	8,024,042	5,646,230	1,614,880	14,407,532	427,297	1,882,026	176,057,934
Additions													
As at 31 March 2019	117,292,389	5,469,924	2,649,520	894,473	11,202,574	6,547,047	8,024,042	5,646,230	1,614,880	14,407,532	427,297	1,882,026	176,057,934
Additions													
Disposals/Adjustments													
As at 31 March 2019	117,292,389	5,469,924	2,649,520	894,473	11,202,574	6,547,047	8,024,042	5,646,230	1,614,880	14,407,532	427,297	1,882,026	176,057,934
DEPRECIATION													
As at 01 April 2018	68,024,522	2,719,460	1,486,800	585,779	8,489,946	6,254,899	8,024,042	5,526,557	1,600,438	14,407,532	427,297	1,657,646	119,204,918
Disposals/Adjustments					1,791,854								1,791,854
Charge for the Year	12,695,753	513,223	285,042	102,074	920,774	-	-	-	1,152	-	-	130,279	14,648,296
As at 31 March 2019	80,720,275	3,232,683	1,771,842	687,853	11,202,574	6,254,899	8,024,042	5,526,557	1,601,590	14,407,532	427,297	1,787,925	135,645,068
NET BLOCK													
As at 31 March 2018	49,267,867	2,750,464	1,162,720	308,694	2,712,628	292,148	-	119,673	14,442	-	-	224,380	56,853,016
As at 31 March 2019	36,572,114	2,237,241	877,678	206,620	-	292,148	-	119,673	13,290	-	-	94,101	40,412,865

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GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439
Notes to financial statements for the year ended March 31, 2019

B Intangible Assets

Particulars	Computer Software	Tower Design	Total
GROSS BLOCK			
As at 01 April 2018	13,601,815		13,601,815
Additions			-
Disposals/Adjustments			-
Transfer under Scheme and BTA (Refer Note 38)			-
As at 31 March 2019	13,601,815	-	13,601,815
Additions			-
Disposals/Adjustments			-
Transfer under Scheme and BTA (Refer Note 38)			-
As at 31 March 2019	13,601,815	-	13,601,815
AMORTISATION			
As at 01 April 2017	13,601,815		13,601,815
Charge for the Year			-
Disposals/Adjustments			-
Transfer under Scheme and BTA (Refer Note 38)			-
As at 31 March 2019	13,601,815	-	13,601,815
Charge for the Year			-
Disposals/Adjustments			-
Transfer under Scheme and BTA (Refer Note 38)			-
As at 31 March 2019	13,601,815	-	13,601,815
NET BLOCK			
As at 31 March 2018	-	-	-
As at 31 March 2019	-	-	-

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GACTEL TURNKEY PROJECTS LIMITED
CIN - U40101MH1995PLC088439

Statement of Significant Accounting Policies and Other Explanatory Notes -

B OTHER NOTES

3 Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Other Investments (Unquoted)				
Investment in Government Securities- valued at Cost				
6-year National Saving Certificate-VIII issue	49,000		49,000	
(Aggregate amount of unquoted investments)				
Current Investments				
Investment in Mutual Funds (Quoted)-valued at NAV		3,501		3,501
150 Units in Birla Sun Life Mutual Fund				
Total	49,000	3,501	49,000	3,501

4 Financial Assets - Trade Receivables

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Considered good	16,875,074	59,631,764	89,596,060	8,296,228
Provision for Doubtful debts	79,312,209		75,953,126	
	96,187,283	59,631,764	165,549,186	8,296,228
Less: Expected credit loss				
Less: Provision for Doubtful Debts	79,312,209			
	16,875,074	59,631,764	165,549,186	8,296,228
Total	16,875,074	59,631,764	165,549,186	8,296,228

5 Financial Assets: Loans (at amortised cost)

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Loans and Advances to Related Parties :				
Considered Good	408,000,000	-	408,078,777	-
Deposits				
Considered Good				
Other Loans and Advances				
Prepaid Expenses				
Advance to Vendors				
Total	408,000,000	-	408,078,777	-

(i) Details of Loans given to Related Parties

Name of the Related Party	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Unsecured and Considered Good				
Metropolitan Infrahousing Private Limited	507,000,000	-	507,000,000	-
Less: Provision for Doubtful Loan	-100,000,000	-	-100,000,000	-
Franco Tosi Turbines Private Limited			78,777	-
Gammon Retail Infrastructure Pvt Ltd	1,000,000	-	1,000,000	-
Total	408,000,000	-	408,078,777	-

