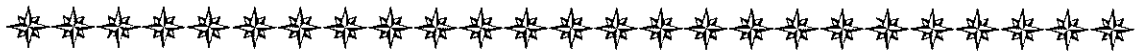
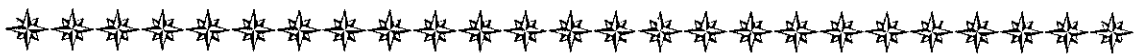


7th
ANNUAL
REPORT
FOR
THE
YEAR
2016 - 2017



JOGBANI HIGHWAY PRIVATE LIMITED



JOGBANI HIGHWAY PRIVATE LIMITED

DIRECTORS : SRI VAIBHAV TANTIA
SRI ARUN KUMAR DOKANIA

PRINCIPAL BANKERS : STATE BANK OF INDIA
COMMERCIAL BRANCH
24, PARK STREET
KOLKATA – 700 016

AUDITORS : S. JAYKISHAN
CHARTERED ACCOUNTANTS
12, HO CHI MINH SARANI
KOLKATA - 700 071

REGISTERED OFFICE : 'GPT CENTRE'
JC - 25, SECTOR - III,
SALT LAKE,
KOLKATA - 700 098.



INDEPENDENT AUDITOR'S REPORT
To The Members of JOGBANI HIGHWAY PRIVATE LIMITED

1. Report on Financial Statements

We have audited the accompanying standalone financial statements of **JOGBANI HIGHWAY PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

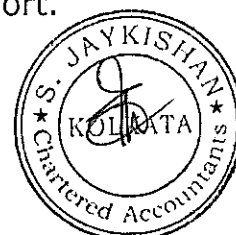
2. Management's Responsibility for the Financial Statements

The Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and the matters which are required to be included in the audit report.



We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

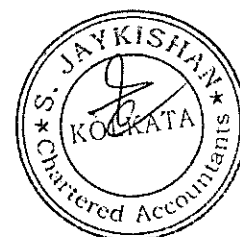
4. Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2017;
- (b) In the case of the statement of Profit and loss, of the loss for the year ended on that date; and
- (c) In the Case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

5. Emphasis on Matter

The Company was formed on 31st May 2010 as Special Purpose Vehicle (SPV) for executing the project for Rehabilitation and Upgrading of existing intermediate lane roads to 2 lane from Forbesganj – Jogbani on



NH-57A in the state of Bihar under NHDP Phase – III on DBFOT Annuity basis having a Concession period of 15 years including construction period of 2 years from the appointed date stated in clause 3.1 of Article-3, Part II of the Concession Agreement. As stated in Note no 17 of the Financial Statements, despite termination of the concession agreement with NHAI, the accounts of the Company have been prepared on a going concern basis, owing to the fact that the Company has lodged claim on NHAI, which is sub-judice at present. Since the Company was formed as Special Purpose Vehicle for execution of the aforesaid project, on termination of the concession agreement with NHAI, there is no other contractual work orders in hand of the Company. Hence, existence of going concern concept in the near future depends entirely on realisability of the claim lodged by the Company based on positive reward of arbitration, which is in progress.

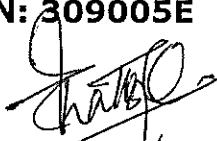
6. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A" , a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been so far as appears from our examination of those books;
 - c. The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of financial statements;
 - d. In our opinion, aforesaid financial statements comply with the Accounting standards prescribed under Section 133 of the Act, as applicable;
 - e. On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of Section 164(2) of the Act; and



- f. 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**".
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as at 31st March, 2017. – Refer Note 18 to the Financial Statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor and Education Protection Fund during the year ended March 31, 2017.
 - iv) The company has provided requisite disclosure in Note-19 in respect of holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For S. Jaykishan
Chartered Accountants
FRN: 309005E



(S. Chatterjee)
Partner

Membership No: 017361

Place: Kolkata

Date: The 19th day of May 2017



Annexure to the Auditor's Report

Referred to in Paragraph 6 of our Independent Auditors' Report of even date to the members of JOGBANI HIGHWAY PRIVATE LIMITED on the financial statements for the period ended 31st March 2017

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.

b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

c) The title deeds of immovable properties are held in the name of the company.
- ii. The said company does not hold any inventory as on the year end date, hence the said clause is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered by section 189 of the Companies Act, 2013. Thus paragraph (a), (b), and (c) of 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- iv. According to the information and explanations given to us, the company has not provided any loans, investments and guarantees, under provisions of Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public. Therefore, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015



with regard to the deposits accepted from the public are not applicable.

- vi. Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of any of the activities of the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Works Contract Tax, Employees' State Insurance and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, there are no undisputed amounts payable as at 31 March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed Statutory Dues for the year under audit.
- viii. According to the records of the company examined and the information and explanations given to us, the Company has not availed any loan from any financial institution or bank. Accordingly, paragraph 3(viii) of the Order is not applicable to the company.
- ix. Since this is a private company, no money can be raised by way of public issue. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. According to the information and explanations given to us, no fraud by the company or on the company by its officers has been noticed or reported during the course of audit.
- xi. Since this is a private limited company, section 197 of the Companies Act, 2013 in respect of managerial remuneration does not apply. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company.



- xii. In our opinion and according to the information given to us, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. According to information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the accounting standards.
- xiv. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.
- xv. According to information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934

For S. Jaykishan

Chartered Accountants

FRN: 309005E



(S. Chatterjee)

Partner

Membership No: 017361

Place: Kolkata

Date: The 19th day of May 2017

**“Annexure B” referred to Para 6.2 (f) of our report of even date
Report on the Internal Financial Controls under Clause (i) of
Sub-section 3 of Section 143 of the Companies Act, 2013 (“the
Act”)**

We have audited the internal financial controls over financial reporting of **JOGBANI HIGHWAY PRIVATE LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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. Those



Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and adequate internal financial controls over financial reporting 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 amounts, the disclosures in the financial statements and adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments we consider internal financial control relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedure that are appropriate in the circumstances. Our audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 S. Jaykishan

Chartered Accountants

FRN: 309005E



(S. Chatterjee)



Partner

Membership No: 017361

Place: Kolkata

Date: The 19th day of May 2017

Jogbani Highway Private Limited

Corporate Identification Number - U45400WB2010PTC150039

BALANCE SHEET as at 31st March 2017

(Amount in Rs.)

