

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Patna Water Supply Distribution Network Private Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the Financial Statements of Patna Water Supply Distribution Network Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and 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. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects arising out of matters in our Basis of Qualified Opinion paragraph, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

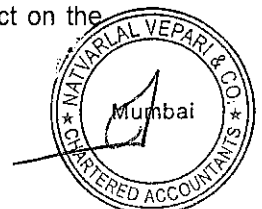
Basis for Qualified Opinion

Attention is invited to Note no 23 to the financial statements, the client has unilaterally terminated the contract and also encashed the Bank Guarantees for a total amount of Rs 65,85,23,920/-. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court by the Company, pending the outcome, the amount encashed net of the unadjusted advance received from the client has been shown as current and considered good based on the legal advice received by the Company. The amount due to Parent Company arising out of encashment of the guarantee given by their banker's net of advances have been shown under Current Liabilities. In view thereof we are unable to state whether the same is good and recoverable pending the outcome of the decision.

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 qualified opinion on the financial statements.

Material Uncertainty relating to Going Concern.

We invite attention to Note 33 of the Standalone Ind AS Financial Statements. There is no activities presently happening at the project, since the project is terminated by Client and Bank Guarantees have been en-cashed by the Client. The matter is presently under arbitration and the outcome of which will determine the position of the company. There are significant uncertainties of continuation of the project which ultimately has an impact on the going concern assumption of the company. Our report is not qualified on this matter.



Emphasis of matter

We invite attention to note no. 6(ii) in the Explanatory Notes to the Financial Statements regarding accessibility of the inventory of Rs. 2,41,77,901/-. The above Stock are in the custody of the Client with whom the Company is under arbitration and the recoverability/realisability of said inventory is dependent on the outcome of the arbitration proceedings.

Other Information

The Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises the Report of the Board of Directors but does not include the Financial Statements and our Independent Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

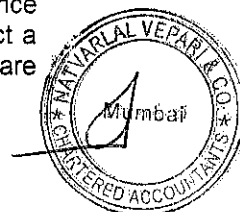
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statements 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

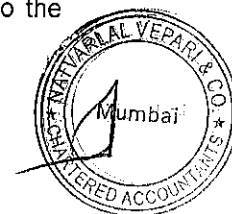
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by 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 Companies Act, 2013, we give in the attached Annexure "A" a statement 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:
 - 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.



Natvarlal Vepari & Co.

CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

- b. In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon.
- e. The matters described in paragraphs under the Basis for Qualified Opinion and the Material Uncertainty related to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company
- f. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, one the directors is disqualified as at March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. Since the Company has not paid any managerial remuneration the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W


N Jayendran
Partner

M. No. – 40441

Mumbai, Dated: **27 SEP 2019**



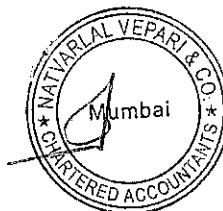
UDIN:19040441AAAABD7058

ANNEXURE A

To the Independent Auditors' Report on the Financial Statements of Patna Water Supply Distribution Network Private Limited

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) During the year, Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no immovable property in the Property, Plant and Equipment Schedule and therefore clause 3(i)(c) is not applicable
- ii. (a) *The Company is not having accessibility to the Inventories since all the materials and consumables as at March 31, 2019 and the same are in the custody of the Client with whom the Company is under arbitration. Also there is no confirmation available from the Client that they are having the custody of the Companies Material.*
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) of clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.
- v. The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- vi. As informed to us, the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has not been prescribed and therefore clause 3(ix) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- vii. (a) The Company is having delays in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Custom Duty, Cess, Goods & Services Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Duty of Customs, Goods and Service tax which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has obtained loan from any financial institutions or bank hence clause 3(viii) of the not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.



Natvarlal Vepari & Co.

CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

- ix. The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Hence clause 3(ix) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- x. According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has not paid Managerial Remuneration during the year and therefore the provision of clause 3(xi) is not applicable to the Company.
- xii. The Company is not a Nidhi Company. Hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standard.
- xiv. The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- xvi. The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W


N Jayendran
Partner

M. No. - 40441

Mumbai, Dated: **27 SEP 2019**



UDIN: 19040441AAAABD7058

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls with reference to Financial Statements of Patna Water Supply Distribution Network Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

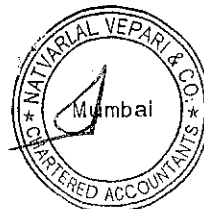
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.



Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

Because of the inherent limitations of Financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W


N Jayendran

Partner

M. No. – 40441

Mumbai, Dated: 27 SEP 2019



UDIN: 19040441AAAABD7058

PATNA WATER SUPPLY DISTRIBUTION NETWORK PVT. LTD.
CIN:U45400MH2012PTC231297
AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

(Amt. in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	14,91,854	16,59,742
(b) Financial assets			
(i) Trade receivable	3	-	4,79,19,213
(ii) Loans	4	-	-
(c) Other non-current assets	5	6,53,04,247	1,73,85,034
TOTAL NON-CURRENT ASSETS		6,67,96,101	6,69,63,989
CURRENT ASSETS			
(a) Inventories	6	2,41,77,901	2,41,77,901
(b) Financial assets			
(i) Trade receivables	3	24,04,76,459	24,04,76,459
(ii) Cash and cash equivalents	7	46,275	1,46,00,804
(iii) Loans & Advances	4	1,700	1,700
(c) Other current assets	5	20,772	17,892
TOTAL CURRENT ASSETS		26,47,23,107	27,92,74,756
TOTAL ASSETS		33,15,19,208	34,62,38,745
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1,00,000	1,00,000
(b) Other equity	9	(35,73,14,756)	(35,70,80,214)
TOTAL EQUITY		(35,72,14,756)	(35,69,80,214)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Other financial liabilities	10	5,806	5,806
(b) Deferred tax liabilities (net)	11	1,40,581	1,41,521
TOTAL NON-CURRENT LIABILITIES		1,46,387	1,47,327
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Trade payables	12	3,66,42,820	3,65,92,151
(ii) Other financial liabilities	13	65,18,17,273	66,63,53,598
(b) Other current liabilities	14	1,27,483	1,25,883
TOTAL CURRENT LIABILITIES		68,85,87,577	70,30,71,632
TOTAL EQUITY AND LIABILITIES		33,15,19,208	34,62,38,745

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

As per our report of even date

As per our attached report of even date
For Natvarlal Vepari & CO.
Chartered Accountants
FRN No. 106971W



N Jayendran

Partner

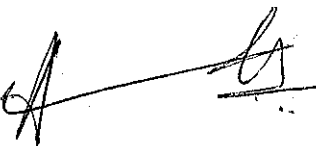
M No 40441

Place: Mumbai

Dated: 27 SEP 2019

For and on behalf of the Board of Directors

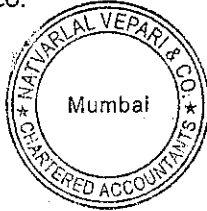

(Director)
DIN:- 07015068


(Director)
DIN:- 00333627

PATNA WATER SUPPLY DISTRIBUTION NETWORK PVT. LTD.
CIN : U45400MH2012PTC231297
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

		(Amt. in ₹)	
Particulars	Note No.	April 2018 - March 2019	April 2017 - March 2018
I Revenue:			
Other Operating Revenue		-	-
II Other Income		-	-
III Total Income (I +II)		-	-
IV Expenses:			
Cost of material consumed	15	-	-
Finance Costs	16	-	4,62,14,407
Depreciation & amortization	17	1,67,888	1,69,001
Other expenses	18	67,594	1,66,87,949
Total Expenses		2,35,482	6,30,71,357
V Profit/(Loss) before exceptional items and tax		(2,35,482)	(6,30,71,357)
VI Exceptional items Income / (Expense)		-	-
VII Profit / (Loss) before tax		(2,35,482)	(6,30,71,357)
VIII Tax expenses			
Current Tax		-	-
Deferred Tax Liability / (asset)		(940)	(18,268)
Total tax expenses		(940)	(18,268)
IX PROFIT FOR THE YEAR (VII-VIII)		(2,34,542)	(6,30,53,089)
X Other Comprehensive Income:		-	-
XI Total Comprehensive Income / (Loss) For The Period (IX +X)		(2,34,542)	(6,30,53,089)
XII Earnings per equity share			
Basic		(23)	(6,305)
Diluted		(23)	(6,305)

As per our attached report of even date
For Natvarlal Vepari & CO.
Chartered Accountants
FRN No. 106971W



For and on behalf of the Board of Directors

N Jayendran
N Jayendran
Partner
M No 40441
Place: Mumbai
Dated: 27 SEP 2019

(Signature)
(Director)
DIN:- 07015068

(Signature)
(Director)
DIN:- 00333627

PATNA WATER SUPPLY DISTRIBUTION NETWORK PVT. LTD.