6 Other Financial Assets

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Interest Accrued Receivable	255,068,390	-	255,068,390	-
Deposits	8,123,172	-	8,120,172	-
Other Receivable	-	58,012	-	49,610
Total	263,191,562	58,012	263,188,562	49,610

Interest Accrued Receivable from related party:-

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
'Metropolitan Infrahousing Pvt. limited	255,068,390	-	255,068,390	-
Total	255,068,390	-	255,068,390	-

7 Other current Assets

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Taxes Paid Net of Provisions	-	60,965,525	-	60,052,249
Statutory dues receivable	-	42,269,070	-	51,884,652
Total	-	103,234,594	-	111,936,901

8 Inventories

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Raw Materials	-	2,931,268	-	2,960,490
Work In Progress	-	26,701,372	-	70,938,768
Total	-	29,632,640	-	73,899,258

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 evaluated

9 Cash and Cash Equivalent

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current	Non Current	Current
Cash on Hand	-	43,445	-	117,284
Bank Deposit With more than 12 months maturity	-	125,000	-	125,000
Balances with Bank in current A/cs	-	1,037,633	-	21,446,634
Total	-	1,206,078	-	21,688,918

10 Equity Share Capital

(a) Authorised, Issued, Subscribed

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital :				
Equity Shares of Rs.10/- each	10,000,000	100,000,000	10,000,000	100,000,000
Issued, Subscribed and Fully Paid up Capital :				
Issued Capital				
505000(Previous Year : 5050000) Equity Shares	5,050,000	50,500,000	5,050,000	50,500,000
Subscribed and Fully Paid up Capital				
Equity Shares of Rs.10/- each, fully paid	5,050,000	50,500,000	5,050,000	50,500,000
Total		50,500,000		50,500,000

(b) Reconciliation of Number of Shares Outstanding

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	5,050,000	50,500,000	5,050,000	50,500,000
Add: Issued during the year	-	-	-	-
As at the end of the year	5,050,000	50,500,000	5,050,000	50,500,000

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	As at 31st Mar 2019		As at 31st Mar 2018	
	No of Shares	%	No of Shares	%
Gammon India Limited	5,050,000	100.00%	5,050,000	100.00%

(d) 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 of equity share is entitled to one vote per share.

11 Other Equity

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Retained earnings		
Op. Balance as Per Last Balance Sheet	(1,923,275,896)	(1,458,889,227)
Add: Profit/(Loss) For the year	(534,446,304)	(464,386,669)
Total	(2,457,722,200)	(1,923,275,896)

12 Non Current Financial Liabilities - Borrowings

Particulars	As at 31st Mar 2019		As at 31st Mar 2018	
	Non Current	Current Maturities	Non Current	Current Maturities
Term Loans- Secured From Axis Bank	1,350,000,000	-	1,350,000,000	-
TOTAL	1,350,000,000	-	1,350,000,000	-

Sub Note:-

a : Terms & Conditions of Term Loan

Name of the Bank	Rate of Interest	Repayment Schedule	
	Interest Rate p.a.	4 Quarterly Installments of Rs.	Total for the year
Axis Bank Limited			
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 Installments for FY 2016-17	Rs. 14.50 Crores
		7.250 Crores each in four Quarterly Installments for FY 2017-18	Rs. 29.00 Crores
		10.875 Crores each in four Quarterly Installments for FY 2018-19	Rs. 43.50 Crores
		14.500 Crores each in four Quarterly Installments for FY 2019-20	Rs. 58.00 Crores

13 Provisions

Particulars	As at 31st Mar 2018		As at 31st Mar 2017	
	Non-Current	Current	Non-Current	Current
Provision for Employee Benefits	-	820,048	-	866,201
Provision for Gratuity	-	59,465	-	77,890
Provision for Leave Encashment	-	-	-	-
Total	-	879,513	-	944,091

14 Deferred Tax (Liabilities) / Assets (Net)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
<u>Deferred Tax Liability</u>		
Depreciation	(1,306,445)	(2,827,282)
<u>Deferred Tax Asset</u>		
Provision for Doubtful Debts	-	-
Provision for others	-	-
Provision for Leave Salary	15,312	20,057
ICDS Adjustments	15,312	20,057
Deferred Tax (Liabilities) / Assets (Net)	(1,291,132)	20,057 (2,807,225)

15 Current Financial Liabilities - Borrowings

The borrowings are analysed as follows :