Particulars	Notes	As at	As at
		31st March 2017	31st March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	7,17,00,000	7,17,00,000
Reserves and surplus	3	(3,70,592)	(3,70,592)
Current liabilities			
Other current liabilities	4	34,000	45,283
Total		7,13,63,408	7,13,74,691
ASSETS			
Non - current assets			
Fixed assets			
- Tangible assets	5	23,58,795	23,58,795
- Intangible assets under development	6	2,75,35,674	2,42,61,698
Current assets			
Trade receivable	7	2,74,468	2,74,468
Cash and bank balances	8	3,146	15,785
Short - term loans and advances	9	4,11,91,325	4,44,63,945
Total		7,13,63,408	7,13,74,691
Summary of significant accounting policies	1		

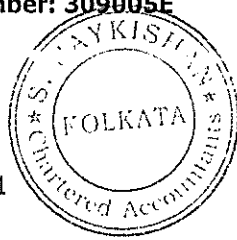
The accompanying notes are an integral part of the financial statements

As per our report of even date

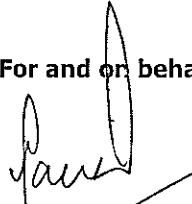
For S. Jaykishan
Chartered Accountants
Firm registration number: 309005E


(S. Chatterjee)

Partner
Membership no.: 017361



For and on behalf of the Board of Directors


V. Tantia
Director
DIN - 00001345


A.K. Dokania
Director
DIN - 00029002

Place: Kolkata

Date: 19th May 2017

Jogbani Highway Private Limited

Corporate Identification Number - U45400WB2010PTC150039

Statement of Profit and Loss for the year ended 31st March 2017

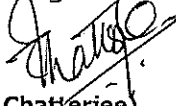
(Amount in Rs.)

Particulars	Notes	For the year ended	
		31st March 2017	31st March 2016
INCOME			
Revenue from operations			
- Contract revenue		-	-
Total revenue (I)		-	-
EXPENSES			
- Payment to sub - contractors		-	-
- Preliminary expenses written off		-	-
Total Expenses (II)		-	-
Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II)		-	-
Depreciation and amortization expenses		-	-
Finance costs		-	-
Loss before taxes (III)		-	-
Tax expenses			
- Current tax		-	-
- Deferred tax		-	-
Total tax expenses (IV)		-	-
Loss for the year [(III) – (IV)]		-	-
Earnings per equity share (nominal value of share Rs. 10/- each)			
(1) Basic (Rs.)		-	-
(2) Diluted (Rs.)		-	-
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date


For S. Jaykishan
Chartered Accountants
Firm registration number: 309005E


(S. Chatterjee)
Partner
Membership no.: 017361



For and on behalf of the Board of Directors


V. Tantia
Director
DIN - 00001345


A.K. Dokania
Director
DIN - 00029002

Place: Kolkata
Date: 19th May 2017

JOGBANI HIGHWAY PRIVATE LIMITED

Corporate Identification Number - U45400WB2010PTC150039

Cash Flow Statement for the year ended 31st March 2017

(Amount in Rs.)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A. Cash Flow from Operating Activities		
Net Profit before tax	-	-
Add: Preliminary Expenses written off	-	-
Operating Profit before working capital charges	-	-
Increase / (Decrease) in Other current Liabilities	(11,283)	20,685
(Increase) / Decrease in Trade Receivable	-	-
(Increase) / Decrease in Loans & Advances	32,72,620	36,86,000
Cash Generated from operations	32,61,337	37,06,685
Direct Taxes paid	-	-
Net Cash from Operating Activities (A)	<u>32,61,337</u>	<u>37,06,685</u>
B. Cash Flow from Investing Activities		
Purchase of fixed assets & Capital WIP	(32,73,976)	(37,19,985)
Net Cash used in Investing Activities (B)	<u>(32,73,976)</u>	<u>(37,19,985)</u>
C. Cash Flow from Financing Activities		
Share Application Money Received	-	-
Issue of redeemable Preference shares	-	-
Net Cash from Financing Activities (C)	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(12,639)	(13,300)
Cash and Cash Equivalents at the beginning of the year	15,785	29,085
Cash and Cash Equivalents at the end of the year	<u>3,146</u>	<u>15,785</u>

Note :

i) The above Cash Flow has been prepared under "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.

As per our report of even date attached

As per our report of even date

For **S. Jaykishan**
Chartered Accountants
Firm registration number: 309005E

(S. Chatterjee)
Partner
Membership no.: 017361



For and on behalf of the Board of Directors

V. Tantia
Director
DIN - 00001345

A.K. Dokania
Director
DIN - 00029002

Place: Kolkata
Date: 19th May 2017

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements :

- (a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- (b) The financial statements are prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.
- (c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

2. Fixed Assets :

Tangible

- (a) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (b) Depreciation on fixed assets is provided on straight-line basis method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. However, where the rate of depreciation provided in the Schedule II of the Companies Act, 2013 does not depreciate the asset fully over the period of concession or estimated useful life of such assets, such tangible assets are depreciated over the period of rights given under the concession agreement or estimated useful life as the case may be.
- (c) The carrying amounts of assets/cash generating assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset / cash generating asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

Intangible Assets & Amortization

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

Annuity entitlements are obtained in consideration for construction, operation and maintenance services in relation to design, build, finance, operate and transfer on Annuity basis. Intangible Assets under development comprises of cost of construction and pre-operative expenses incurred up to the date of commencement of commercial operations.



Such pre-operative expenses are treated as Intangible Asset and is amortized over the period of right given under the Concession agreement as they represent right to receive annuity revenue during the concession period.

Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the discount present value of the estimated future cash flows. After impairment, depreciation is provided on the revised carrying amount of assets.

3. Investments :

Investments classified as long-term are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.

4. Lease :

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease.

5. Retirement & Employee Benefits :

Retirement benefits in the form of Provident Fund being a defined contribution scheme are charged to Profit & Loss Account of the year when the contributions to the fund are due. There are no obligations other than the contribution payable to the fund.

Gratuity (unfunded) being a defined benefit obligation and long term compensated absences (unfunded) are provided for based on actuarial valuation made at the end of the each financial year using the Projected Unit Credit Method.

Actuarial gain & losses are recognized immediately in the statement of Profit & Loss account as income or expenses.

6. Borrowing Costs :

(a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognized as expense in the period in which they are incurred.

7. Income Taxes :

Tax expense comprises of current tax and deferred tax.