CIN:U45400MH2012PTC231297

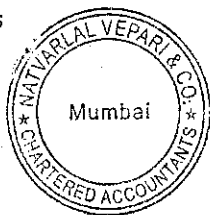
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Apr 2018 - Mar 2019	Apr 2017 - Mar 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(2,35,482)	(6,30,71,357)
Adjustments for :		
Depreciation	1,67,888	1,69,001
Interest Expenses	-	4,62,14,407
Sundry Balances Write off	-	1,65,91,581
Operating Profit Before Working Capital Changes	(67,594)	(96,368)
Trade and Other Receivables	(2,880)	1,41,82,898
Inventories	-	-
Trade Payables and Provision	52,269	1,74,472
Other Non Financial Assets	49,389	-
CASH GENERATED FROM THE OPERATIONS	(18,205)	1,43,57,370
Direct Taxes Paid	-	1,42,61,002
Net Cash from Operating Activities	(18,205)	1,42,61,002
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Net Cash from Investment Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Advances to Holding Company	(1,45,36,325)	-
Net Cash from Financing Activities	(1,45,36,325)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,45,54,529)	1,42,61,002
Balance as at 31 Mar 2018	1,46,00,804	3,39,802
Balance as at 31 Mar 2019	46,275	1,46,00,804
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,45,54,529)	1,42,61,002

Note: Figure in brackets denote outflows

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

As per our attached report of even date
For Natvarlal Vepari & CO.
Chartered Accountants
FRN No. 106971W



[Signature]
N Jayendran
Partner

M No 40441
Place: Mumbai
Dated: 27 SEP 2019

For and on behalf of the Board of Directors

[Signature]
(Director)
DIN:- 07015068

[Signature]
(Director)
DIN:- 00333627

PATNA WATER SUPPLY DISTRIBUTION NETWORK PVT. LTD.
CIN : U45400MH2012PTC231297
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	March 31, 2019		March 31, 2018	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
Subscribed and Fully Paid up Capital				
Equity shares of INR 10 each				
Opening Balance	10,000	1,00,000.00	10,000	1,00,000.00
Changes in equity share capital during the year	-	-	-	-
Balance at March 31, 2019	10,000	1,00,000.00	10,000	1,00,000.00

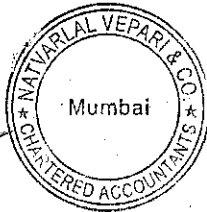
B Other Equity


Particulars	Retained Earnings	Total
Balance as at 31 March 2017	(29,40,27,125)	(29,40,27,125)
Profit for the year	(6,30,53,089)	(6,30,53,089)
Balance as at 31 March 2018	(35,70,80,214)	(35,70,80,214)
Profit for the year	(2,34,542)	(2,34,542)
Others		
Balance as at 31 March 2019	(35,73,14,756)	(35,73,14,756)

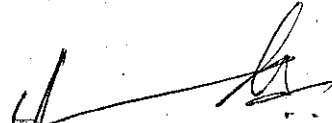
As per our attached report of even date
For Natvarlal Vepari & CO.
Chartered Accountants
FRN No. 106971W

For and on behalf of the Board of Directors


N Jayendran
Partner
M No 40441
Place: Mumbai




(Director)
DIN:- 07015068


(Director)
DIN:- 00333627

27 SEP 2019

1 CORPORATE INFORMATION

Patna Water Supply Distribution Network Pvt Ltd ('PWSDNPL') SPV was incorporated under the Companies Act, 1956, on 21st May, 2012, to execute the project of 'Design, Construction, Installation, Commissioning, Management, Operation and Maintenance, of Intake, RWPH, 220 MLD Water treatment Plant and water Supply Distribution network' in Bihar under JNNURM Scheme on Design, Built, and Operate (DBO) Basis.

B New standards and interpretations not yet adopted

1 Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- (i) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- (ii) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

2 Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

(*) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

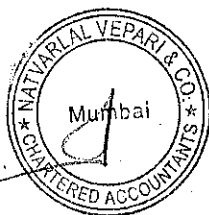
The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

(*) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.



3 Amendment to Ind AS 19 Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

4 Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

5 Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

6 Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures.

7 Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

C Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lacs, except otherwise indicated.

D Use of estimates

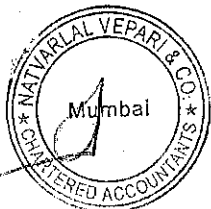
The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

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 is required to apply Ind AS starting from financial year beginning on or after 1st April, 2015. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values which are disclosed in the Financial Statements, the provisions of the Companies Act, 2013 ('Act') (to the extent notified).