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
<u>Loans Repayable on Demand :</u>		
Overdraft form Axis Bank Ltd	152,993,279	152,993,279
<u>Other Loans and Advances :</u>		
<u>Loan form Related Parties</u>		
'Gammon India Limited (Holding Company)	559,954,308	559,954,308
'Gammon Engineers & Contractors Pvt Ltd	-	9,882,222
'Deepmala Infrastructure Private Limited	299,826,386	299,826,386
'Gammon Realty Limited	40,000,000	40,000,000
'ATSL Infrastructure Projects Ltd	2,500,000	-
TOTAL	1,055,273,973	1,062,656,194
<u>The above amount includes</u>		
Secured Borrowings	152,993,279	152,993,279
Unsecured Borrowings	859,780,694	869,662,915

16 Current Financial Liabilities - Trade Payables

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
<u>Trade Payables</u>		
Micro, Small and Medium Enterprises		
Others	404,210,761	304,319,522
Total	404,210,761	304,319,522

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 2019	As at 31st Mar 2018
<u>Current Maturities of Term Loan</u>		
*Interest Accrued and Due on borrowings	316,038,550	22,340,728
- Related Party		
'Gammon India Limited (Holding Company)	126,467,481	126,467,481
'Deepmala Infrastructure Private Limited	69,584,041	69,584,041
Total	512,090,072	218,392,250

*Note : Interest accrued includes Rs. 293697822.00 on account of NPA Interest accrued in the books

18 Other Current Liabilities

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
<u>Advances From Customers</u>		
Duty & Taxes Payable	-	23,364,085
Others	1,523,306	16,053,832
Total	4,248,535	3,877,807
	5,771,841	43,295,724

CFD

19 Revenue from Operations

Particulars	April 2018 -March 2019	April 2017 -March 2018
(a) Work Contract Income	136,699,728	63,369,727
(b) Sale of Scrap	-	-
Total	136,699,728	63,407,827

20 Other Income

Particulars	April 2018 -March 2019	April 2017 -March 2018
Interest Income	133,188	3,537,690
Others	1,881,890	-
Total	2,015,078	3,537,690

During the year the company has made provision for doubtful loan on Inter Corporate Deposits given to its related parties due to uncertainty of its refund. Due to the uncertainty of receipt of Inter Corporate Deposits given to its related parties, the company not charged interest income during the year for the same.

21 Cost of Materials Consumed

Particulars	April 2018 -March 2019	April 2017 -March 2018
Opening Stock	-	-
Add : Purchases (Net of Discount)	2,960,490	2,960,490
Less : Closing Stock	5,372,992	12,896,056
Total	5,402,214	12,896,056

22 Changes in Inventories of Finished Goods and Work In Progress

Particulars	April 2018 -March 2019	April 2017 -March 2018
Inventory Adjustments - WIP	-	-
Work In Progress at Opening	70,938,768	81,205,942
Work In Progress at Closing	(26,701,372)	(70,938,768)
Total	44,237,396	10,267,174

23 Employee Benefits

Particulars	April 2018 -March 2019	April 2017 -March 2018
Salaries, Bonus, Perquisites etc.	1,626,334	2,173,231
Staff Welfare Expenses	386,638	778,002
Total	2,012,972	2,951,233

24 Finance Cost

Particulars	April 2018 -March 2019	April 2017 -March 2018
Interest Expense	293,957,686	90,796,715
Other Financial Charges	124,105	2,398,589
Total	294,081,791	93,195,304

25 Depreciation & Amortisation

Particulars	April 2018 -March 2019	April 2017 -March 2018
Depreciation	14,648,296	15,152,110
Total	14,648,296	15,152,110

26 Other Expenses

Particulars	April 2018 -March 2019	April 2017 -March 2018
Hire Charges	464,378	3,290,685
Consumption of Spares	365,836	4,244,944
Power & Fuel	-	156,067
Freight & Other Expenses	144,682	452,022
Rent	15,000	14,000
Rates & Taxes	20,593,680	13,294,842
Travelling Expenses	232,376	748,179
Repairs to Plant & Machinery	93,700	168,883
Other Expenses (None of Which individually forms more than 1% of the Operating Revenue)	4,400,705	12,266,085
Provision for Doubtful Debts	79,312,209	-
Asset Written Off	1,791,854	-
Remuneration to Auditors	300,000	300,000
Total	107,714,420	34,935,727

27 Disclosure as required by Indian Accounting Standard (Ind AS) 115

Details of Disclosure as per Ind AS 115 as on 31.3.2019

(a) The Company undertakes Cooling Tower Projects. The type of work in the contracts with the customers involve Concrete Cooling Tower, Pultruded FRP Cooling Towers, Dry Cooling Solutions, construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers. The Company has recognised the cumulative effect of applying Ind AS 115 as an adjustment to the opening balance at 1 April 2018. Due to the transition method chosen in applying Ind AS 115, comparative information has not been restated to reflect the new requirements.