(a) Provision for current tax is made based on taxable income for the current accounting year and in accordance with the provisions of the Income Tax Act, 1961.



(b) Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

8. Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

9. Foreign currency translations :

Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

10. Miscellaneous Expenditure :

Preliminary expenses are amortized over a period of 5 years from the year of commencement u/s 35D of the Income-tax Act, 1961.



11. Provisions, Contingent Liabilities and Contingent Assets :

a) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on management estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and appropriately adjusted to reflect the current management estimates. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

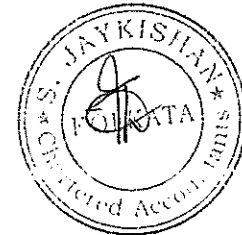
Provision for product related warranties cost is based on the claims received up to the year end as well as the management estimates of further liability to be incurred in this regard during the warranty period.

b) Contingent Liabilities are not provided for in the accounts and are shown separately in the Notes on Account.

c) Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Prior Period Items :

Significant items of Income & Expenditure which relate to prior accounting periods, other than those occasioned by events occurring during or after the close of the year and which are treated as relatable to the current year, are accounted for in the Profit and Loss Account under the head "Prior Period Items"



2. Share Capital

(Amount in Rs.)

Particulars	As at	
	31st March 2017	31st March 2016
(a) Authorized shares		
5,000,000 (31st March 2017 : 5,000,000) Equity shares of Rs.10/- each	5,00,00,000	5,00,00,000
910,000 (31st March 2017 : 910,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	9,10,00,000	9,10,00,000
	14,10,00,000	14,10,00,000
(b) Issued, subscribed and fully paid-up shares		
4,500,000 (31st March 2017 : 4,500,000) Equity shares of Rs. 10/- each	4,50,00,000	4,50,00,000
267,000 (31st March 2017 : 267,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	2,67,00,000	2,67,00,000
Total issued, subscribed and fully paid-up share capital	7,17,00,000	7,17,00,000

(c) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

i. Equity Shares

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the year	45,00,000	4,50,00,000	45,00,000	4,50,00,000
Issued During the Year	-	-	-	-
Outstanding at the end of the Year	45,00,000	4,50,00,000	45,00,000	4,50,00,000

ii. 12% Non Cumulative Redeemable Preference Shares

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the year	2,67,000	2,67,00,000	2,67,000	2,67,00,000
Issued During the Year	-	-	-	-
Outstanding at the end of the Year	2,67,000	2,67,00,000	2,67,000	2,67,00,000

(d) Terms/ rights attached to equity shares

i. Equity Shares

- (a) The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company will declare and pay dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (b) The amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (31st March 2016 : Rs. Nil)
- (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

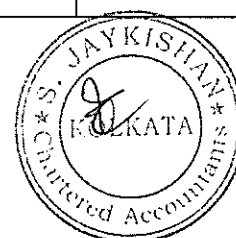
ii. 12% Non Cumulative Redeemable Preference Shares

- (a) The Redeemable Preference Shares rank in regards to return of capital and dividend in priority to the equity shares.
- (b) The Redeemable Preference Shareholders do not have any right to vote at any meeting except in case of reduction of share capital, winding up matters, proposal that affect the right of redeemable preference shareholders, in such cases each preference shareholders shall have one vote for each redeemable preference shares, the holder may demand a poll at the general meeting where such holder is entitled to vote.
- (c) The Company can issue subsequent preference shares only after getting permission for not less than three - fourth existing shareholders and existing shares shall have priority over subsequent issue of preference shares.
- (d) The Redeemable Preference Shares may be redeemed at any time after the expiry of 13 years from the date of issue / allotment or earlier subject to approval / consent of Board, preference shareholders and lenders.

(e) Details of Equity Shareholders holding more than 5% in the Company

i. Equity Shares

Name of the shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	Percentage holding	No. of Shares held	Percentage holding
GPT Infraprojects Limited	33,00,000	73.33%	33,00,000	73.33%
RDS Projects Limited	12,00,000	26.67%	12,00,000	26.67%



ii. 12% Non Cumulative Redeemable Preference Shares

Name of the shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	Percentage holding	No. of Shares held	Percentage holding
GPT Infraprojects Limited	2,67,000	100.00%	2,67,000	100.00%

(f) Details of shares held by the Company's holding Company GPT Infraprojects Limited is

Class of Shares	As at 31st March 2017	As at 31st March 2016
	No. of Shares held	No. of Shares held
Equity Shares	33,00,000	33,00,000
12% Non Cumulative Redeemable Preference Shares	2,67,000	2,67,000

(g) As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial.

3. Reserves and surplus

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Surplus in the statement of profit and loss		
Balance as per last financial statements	(3,70,592)	(3,70,592)
Add: Loss for the year	-	-
Net surplus in the statement of profit and loss	(3,70,592)	(3,70,592)
Total Reserves and surplus	(3,70,592)	(3,70,592)

4. Other Current Liabilities

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Other payables		
- Expenses payable (other than trade payable)	34,000	45,283
	34,000	45,283



5. Tangible Asset

(Amount in Rs.)

	Land *
Gross Block :	
As at 1st April 2015	23,58,795
Additions	-
Deduction / Disposals	-
As at 31st March 2016	23,58,795
Additions	-
Deduction / Disposals	-
As at 31st March 2017	23,58,795
Depreciation/Amortisation:	
As at 1st April 2015	-
Charge for the year	-
Deduction / Disposals	-
As at 31st March 2016	-
Charge for the year	-
Deduction / Disposals	-
As at 31st March 2017	-
Net Block	
As at 31st March 2016	23,58,795
As at 31st March 2017	23,58,795

* On cancellation of Loan of Rs 70.00 crore sanctioned to the company by State Bank of India, Land which was kept as security with SBI CAP, has been released .

6. Intangible assets under development

Particulars	up to year ended	
	31.03.2017	31.03.2016
Payment to auditor		
- As audit fees	1,18,388	1,01,138
- For other services	13,892	13,892
Bank charges	56,73,309	55,57,589
Salary, wages and bonus	2,70,509	2,70,509
Filing fees	4,84,822	4,75,822
General expenses	49,278	49,278
Insurance premium	22,56,035	22,56,035
Printing and stationery	23,070	23,070
Professional and legal fees	1,86,43,695	1,55,03,945
Travelling expenses	10,420	10,420
Interest on Income Tax Refund	(450)	-
Liability No Longer Required Written back	(7,292)	-
Rounding Off	(2)	-
	2,75,35,674	2,42,61,698



7. Trade receivables

(Amount in Rs.)