Handwritten signature or initials.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

ii) Revenue Recognition:

a) Revenue from Construction Contracts:

Long term contracts including joint ventures are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, revenue is recognized by applying percentage of completion method after providing for foreseeable losses, if any. . Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any are fully provided for in the respective accounting period, irrespective of stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at realizable value thereafter. Claims are accounted as income in the year of acceptance by client. Additional claims (including for escalation), which in the opinion of the management are recoverable on the contract, are recognized at the time of evaluating the job.

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18. The company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Significant accounting policies – Revenue recognition in the financial statements of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18. The adoption of Ind AS 115 does not have significant effect on the financial results.

b) Turnover

Turnover represents work certified upto and after taking in to consideration the actual cost incurred and the profit evaluated by adopting the percentage of work completion method of accounting.

c) Interest Income:

Interest income for all financial instruments classified under the amortized cost category is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

d) Dividend Income:

Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

e) Lease Income:

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals are recognized on straight-line basis as per the terms of the agreements in the statement of profit and loss.

f) Income from insurance claim:

Insurance claims are recognised only when there is reasonable certainty of receiving the claim.

iii) Joint Ventures

a) Joint Venture Contracts under Consortium are accounted as independent contracts to the extent of work completion.

b) In Joint Venture Contracts under Profit Sharing Arrangement, services rendered to Joint Ventures are accounted as income on accrual basis, profit or loss is accounted as and when determined by the Joint Venture and net investment in Joint Venture is reflected as investments or loans & advances or current liabilities.

iv) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

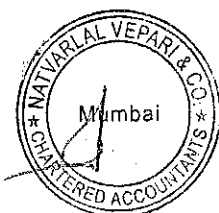
The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements,
- Net interest expense or income.



Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

v) 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.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Property, plant and equipment are derecognised 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 as specified in Schedule II to the Companies Act, 2013 or as determined by the Independent Valuer as the case maybe. 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.

vi) Leased assets

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

vii) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

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

Impairment of Non-financial Assets

On annual basis the 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 fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss 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.

ix) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

x) Inventories

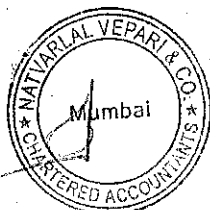
Material at Construction Site are valued at lower of cost and net realisable value. Costs are determined on Weighted Average Method.

Work In Progress on construction contracts are carried at lower of assessed value of work done less bill certified and net realisable value.

xi) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.



xii) **Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

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.

xiii) **Taxes on income**

Current Taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

xiv) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities and Contingent Assets

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

xv) **Earning Per Share**

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

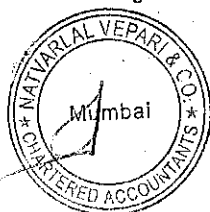
xvi) **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.



xvii) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets/liabilities

All other liabilities are classified as non-current.

xviii) **Fair value measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xix) **Financial instruments**

a. **Financial assets:**

Initial recognition and measurement

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.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- 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).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

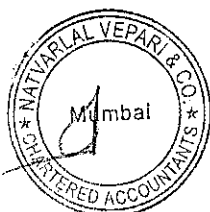
A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.



Handwritten signature or initials.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

(a) the Company has transferred substantially all the risks and rewards of the asset; or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b. Financial liabilities:

Initial recognition and measurement

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.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

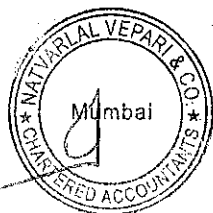
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.



A handwritten signature in black ink, consisting of a stylized 'S' followed by a flourish.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

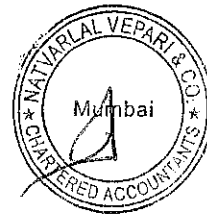
c. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

d. Derivative financial instruments:

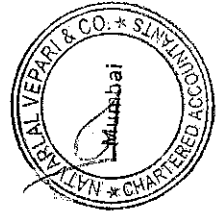
The Company enters into derivative contracts to hedge foreign currency price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.