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

(Rs. In Crore)

Particulars	31/03/2019	31/03/2018*
Primary geographical markets		
India		
Other	13.67	6.34
Total	13.67	6.34

*Company has applied Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	31/03/2019	31/03/2018*
Receivables which are included in Trade and other receivables		
Contract assets:		
- Amount due from customers on construction contract		
- Accrued value of work done net off provision	7.65	17.38
	(2.67)	7.09
Contract liabilities:		
- Amount due to customers under construction contracts		
- Advance from clients		
Total	4.98	24.48

*Company recognised the cumulative effect of applying Ind AS 115 as an adjustment to the opening balance at 1 April 2018.

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The amount of contract assets during the period ended 31 March 2019 was impacted by an impairment charge of INR NIL. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

EEQ

Significant changes in contract asset and contract liabilities balances during the year are as follows:

Particulars	31/03/2019	31/03/2018*
(A) Due from contract customers:		
At the beginning of the reporting period		
Cost incurred plus attributable profits on contracts-in-progress	17.38	17.31
Progress Billings made towards contracts-in-progress	16.34	13.43
Due from contract customers impaired during the reporting period	(2.67)	(7.09)
Receipts from contract customers and Recovery of Advances by customers	-	-
Significant change due to other reasons (Eg. Business acquisition etc.)	(23.40)	(6.26)
At the end of the reporting period (Para 116 (a))		
(B) Due to contract customers:	7.65	17.38
At the beginning of the reporting period (Para 116 (a))		
Revenue recognised that was classified as due to contract customers at the beginning of the	-	-
Progress Billings made towards contracts-in-progress	-	-
Significant change due to other reasons	-	-
At the end of the reporting period	-	-
Total (A+B)	7.65	17.38

As on 31 March 2019, revenue recognised in the current year from performance obligations satisfied/ partially

(d) Performance obligation

The Company undertakes Cooling Tower Projects. The ongoing contracts with customers are for construction Cooling Tower Projects. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations & maintenance etc.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Company recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured. The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied (or partially satisfied) as at 31 March 2019:

Particulars	Mar-20	Mar-21	2022-2026	Total
Contract revenue	10.45	18.50	20.13	49.08
Total	10.45	18.50	20.13	49.08

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

CEC

(e) Reconciliation of revenue recognised in the Statement of Profit and Loss.

The following table discloses the reconciliation of amount of revenue recognised as at 31 March 2019:

Particulars	31/03/2019	31/03/2018*
Contract price of the revenue recognised		
Add: Performance bonus	7.65	17.38
Add: Incentives	-	-
Add: Claims	-	-
Less: Liquidated damages	-	-
Revenue recognised in the Statement of Profit and Loss	7.65	17.38

March 2018 -Company has applied Ind AS 115 using the cumulative effect method. Under this method, the comparative information is not restated.

- (f) The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. The Company has elected the option of the modified retrospective approach and there is no material impact on the measurement of revenue and retained earnings as of 1 April 2018. The presentation of certain contract related balances have been changed for the current year only and the previous year balances continues to be disclosed as done in the previous year, in compliance with the requirements of Ind AS 115.

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 2019	As at 31st Mar 2018
a) Maximum amount of loan / Advance outstanding at any time during the period -Metropolitan Infrahousing Private Limited	762,068,390	762,068,390
b) Amount outstanding at the year end -Metropolitan Infrahousing Private Limited	762,068,390	762,068,390
c) Rate of interest and repayment schedule	14.50% p.a interest with no repayment schedule	14.50% p.a interest with no repayment schedule
d) Investment by Loanee	Not Applicable	Not Applicable

29 The disclosures required under Ind Accounting Standard - 19 "Employee Benefits" are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised / charged off for the year are as under.

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Employers Contribution to Provident Fund.	663,994	619,359

The Employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Company has discontinued to recognised leave encashment from September-2014 onward, due to change in the policy, Hence no provision for leave encashment have been provided.

FEQ

30 Segment reporting in terms of Accounting Standard – IND AS: 108

The Company is engaged in only one reportable segment viz, "Construction & Engineering" and therefore disclosure requirements under IND AS-108 on segment reporting are not applicable to the company.