Particulars	As at	As at
	31st March 2017	31st March 2016
	Current	Current
Unsecured		
Outstanding for a period exceeding six months from the date they became due for payment		
- Considered Good	2,74,468	2,74,468
- Considered Doubtful	-	-
	2,74,468	2,74,468
Less: Provision for Doubtful receivables	-	-
	2,74,468	2,74,468
Others		
- Considered Good	-	-
	-	-
	2,74,468	2,74,468

8. Cash and Bank Balances

(Amount in Rs.)

Particulars	As at	As at
	31st March 2017	31st March 2016
	Current	Current
Cash and cash equivalents		
Balances with banks:		
- On current accounts	1,795	15,034
Cash on hand	1,351	751
	3,146	15,785

9. Loans and advances (unsecured)

(Amount in Rs.)

Particulars	As at	As at
	31st March 2017	31st March 2016
	Current	Current
Advances recoverable in cash or kind (Considered Good)		
- Sundry advances	1,32,951	1,32,951
(A)	1,32,951	1,32,951
Loan and advances to related parties (Considered Good) *		
	4,10,41,537	4,43,06,037
Other Loans and advances		
- TDS Receivable for the Year	-	8,120
- F.Y. 2011 - 12	-	-
- F.Y. 2012 - 13	16,837	16,837
(B)	4,10,58,374	4,43,30,994
Total (A+B)	4,11,91,325	4,44,63,945



NOTES TO FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31st MARCH, 2017

NOTE-10 CORPORATE INFORMATION:

The Company was formed on 31st May 2010 as Special Purpose Vehicle (SPV) having its main object to execute the project for Rehabilitation and Upgrading of existing intermediate lane roads to 2 lane with paved shoulders of Forbesganj – Jogbani (km 0.000 to km 9.258) on NH-57A in the state of Bihar under NHDP Phase – III on DBFOT Annuity basis having a Concession period of 15 years including construction period of 2 years from the appointed date stated in clause 3.1 of Article-3, Part II of the Concession Agreement. At the end of the concession period the entire facility will be transferred to National Highway Authority of India.

NOTE – 11 Contingent Liabilities Not Provided For:

Particulars	F Y 2016 – 17	F Y 2015 – 16
	Rs.	Rs.
(a) Bank Guarantee issued by a Banker of holding Company on behalf of the company for performance of the Contract	36,800,000	36,800,000
(b) Other Commitments	Nil	Nil

NOTE – 12 Amount due to Micro, Small and Medium Enterprises :

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. In view of this, the liability of the interest and disclosure are not required to be given in the financial statements.

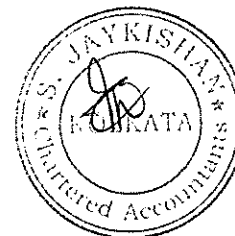
NOTE – 13 Segment Reporting :

a. Business Segment :

The business segments have been identified on the basis of the Activities undertaken by the company. Accordingly, the Company has identified Civil and core Infrastructure as single business activity. And hence separate information about business segment is not applicable.

b. Geographical segment :

The Company operates in India only and hence separate information about geographical segment is not applicable.



NOTE – 14 RELATED PARTY DISCLOSURES :

In compliance with Accounting Standard – 18, the disclosures regarding related parties are as follows:

a. Name of Related parties:

a)	Key Management Personnel (KMP)	:	Mr. Vaibhav Tantia, Director Mr. A. K. Dokania, Director
b)	Holding Company	:	GPT Infraprojects Limited

b. Details of transactions and Balances outstanding :

Nature of Transactions	Key Management Personnel (Rs.)	Holding Company (Rs.)	Total (Rs.)
Payment to sub-contractor			
GPT Infraprojects Limited (Adjusted against the mobilization advance)	- (-)	32,64,500 (36,86,000)	32,64,500 (36,86,000)
Balance outstanding as at the year end – Debit			
GPT Infraprojects Limited	- (-)	4,10,41,537 (4,43,06,037)	4,10,41,537 (4,43,06,037)

Figure in Bracket represents Previous Year Figure.

NOTE – 15 EARNING PER SHARES :

The breakup of Earnings per Share (EPS) in terms of Accounting Standard 20 is as follows:

Particulars	2016 – 17 (Rs.)	2015 - 16 (Rs.)
Net Profit / (Loss) as per Profit & Loss Statement	Nil	Nil
Weighted average number of equity shares in calculating basic EPS (Nos.)	45,00,000	45,00,000
Weighted average number of equity shares in calculating dilutive EPS (Nos.)	45,00,000	45,00,000
Basic EPS	Nil	Nil
Diluted EPS	Nil	Nil

NOTE – 16 EMPLOYEE BENEFITS :

Owing to termination of "Concession Agreement" executed with National Highway Authority of India , the company has no employee during the year and as such, Accounting Standard 15 (Revised) – Employee Benefits not applicable to the company.



NOTE – 17 TERMINATION OF CONCESSION AGREEMENT :

The "Concession Agreement" executed with National Highway Authority of India (NHAI) for a BOT project has already been terminated mainly due to required land not being made available by the NHAI in terms of clause 4.1.2 of the "Concession Agreement" for up gradation of existing intermediate lane roads to 2 lane from Forbesganj – Jogbani on NH-57A in the state of Bihar under NHDP Phase – III. Consequently The Company has terminated EPC contract with its Holding Company (EPC Contractor Company) entered for execution of the said contract. Despite termination of the concession agreement with NHAI, the accounts of the Company have been prepared on a going concern basis, since the Company has initiated arbitration proceedings against NHAI and has lodged a claim of Rs.43.66 crores, which includes claim of Rs. 32.00 crores of EPC contractors. The appropriateness of the going concern basis is, inter alia, dependent on the positive outcome of arbitration under adjudication, availability of adequate finance and profitability from any other contract, if the Company gets in due course of time.

In the light of the above, deferred tax asset has not been recognized as a matter of prudence as there does exist any virtual certainty of realization.