2 Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block
Property, Plant & Equipment

Particulars	Plant & Machinery	Motor Vehicles	Furniture & Fixtures	Computers	Total
GROSS BLOCK					
As at 01 April 2017	20,49,786	2,40,260	69,760	45,675	24,05,481
Additions	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
As at 31 March 2018	20,49,786	2,40,260	69,760	45,675	24,05,481
Additions	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
As at 31 March 2019	20,49,786	2,40,260	69,760	45,675	24,05,481
DEPRECIATION					
As at 01 April 2017	4,22,485	90,647	21,328	42,278	5,76,738
Charge for the Year	1,31,849	29,174	6,865	1,113	1,69,001
Disposals/Adjustments	-	-	-	-	-
As at 31 March 2018	5,54,334	1,19,821	28,193	43,391	7,45,739
Charge for the Year	1,31,849	29,174	6,865	-	1,67,888
Disposals/Adjustments	-	-	-	-	-
As at 31 March 2019	6,86,183	1,48,995	35,057	43,391	9,13,627
NET BLOCK					
As at 31 March 2018	14,95,452	1,20,439	41,567	2,284	16,59,742
As at 31 March 2019	13,63,603	91,265	34,703	2,284	14,91,854



[Handwritten signature]

Statement of Significant Accounting Policies and Other Explanatory Notes

B OTHER NOTES

3 Financial Assets - Trade Receivables (Unsecured, at amortised cost)

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
<i>(Unsecured, considered good unless otherwise stated)</i>				
Trade receivable- Considered good	-	24,04,76,459	-	24,04,76,459
Retention- Considered good (Refer Note 21(e))	-	-	4,79,19,213	-
Total	-	24,04,76,459	4,79,19,213	24,04,76,459

The balances of the project advances are subject to confirmation and consequent reconciliation, if any.

4 Financial Assets: Loans & Advances

Particulars	March 31, 2018		March 31, 2018	
	Non Current	Current	Non Current	Current
Security deposits	-	1,700	-	1,700
Total	-	1,700	-	1,700

5 Other Assets

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Contract Assets- Retentions	4,79,19,213	-	-	-
Advance to Suppliers	-	12,825	-	12,825
Advance to Staff	-	4,500	-	4,500
Balance with Tax Authority	-	2,880	-	-
Advance Tax Net of Provision	1,73,85,034	-	1,73,85,034	-
Other receivable	-	567	-	567
Total	6,53,04,247	20,772	1,73,85,034	17,892

6 Inventories

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Raw Material	-	-	-	-
Material at Construction Site	-	2,36,74,934	-	2,36,74,934
Stores and Spares	-	5,02,967	-	5,02,967
Total	-	2,41,77,901	-	2,41,77,901

i) Inventory Valuation Policy

Raw Material

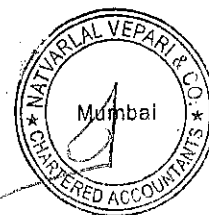
- Material at Construction Site
- Stores and spares

Raw materials are valued at cost, net of Taxes, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realisable value thereof. Costs are determined on Weighted Average Method.

- ii) The Company is not having accessibility to the Inventories since all the materials and consumables as at March 31, 2019 and the same are in the custody of the Client with whom the Company is under arbitration. Also there is no confirmation available from the Client that they are having the custody of the Companies Material.

7 Cash and Bank Balance

Particulars	March 31, 2019		March 31, 2018	
	Non Current	Current	Non Current	Current
Cash and cash equivalents	-	-	-	-
Cash on Hand	-	-	-	-
Balances with Bank	-	46,275	-	1,46,00,804
Total	-	46,275	-	1,46,00,804



8 Equity Share Capital

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

Particulars	March 31, 2019		March 31, 2018	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital :				
Equity Shares of Rs.10/- each	10,000	1,00,000	10,000	1,00,000
Subscribed and Fully Paid up Capital				
Equity Shares of Rs.10/- each, fully paid	10,000	1,00,000	10,000	1,00,000
Total	10,000	1,00,000	10,000	1,00,000

(b) Reconciliation of Number of Shares Outstanding

Particulars	March 31, 2019		March 31, 2018	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Add: Issued during the year				
As at the end of the year	10,000	1,00,000	10,000	1,00,000

(c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2019		March 31, 2018	
	No of Shares	%	No of Shares	%
Gammon India Limited-Holding Company	7,399	73.99	7,399	73.99
Geomiller & Co. Pvt. Ltd.	2,600	26.00	2,600	26.00

(d) Terms / rights attached to equity shares

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

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

9 Other Equity

Particulars	March 31, 2019	March 31, 2018
Retained earnings	(35,73,14,756)	(35,70,80,214)
TOTAL	(35,73,14,756)	(35,70,80,214)

10 Other financial liabilities

Particulars	March 31, 2019	March 31, 2018
Other Non Current Financial Liabilities	5,806	5,806
	5,806	5,806