31 Disclosure as required by Ind Accounting Standard - 24 on Related Parties.

I Relationships:

a) Entity where Control Exists

1. Gammon India Limited - Holding Company (GIL)

b) Fellow Subsidiary

1. Metropolitan Infrahousing Private Limited (MIPL)
2. Franco Tosi Turbines Private Limited (FTTPL)
3. Deepmala Infrastructure Private Limited (DIPL)
4. ATSL Infrastructure Private Limited
5. Gammon Realty Limited
6. Gammon Retail Infrastructure Pvt Ltd

c) Key Management Personnel and their Relatives:

Related Party Transactions :-

Transactions During the period	As at 31st Mar 2019	As at 31st Mar 2018
Purchase of Goods	-	4,542,521
Loans Received		
-Gammon Realty Limited	-	40,000,000
-Gammon India Limited (GIL)	-	17,253,151
-Deepmala Infrastructure Private Limited (DIPL)	-	27,700,000
Loan Repaid		
-Deepmala Infrastructure Private Limited (DIPL)	-	86,456,000
Outstanding Interest Receivable:-		
-Metropolitan Infrahousing Private Limited (MIPL)	-	255,068,390
Outstanding Balance Payable:-		
-ATSL Infrastructure Private Limited	2,500,000	2,500,000
-Gammon Realty Limited	4,000,000	4,000,000
Outstanding Balance Receivable:-		
-Gammon Retail Infrastructure Pvt Ltd	1,000,000	1,000,000
Outstanding Interest Payable:-		
-Gammon India Limited (GIL)	126,467,481	126,467,481
-Deepmala Infrastructure Private Limited (DIPL)	69,584,041	69,584,041
ICD Deposit Outstanding (Payable):-		
-Gammon India Limited	559,954,308	559,954,308
-Deepmala Infrastructure Private Limited (DIPL)	299,826,386	299,826,386
ICD Deposit Outstanding (Receivable):-		
-Franco Tosi Turbines Private Limited (FTTPL)	-	78,777
-Metropolitan Infrahousing Private Limited (MIPL)	507,000,000	507,000,000
Trade Payables		
-Gammon India Limited (GIL)	91,685,126	91,685,126

32 Contingent Liability and Commitments

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
A. Contingent Liabilities		
i) Contingent Liability not provided in accounts in respect of Corporate Guarantee & bank Guarantess for Contracts Given by the Holding Company & Letter of Credits	55,093,312	115,226,410
ii) Other money for which the Company contingently liable Sales Tax Authority	101,015,156	117,470,047
B. Commitments		
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for in accounts		

33 Impairment of Assets:

The management of the Company has reviewed the existing assets working conditions and utility as at the balance sheet date and there are no impairment loss during the year.

34 In the opinion of the Management, Current Assets, and Non-Current Assets other than Fixed Assets and Non-Current Investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

35 Balances of Trade receivables, Trade payables, Loans and Advances are as per the Books of Accounts of the company and are subject to confirmation and reconciliation.

36 Previous year's figures have been reclassified/recast, wherever necessary, so as to conform to this year's classification.

37 Significant accounting policies and practices adopted by the Company, are disclosed in the statement annexed to these Financial Statements as Annexure - I.

38 During the year company has not provided interest expenses on Inter Corporate Deposits taken from its related parties due to company find it difficult to make payment of the same.

39 During the previous year company has made provision for doubtful loan on Inter Corporate Deposits given to its related parties due to uncertainty of receipt of the same. Since company find it uncertain to have receipt of Inter Corporate Deposits given to its related parties, it has not charged interest income during the year for the same.

40 The balance of GST amount in the books of the company is subject to confirmation and reconciliation with the govt. GST Portal as on 31st March 2019.

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

For and on behalf of the Board

Chaitanya C. Dalal
Partner
Membership No.: 035809


Director

Director

Place : Mumbai
Dated : 31/08/2019



GACTEL TURNKEY PROJECTS LIMITED

CIN - U40101MH1995PLC088439

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, 2019 are the 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.
- 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 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:

Construction Revenue

- The Company undertakes Cooling Tower Projects. The ongoing contracts with customers are for construction Cooling Tower Projects and others. The type of work in these contracts involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1.

Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2.

Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3.

Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4.

Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5.

Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue from works contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

Operation and maintenance income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Company provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

Advances from customers, progress payments, amount due from and due to customers and retention money receivable

Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract

Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred. Amounts due to contract customers represents the excess of progress billings over the revenue recognised (costs plus attributable profits) for the contract work performed till date.

Amounts retained by the customers until the satisfactory completion of the contracts are recognised as receivables

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Revenue is net off taxes, duties and cess.

Revenue from contracts awarded to a Jointly Controlled Entity but executed by the Company under the arrangement with the Joint Venture Partner (being in substance in the nature of Jointly Controlled Operations, in terms of Ind AS Accounting Standard) is recognised on the same basis as similar contracts independently executed by the company.

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 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.

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.