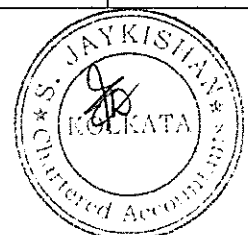
NOTE – 18 OTHERS :

- (a) Consequent to non-commencement of commercial operation of the company and on complete amortization of its incorporation expenses / preliminary expenses, no transaction has been routed through Profit & Loss Account of this and previous year. Cost of construction and pre-operative expenses incurred during the year under review has been debited to Intangible Assets under development.
- (b) Also, the amount of Rs 2,74,468/- due from NHAI is been carried forward from earlier years. Since the company is hopeful of positive outcome of the arbitration case pending with NHAI, the company has not made provision for doubtful debt against the long outstanding dues from NHAI.

NOTE – 19 OTHERS :

In terms of notification no G.S.R.308 (E) dated 30th March 2017 of Ministry of Corporate Affairs, necessary disclosures on details of Specified Bank Notes and other denomination notes held and transacted during the period from 8th November, 2016 to 30th December 2016 are provided as under :-

Particulars	Specified Bank Notes	Other Denomination Notes	Total
(a)	(b)	(c)	(D) = (b+c)
Closing Cash in Hand as on 08.11.2016	-	1,351/-	1,351/-
Add. Permitted Receipts	-	-	-
Less. Permitted Payments	-	-	-
Less. Amount deposited in Banks	-	-	-
Closing Cash in Hand as on 30.12.2016	-	1,351/-	1,351/-



NOTE – 20 OTHERS :

Previous year's figures including those given in brackets have been regrouped / re-arranged wherever considered necessary to confirm to current year's classification.

As per our report of even date

**For S. JAYKISHAN
CHARTERED ACCOUNTANTS
FRN.309005E**



**(S. Chatterjee)
Partner**

Membership No.- 017361



For and on behalf of the Board of Directors



V. Tanti
Director
DIN – 00001345

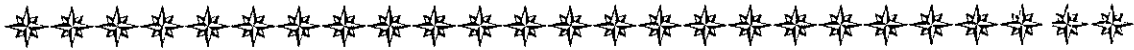


A. K. Dokania
Director
DIN - 00029002

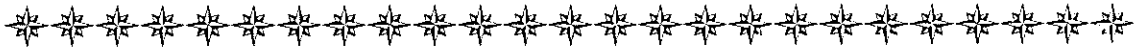
Place : Kolkata

Date : 19th May 2017

11th
ANNUAL
REPORT
FOR
THE
YEAR
2016 - 2017



SUPERFINE VANIJYA PRIVATE LIMITED



SUPERFINE VANIJYA PRIVATE LIMITED

DIRECTORS : SRI S.L.CHORARIA
SRI M.K.LATH

AUDITORS : KONAR MUSTAPHI & ASSOCIATES
CHARTERED ACCOUNTANTS
P – 113, CIT ROAD
KOLKATA - 700 014

REGISTERED OFFICE : 'GPT CENTRE'
JC - 25, SECTOR - III,
SALT LAKE,
KOLKATA - 700 098.

INDEPENDENT AUDITOR'S REPORT

To
**The Members of
Superfine Vanijya Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statement of **Superfine Vanijya Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

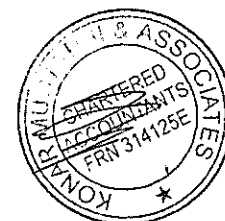
Management's Responsibility for the Financial Statements

The management and the 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over



financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management and the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

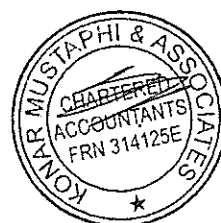
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2017;
- (b) In the case of the Statement of Profit and Loss, Profit for the year ended on that date;
And
- (c) In the Case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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 ("the Act"), we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".

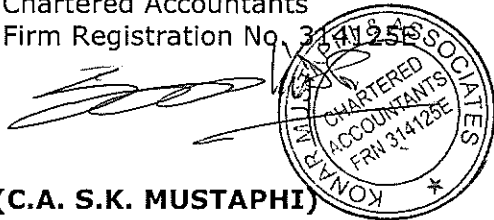


- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position, as per their representation.
 - ii. The Company did not have any long-term contracts including derivative contracts as such the question of commenting any material foreseeable losses thereon does not arise.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the company.

For Konar Mustaphi & Associates

Chartered Accountants

Firm Registration No. 314123E



(C.A. S.K. MUSTAPHI)

Partner

Membership No.051842

Place: Kolkata

Date: 24th April 2017

"ANNEXURE A" TO AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading 'Report or other Legal and Regulatory Requirements' of our report at even date to the financial statements of the Company for the year ended March 31, 2017:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the Fixed Assets of the Company have been physically verified by the management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancy noticed on such verification between book records and the physical records were noticed on such verification.
- (c) The Company do not possess immovable property as such this clause is not applicable.
- (ii) There was neither any inventory at the beginning of the year nor at the end of the year, accordingly provisions of this clause is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) As the Company has not accepted any deposits from the public, provisions of clause (v) of the aforesaid order is not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of Cost Records under sub section (1) of Section 148 of the Act.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax/Value Added tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Customs duty, Service tax, Excise duty and Cess were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs duty, Excise Duty, Value Added Tax which have not been deposited on account of any dispute.

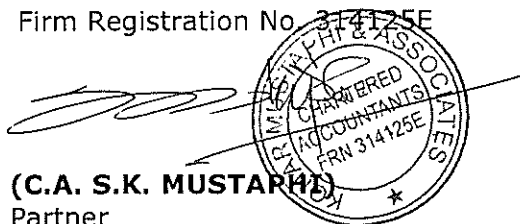


- (viii) According to the records of the Company, examined by us and as per the information and explanations given to us, the Company has not availed any loan from the financial institutions or banks and has not issued any debenture.
- (ix) In our opinion and according to the information and explanation given to us the company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the neither Company nor have we been informed of any such case by the Management.
- (xi) The company is a private company and as such the provisions of clause 3(xi) of the order is not applicable.
- (xii) The company is not a Nidhi Company. Therefore clause 3(xii) of the aforesaid order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non- cash transactions with directors or persons connected with him.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Konar Mustaphi & Associates

Chartered Accountants

Firm Registration No. 314125E



(C.A. S.K. MUSTAPHI)

Partner

Membership No.051842

Place: Kolkata

Date: 24th April 2017

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Superfine Vanijya Private Limited** ("the Company") as at 31st March, 2017 in conjunction with our audit of financial statements 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the 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 over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

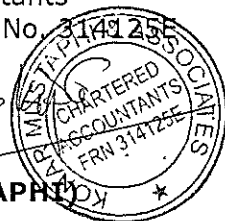

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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 Konar Mustaphi & Associates

Chartered Accountants

Firm Registration No. 314125E



(C.A. S.K. MUSTAPHI)

Partner

Membership No.051842

Place: Kolkata

Date: 24th April 2017

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Balance Sheet as at 31st March 2017

(Amount in Rs.)