11 Deferred Tax (Liabilities) / Assets (Net)

Particulars	March 31, 2019	March 31, 2018
Deferred Tax Liability:		
Property, Plant and Equipment	1,40,581	1,41,521
Deferred Tax (Liabilities) / Assets (Net)	1,40,581	1,41,521

12 Current Financial Liabilities - Trade Payables

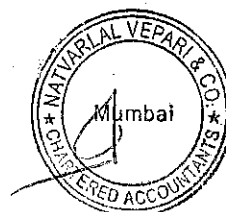
Particulars	March 31, 2019	March 31, 2018
Trade Payables		
Micro, Small and Medium Enterprises		
Security deposit / Retention	59,04,412	59,04,412
Others	3,07,38,408	3,06,87,739
Total	3,66,42,820	3,65,92,151

(i) As per the information / intimation / documentation available with the Company, Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, have been identified by the Company to whom the Company owes dues on account of principal amount together with interest and accordingly additional disclosures under section 22 of The Micro small and Medium Enterprises development Act 2006 have been made.

(ii) The above Information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

(iii) The balances of the trade payables are subject to confirmation and consequent reconciliation, if any.

[Handwritten Signature]



13 Other Current Financial Liabilities

Particulars	March 31, 2019	March 31, 2018
Payable to Gammon India Limited	49,98,82,655	51,44,18,980
Interest payable to Gammon India Limited	15,19,34,618	15,19,34,618
Total	65,18,17,273	66,63,53,598

14 Other Current Liabilities

Particulars	March 31, 2019	March 31, 2018
Duty & Taxes Payable	23,313	21,713
Others	1,04,170	1,04,170
Total	1,27,483	1,25,883

15 Cost of Materials Consumed

Particulars	March 31, 2019	March 31, 2018
Opening Stock	2,36,74,934	2,36,74,934
Add : Purchases (Net of Discount)		
Less : Closing Stock	(2,36,74,934)	(2,36,74,934)
Total	-	-

16 Finance Cost

Particulars	March 31, 2019	March 31, 2018
Interest Expense		4,62,13,924
Interest on delayed payment of Taxes		483
Total	-	4,62,14,407

17 Depreciation & Amortisation

Particulars	March 31, 2019	March 31, 2018
Depreciation	1,67,888	1,69,001
Amortisation		
Total	1,67,888	1,69,001

18 Other Expenses

Particulars	March 31, 2019	March 31, 2018
Rent		70,959
Bank Charges & Guarantee Commission	530	409
Sundry balances Written off		1,65,91,581
Legal and Professional Charges	42,064	
Audit Fees	25,000	25,000
Total	67,594	1,66,87,949

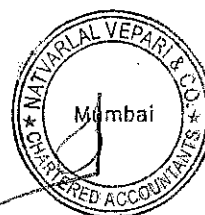
19 Tax Expense

Particulars	March 31, 2019	March 31, 2018
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Deferred Tax	(940)	(18,268)
Income tax recognised in statement of profit or loss	(940)	(18,268)

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A Current Tax

Accounting profit before income tax	(2,35,482)	(6,30,71,357)
Enacted tax rates in India (%)	26.00%	26.00%
Computed expected tax expenses	(61,225)	(1,63,98,553)



B Deferred Tax

Particulars	Opening	Recognised in profit and loss	Recognised in OCI	Closing
Property, Plant and Equipment	1,59,789	(18,268)		1,41,521
As at March 18	1,59,789	(18,268)	-	1,41,521
Property, Plant and Equipment	1,41,521	(940)		1,40,581
As at March 19	1,41,521	(940)	-	1,40,581

20 Earning Per Share

Earnings Per Share (EPS) = Net Profit attributable to Shareholders / Weighted Number of Shares Outstanding

Particulars	March 31, 2019	March 31, 2018
Net Profit attributable to the Equity Share holders	(2,34,542)	(6,30,53,089)
O/s number of Equity Shares at the end of the year	10,000	10,000
Weighted Number of Shares during the period – Basic	10,000	10,000
Weighted Number of Shares during the period – Diluted	10,000	10,000
Earning Per Share – Basic (Rs.)	(23)	(6,305)
Earning Per Share – Diluted (Rs.)	(23)	(6,305)

Reconciliation of weighted number of outstanding during the year :

Particulars	March 31, 2019	March 31, 2018
Nominal Value of Equity Shares (Rupee Per Share)		
For Basic EPS :		
Number of Equity Shares at the beginning	10,000	10,000
Add : Issue of shares	-	-
Outstanding Equity shares at the year end	10,000	10,000
Weighted Average of Equity Shares at the end	10,000	10,000
For Dilutive EPS :		
Weighted Avg no. of shares in calculating Basic EPS	10,000	10,000
Weighted Avg no. of shares in calculating Dilutive EPS	10,000	10,000