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	48,59,200	48,59,200
Reserves and surplus	4	1,43,55,720	1,43,37,171
Current liabilities			
Short-term borrowings	5	50,00,000	-
Trade payables	6	90,480	1,22,909
Other current liabilities	7	10,13,525	10,02,391
Provisions	8	28,406	-
Total		2,53,47,331	2,03,21,671
ASSETS			
Non - current assets			
Fixed assets			
- Tangible assets	9	1,03,62,477	1,11,85,810
Deferred tax assets	10	-	-
Current assets			
Cash and bank balances	11	2,23,328	2,62,952
Short - term loans and advances	12	1,23,81,936	76,56,176
Other current assets	13	23,79,590	12,16,733
Total		2,53,47,331	2,03,21,671
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Konar Mustaphi & Associates

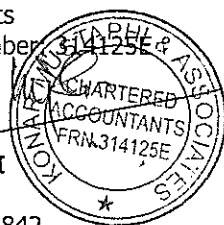
Chartered Accountants

Firm registration number: 314125E

C.A. S.K.MUSTAPHI

Partner

Membership No.: 051842



For and on behalf of the Board of Directors

S.L. Choraria

Director

DIN - 00031840

M.K. Lath

Director

DIN - 03261005

Place: Kolkata

Date: 24th April 2017

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Statement of Profit and Loss for the year ended 31st March 2017

(Amount in Rs.)

Particulars	Notes	2016 - 17	2015 - 16
INCOME			
Other income	14	13,88,363	1,20,24,750
Total revenue (I)		13,88,363	1,20,24,750
EXPENSES			
Cost of raw materials consumed	15	-	-
Change in inventories of finished goods	16	-	-
Other expenses	17	8,20,557	64,18,535
Total Expenses (II)		8,20,557	64,18,535
Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II)		5,67,806	56,06,215
Depreciation and amortization expenses	9	34,647	2,23,808
Finance costs	18	3,84,084	16,13,238
Profit/(Loss) before taxes (III)		1,49,075	37,69,169
Tax expenses			
- Current tax		28,406	1,09,245
- Income Tax for earlier years (net)		1,30,526	-
- MAT Credit		(28,406)	(1,09,245)
- Deferred tax expense		-	23,80,921
Total tax expenses (IV)		1,30,526	23,80,921
Profit/(Loss) for the year [(III) – (IV)]		18,549	13,88,248
Earnings per equity share (nominal value of share Rs. 10/- each)			
(1) Basic (Rs.)		0.04	2.86
(2) Diluted (Rs.)		0.04	2.86
Summary of significant accounting policies	2		

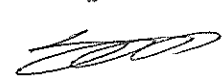
The accompanying notes are an integral part of the financial statements

As per our report of even date

For Konar Mustaphi & Associates

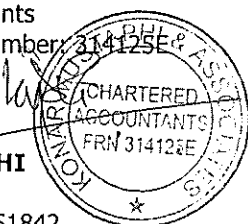
Chartered Accountants

Firm registration number: 314125E

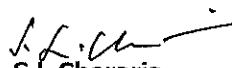

C.A. S.K.MUSTAPHI

Partner

Membership No.: 051842

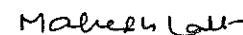


For and on behalf of the Board of Directors


S.L.Choraria

Director

DIN - 00031840


M.K.Lath

Director

DIN - 03261005

Place: Kolkata

Date: 24th April 2017

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Cash Flow Statement for the year ended 31st March 2017

(Amount in Rs.)

Particulars	2016 - 17	2015 - 16
A. Cash Flow from Operating Activities		
Net Profit before tax	1,49,075	37,69,169
Adjustment for :		
Depreciation	34,647	2,23,808
Interest Income	(12,92,064)	(12,16,733)
Liabilities no longer required written back	(48,980)	(2,82,962)
Profit on sale of fixed assets	-	(94,48,865)
Loss on sale of fixed assets	7,88,687	-
Interest Expenses	3,84,084	16,13,238
Operating Profit before working capital charges	15,449	(53,42,345)
(Increase) / Decrease in Loans & Advances	10,376	53,808
(Increase) / Decrease in Other Current Assets	-	-
(Increase) / Decrease in Inventories	-	61,68,954
Increase / (Decrease) in Trade Payables	16,550	(1,22,855)
Increase / (Decrease) in Other Current Liabilities	(15,113)	(9,72,162)
Cash Generated from operations	27,262	(2,14,600)
Direct Taxes received / (paid)	2,21,744	(3,25,000)
Net Cash from Operating Activities (A)	2,49,006	(5,39,600)
B. Cash Flow from Investing Activities		
Short Term Loan Given	(50,60,000)	31,61,142
Interest received	1,29,207	1,82,56,858
Purchase of fixed assets	-	(7,00,800)
Proceeds from sale of fixed assets	-	3,25,00,000
Increase in Investment in Bank Fixed Deposits	-	7,641
Net Cash used in Investing Activities (B)	(49,30,793)	5,32,24,841
C. Cash Flow from Financing Activities		
Short Term Borrowings received / refunded (net)	50,00,000	(3,16,68,367)
Interest Paid	(3,57,837)	(2,10,58,173)
Net Cash from Financing Activities (C)	46,42,163	(5,27,26,540)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(39,624)	(41,299)
Cash and Cash Equivalents - Opening Balance	2,62,952	3,04,251
Cash and Cash Equivalents - Closing Balance	2,23,328	2,62,952
Notes:		
Cash & Cash Equivalents *:		
Cash on hand	2,10,452	2,62,952
Balance with Scheduled Banks:		
In Current Account	12,876	-
Cash and Cash Equivalents as at the Close of the year	2,23,328	2,62,952

*Excluding restricted Cash in form of Fixed Deposits Pledged as security / margin with banks.