21 Disclosure in accordance with Ind AS - 115 "Revenue Recognition", of the Companies (Indian Accounting Standards) Rules, 2015

a) Method used to determine the contract revenue :

Method used to determine the stage of completion of contract :

Input Method

stage of completion is determined as a proportion of costs incurred upto the reporting date to the total estimated cost to complete

b) Revenue disaggregation based on Service Type and Customer type:

Revenue disaggregation by type of Service is as follows:

Construction Services for the period 2018-19 is NIL

c) Performance obligation and remaining performance obligation

Since the Contract is terminated detailed in note 32 below. The transaction price allocated to the remaining performance obligations as at March 31, 2019 is considered to be NIL.

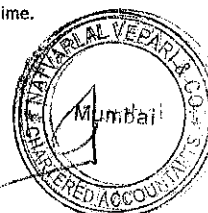
d) IND AS Transition

The Company undertakes Engineering, Procurement and Construction (EPC) business. The type of work in the contracts with the customers involve 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 is described in Note 1. The Company has applied IND AS prospectively by applying catchup approach. Due to the transition method chosen in applying Ind AS 115, comparative information has not been restated to reflect the new requirements.

e) Contract Balances

	Contract Asset Retention
Opening	4,79,19,213
Addition during the year	-
Reversal during the year	-
Closing balance	4,79,19,213

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.



The amounts billed but for which payment is due on completion of future performance obligation (Retentions), amounting to Rs 4,79,19,213/- was earlier shown under "Trade Receivables" have been reclassified to "Contract Assets".

f) Trade Receivable:

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.

22 Disclosure as required by Indian Accounting Standard (Ind AS) 11 Construction Contracts:

Method use to determine the contract revenue % of Completion method
Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete.

Method use to determine the stage of completion of contract

Particulars	April 2017 - March 2018
Contract revenue for the year	
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting on contract under progress	93,02,85,509
Aggregate Contract Losses recognized for contracts existing as at the year end,	(6,30,71,357)
Advances received from contractees	
Retention money	4,79,19,213
Gross amount due from customers for contract work (net retention) including unbilled revenue	24,04,76,459
Gross amount due to customers for contract work	

23 Contingent Liability

Contingent liability as at March 31, 2019 and as at March 31, 2018 is NIL

24 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.

25 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.

26 This company do not have permanent employee on their payroll, Provision has not been made for Gratuity & Leave Encashment & therefore Disclosure under Ind AS -19 have not been given

27 Segment Reporting as per IND AS108 " Operating Segments"

Since the Company is operating on a single Reportable Segment i. e. construction, Disclosure under segment reporting Ind AS - 108 have not been given.

28 Derivative Instruments and Unhedged Foreign Currency Exposure

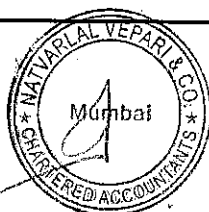
There are no derivative instruments outstanding as at 31st March 2019 and as at 31st March 2018. The Company has no foreign currency exposure towards liability outstanding as at 31st March 2019 and as at 31st March 2018.

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

30 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and October 1, 2014 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
A Financial Assets				
(i) Amortised Cost:				
Loans	1,700	1,700	1,700	1,700
Trade receivables	24,04,76,459	28,83,95,672	24,04,76,459	28,83,95,672
Cash and cash equivalents	46,275	1,46,00,804	46,275	1,46,00,804
Total Financial Assets	24,05,24,434	30,29,98,176	24,05,24,434	30,29,98,176
Financial Liabilities				
(i) Amortised Cost				
Trade payables	3,66,42,820	3,65,92,151	3,66,42,820	3,65,92,151
Others	65,18,23,079	66,63,59,404	65,18,23,079	66,63,59,404
Total Financial Liabilities	68,84,65,900	70,29,51,555	68,84,65,900	70,29,51,555



(ii) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments with fixed and floating interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have significant effect on recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on recorded fair value that are not based on observable market data

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iii) Financial Risk Management Objectives And Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

(a) Market Risk :

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Foreign currency sensitivity

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

(b) Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

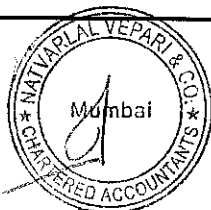
Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Working Capital Position of the Company :

Particulars	March 31, 2019	March 31, 2018
Cash and Cash Equivalent	46,275	1,46,00,804
Total	46,275	1,46,00,804



Handwritten signature or initials.