As per our report of even date

For **KONAR MUSTAPHI & ASSOCIATES**

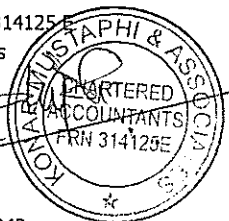
Firm Registration No 314125E

Chartered Accountants

C.A. S.K.MUSTAPHI

Partner

Membership No.: 051842



For and on behalf of Board of Directors

S.L.Choraria

Director

DIN - 00031840

M.K.Lath

Director

DIN - 03261005

Place: Kolkata

Date: 24th April 2017

Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

1. Corporate information

The Company was originally incorporated on 18th April, 2006 in the name of Superfine Vanijya Private Limited under the provisions of the Companies Act, 1956 and is domiciled in India. The Company's name was changed to GPT Marecom Private Limited. Fresh certificate of incorporation consequent upon change of name was issued by Registrar of Companies on 12th October, 2011. Board of Directors at their meeting held on 31st January 2015 proposed to change the name of Company to its original name i.e. Superfine Vanijya Private Limited. Registrar of Companies, Kolkata has issued a fresh certificate of Incorporation on 4th February 2015 certifying change of name of the Company to Superfine Vanijya Private Limited. The registered office of the company is situated at JC – 25, sector – III, Salt Lake, Kolkata – 700 098, West Bengal.

2. Summary of significant accounting policies

(i) Basis of preparation of Accounts

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except as stated otherwise.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company ascertains its operating cycle for the purpose of current or non-current classification of assets and liabilities.

(ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(iii) Tangible fixed Assets

- a) Tangible fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of tangible fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- b) Machinery spares which can be used only in connection with an item of tangible fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.



Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

(iv) Depreciation / Amortization

- a) Depreciation on Tangible fixed Assets is provided on Straight Line method at the rates specified in Schedule II to the Companies Act, 2013.
- b) Depreciation on Tangible fixed Assets added/disposed off during the year is provided on pro - rata basis with reference to the date of addition / disposal.
- c) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

(v) Intangible Assets

- a) Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

(vi) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(vii) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there are any indications of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the pre-tax weighted average cost of capital.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

(viii) Foreign Currency Transactions

- a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- c) **Exchange Differences:** Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.



Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

- d) **Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability** - The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the period.

(ix) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at lower of cost and net realizable value on individual investment basis. Long term investments are valued at cost, unless there is an "other than temporary" decline in value thereof, in which case, adequate provision/write-off is made in the accounts.

(x) Inventories

- a) Raw materials, packing materials and stores, spares & consumables are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a "Weighted average basis" basis.
- b) Work-in-progress and finished goods are valued at lower of cost or net realizable value. Cost includes direct materials, labour cost and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- c) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Retirement and Other Employee Benefits

- a) Retirement benefits in the form of Provident Fund being a defined contribution schemes are charged to the statement of Profit and Loss of the year when the contributions to the funds are due. There are no obligations other than the contribution payable to the respective funds.
- b) Gratuity (unfunded) being a defined benefit obligation and Leave encashment (unfunded) are provided for on the basis of actuarial valuation on projected unit credit method, at the end of each financial year.
- c) Actuarial gains/losses are taken to the statement of profit and loss and are not deferred.

(xii) Taxation

Tax expense comprises of current 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 taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

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 are recognized 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 realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty backed by convincing evidence that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed at the end of each reporting period and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

(xiii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a. **Sale of Goods:** Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods have passed to the buyer. Sales are net of taxes, returns, claims, trade discounts, etc.
- b. **Income from Services:** Revenues from operation and maintenance contracts are recognized on rendering of services as per the terms of contract.
- c. **Interest:** Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(xiv) Provision

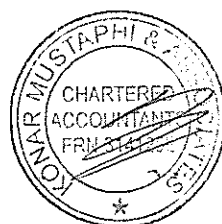
A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Provision for product related warranties cost is based on the claims received upto the year end as well as the management estimates of further liability to be incurred in this regard during the warranty period.

(xv) Earnings per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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



Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

(xvi) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(xvii) Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

(xviii) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.



Superfine Vanijya Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2017

3. Share Capital

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
(a) Authorized 500,000 (P.Y. 5,00,000) Equity shares of Rs.10/- each	50,00,000	50,00,000
	50,00,000	50,00,000
(b) Issued, subscribed and paid-up 485,920 (P.Y. 4,85,920) Equity shares of Rs. 10/- each	48,59,200	48,59,200
Total issued, subscribed and fully paid-up share capital	48,59,200	48,59,200

(c) Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the year	4,85,920	48,59,200	4,85,920	48,59,200
Issued During the Year	-	-	-	-
Outstanding at the end of the Year	4,85,920	48,59,200	4,85,920	48,59,200

(d) Terms/ rights attached to equity shares

- The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company.

(e) Details of Equity Shareholders holding more than 5% in the Company

Name of the shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	Percentage holding	No. of Shares held	Percentage holding
GPT Infraprojects Limited	4,85,920	100%	4,85,920	100%

(f) All the shares of the company are held by its holding Company (M/s. GPT Infraprojects Limited) and its nominee.

(g) As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and surplus

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Securities Premium Account Balance as per the last financial statements	2,04,36,800	2,04,36,800
Closing Balance (a)	2,04,36,800	2,04,36,800
Surplus in the statement of profit and loss Balance as per last financial statements	(60,99,629)	(74,87,877)
Less: Profit/(Loss) for the year	18,549	13,88,248
Closing Balance (b)	(60,81,080)	(60,99,629)
Total Reserves and surplus (a+b)	1,43,55,720	1,43,37,171



Superfine Vanijya Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2017

5. Short Term Borrowings

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Unsecured Loans		
From holding company	50,00,000	-
	50,00,000	-

Note :

Unsecured Loan from holding company carries interest @ 13.50 % p.a. and repaid during the year.

6. Trade Payables

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
	Current	Current
Trade Payables * (including due to Micro, Small and Medium Enterprises Rs. Nil (Rs. Nil))	90,480	1,22,909
	90,480	1,22,909

* As per information available with the company, there are no suppliers covered under Micro, Small & Medium Enterprise Development Act, 2006. As a result, no interest provision/payment have been made by the company to such creditors, if any, and no disclosure thereof is made in this accounts.