(d) Competition Risk:

The Company is operating in a highly competitive environment with various Companies wanting a pie in the project. This invariably results in bidding for projects at low margins to maintain a steady flow of the projects to enable the group to retain the projects team and to maintain sustainable operations for the Company and the SPVs. The ability of the Company to build the infrastructure at a competitive price and the ability to start the tolling operations is very important factor in mitigating the competition risk for the group.

(e) Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the group sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

31 Significant Accounting Judgements, Estimates And Assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Tax expenses comprise Current Tax and Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

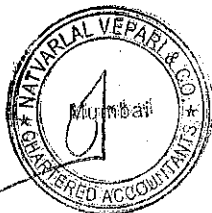
Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

- 32** The Contract with Bihar Urban Infrastructure Co ('BUIDCo') has been unilaterally terminate by the Client, citing non-compliance with certain terms and conditions. The Client has also encashed the bank guarantee of Gammon India Limited, the parent company at an aggregate amount of Rs 65,85,23,920. The encashment has been accounted in the books of the Company by making a claim on BUIDCo at equivalent amount which is shown under trade receivable after adjusting of the outstanding mobilisation advance and interest payable. The said amount is dependent upon the outcome of the litigation in the form of writ petition filed before the Delhi High Court, Pending the outcome, the receivable have been shown as current and considered good based on the legal advise received by the Company. The amount due to Parent Company net of advances have been shown under Current Liabilities.

The Company has raised final bill of encashment of Bank Guarantee aggregating to Rs 125 crores. The Company has also invoked arbitration and appointed its arbitrator. Arbitration proceedings is in process and it is expected to complete in one year.



Handwritten signature or mark.

33 **Material Uncertainty Related to Going Concern**

As disclosed in note 32 above, there is no activities presently happening at the project, since the project is terminated by Client and Bank Guarantees have been en-cashed by the Client. The matter is presently under arbitration and the outcome of which will determine the position of the company. There are significant uncertainties of continuation of the project which ultimately has an impact on the going concern assumption of the company. The Management is hopeful of getting the favourable outcome in their favour.

34 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2019.

As per our report of even date

As per our attached report of even date
For Natvarlal Vepari & CO.
Chartered Accountants
FRN No. 106971W



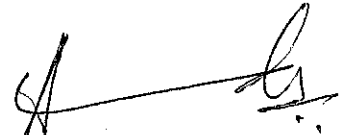

N. Jayendran
Partner

M No 40441
Place: Mumbai
Dated:

27 SEP 2019

For and on behalf of the Board of Directors


(Director)
DIN:- 07015068


(Director)
DIN:- 00333627

ANNEXURES ATTACHED TO AND FORMING PART OF THE NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st March, 2019

Annexure - I : Related Party Disclosure

A. List of Related Parties and Relationship

1) Relationships:

Entities where Control Exists.

- 1 Gammon India Limited-Holding Co.
- 2 Geomiller & Co. Pvt. Ltd.-

b) Key Management Personnel

- 1 Ajit Balubhai Desai
- 2 ATUL Kumar Shukla
- 3 Abhishek Das Mumdhra
- 4 Jaysingh Liladhar Ashar

B. Transactions with Related Parties

Particulars	Holding Company (Gammon India Limited)	Geomiller & Co. Pvt. Ltd.- SPV Partner	Key Management Personnel	Holding Company (Gammon India Limited)	Geomiller & Co. Pvt. Ltd.- SPV Partner	Key Management Personnel
	As at 31-Mar-19 Rs.	As at 31-Mar-19 Rs.	As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.	As at 31-Mar-18 Rs.	As at 31-Mar-18 Rs.
Finance Provided	-	-	-	30,00,000	-	-
Loan Repaid/ Adjusted	1,45,54,000	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Subcontracting Expenditure	-	-	-	-	-	-
Creditors Paid/ Adjusted	-	-	-	-	-	-
Interest Expense	-	-	-	4,62,13,921	-	-
Expenses paid by GIL on behalf of Company	17,675	-	-	46,683	-	-
Expenses paid by Company on behalf of GIL	-	-	-	1,73,876	-	-
Payable Outstanding	49,98,82,655	99,85,678	-	51,44,18,977	99,85,678	-
Interest Payable	15,19,34,618	-	-	15,19,34,618	-	-
Loan Outstanding (DR)	-	-	-	-	-	-
Retention Receivable	-	40,83,613	-	-	40,83,613	-