7. Other Current Liabilities

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Interest accrued and due on borrowings	9,79,498	9,53,251
Other payables		
- Statutory Dues	34,027	-
- Temporary overdraft in Bank account	-	49,140
	10,13,525	10,02,391

8. Provisions

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Provision for Income Tax [Net of Advance Income Tax Rs. Nil (P.Y. Rs. Nil)]	28,406	-
	28,406	-

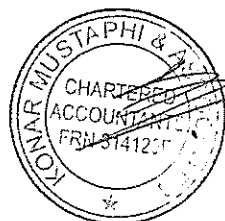
10. Deferred Tax Assets / (Liabilities) (Net) *

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Deferred tax assets		
Expenses allowable against taxable income in future years	6,15,342	8,90,971
Less :		
Deferred tax liability		
Timing difference on depreciable assets	6,15,342	8,90,971
Deferred tax assets / (liabilities) (net) (a-b)	-	-

* The Company is carrying deferred tax assets of Rs. 49,02,316/- as on 31.03.2017 on account of unabsorbed depreciation and carry forward business losses. The Company is also carrying deferred tax liability of Rs. 6,15,342/- as on 31.03.2017. The Company has recognised deferred tax assets to the extent of deferred tax liability of Rs. 6,15,342/- in these financials as a prudence.

11. Cash and Bank Balances

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
	Current	Current
Cash and cash equivalents		
Balances with banks:		
- On current accounts	12,876	-
- Cash on hand	2,10,452	2,62,952
	2,23,328	2,62,952

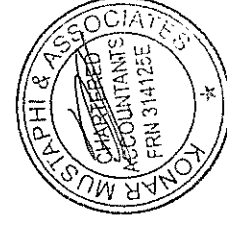


Superfine Vanija Private Limited

Notes to financial statements as at and for the year ended 31st March 2017

(Amount in Rs.)

	Tangible Assets							Intangible Assets		Total Fixed Assets
	Leasehold Land (Including Land Development)	Buildings	Plant and Machinery	Furniture and fixtures	Vehicles	Computer and Office Equipments	Factory Shed	Total	Royalty	
Gross Block :										
As at 1st April 2015	62,11,091	38,92,273	1,25,39,338	1,82,832	77,062	88,812	1,11,96,311	3,41,87,719	46,24,450	3,88,12,169
Additions	7,00,800							7,00,800		7,00,800
Deduction / Disposals	(69,11,891)	(38,92,273)					(1,11,96,311)	(2,20,00,475)	(46,24,450)	(2,66,24,925)
As at 31st March 2016	-	-	1,25,39,338	1,82,832	77,062	88,812	-	1,28,88,044	-	1,28,88,044
Additions	-	-								
Deduction - Written off	-	-	(7,75,905)	(1,82,832)	-	(88,812)	-	(10,47,549)	-	(10,47,549)
As at 31st March 2017	-	-	1,17,63,433	-	77,062	-	-	1,18,40,495	-	1,18,40,495
Depreciation / Amortisation:										
As at 1st April 2015	-	2,81,014	15,27,158	47,136	25,193	62,378	12,46,719	31,89,598	18,62,620	50,52,218
Charge for the year	-	48,940	-	19,215	7,290	13,864	1,34,499	2,23,808	-	2,23,808
Deduction / Disposals	-	(3,29,954)	-	-	-	-	(13,81,218)	(17,11,172)	(18,62,620)	(35,73,792)
As at 31st March 2016	-	-	15,27,158	66,351	32,483	76,242	-	17,02,234	-	17,02,234
Charge for the year	-	-		19,225	7,294	8,128		34,647		34,647
Deduction - Written off	-	-	(88,917)	(85,576)	-	(84,370)	-	(2,58,863)	-	(2,58,863)
As at 31st March 2017	-	-	14,38,241	-	39,777	-	-	14,78,018	-	14,78,018
Net Block										
As at 31st March 2016	-	-	1,10,12,180	1,16,481	44,579	12,570	-	1,11,85,810	-	1,11,85,810
As at 31st March 2017	-	-	1,03,25,192	-	37,285	-	-	1,03,62,477	-	1,03,62,477



12. Loans and advances (unsecured, considered good)

(Amount in Rs.)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Non - current	Current	Non - current	Current
Loan to body corporate				
- Others	-	1,17,09,137	-	66,49,137
Security Money / Earnest Money Deposits				
- Others	-	-	-	-
Other Loans and advances				
- Balance with government authorities	-	4,05,941	-	4,16,317
- MAT Credit Entitlement	-	1,37,651	-	1,09,245
- Advance income-tax [Net of provisions of Rs. 28,406/- (P.Y. Rs. 1,09,244/-)]	-	1,29,207	-	4,81,477
	-	1,23,81,936	-	76,56,176

13. Other current assets (unsecured, considered good)

(Amount in Rs.)

Particulars	As at 31st	As at 31st
	March 2017	March 2016
Interest accrued on loan given	23,79,590	12,16,733
	23,79,590	12,16,733

14. Other Income

(Amount in Rs.)

Particulars	2016 - 17	2015 - 16
	Interest income on	
- Loan given	12,92,064	12,16,733
- Others	47,319	-
Profit on sale of fixed assets	-	94,48,865
Liabilities no longer required written back	48,980	2,82,962
Sale of obsolete stock of materials	-	10,76,190
	13,88,363	1,20,24,750

15. Cost of raw material consumed

(Amount in Rs.)

Particulars	2016 - 17	2015 - 16
	Inventory at the beginning of the year	-
Add: Purchases	-	-
	-	45,44,112
Less: Written off during the year	-	45,44,112
	-	-
Less: Inventory at the end of the year	-	-
Cost of raw materials consumed	-	-



16. Decrease/(Increase) in inventories of finished goods

(Amount in Rs.)

Particulars	2016 - 17	2015 - 16
Inventories at the beginning of the year:		
Finished goods	-	16,24,398
Less. Written off during the year	-	16,24,398
Less.		
Inventories at the end of the year:		
Finished goods	-	-
	-	-

17. Other Expenses

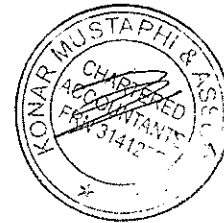
(Amount in Rs.)

Particulars	2016 - 17	2015 - 16
Rates and taxes	300	300
Repairs and Maintenance		
- Others	-	1,99,949
Payment to Auditors:		
As Auditor:		
- Audit fee	11,550	11,450
- Certification fee	-	6,955
Inventories written off	-	61,68,954
Loss on discard of fixed assets	7,88,687	-
Miscellaneous Expenses	20,020	30,927
	8,20,557	64,18,535

18 Finance Cost

(Amount in Rs.)

Particulars	2016 - 17	2015 - 16
Interest expense	3,84,084	16,13,238
	3,84,084	16,13,238



Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

19. Contingent liabilities not provided for in respect of:**(Amount in Rs.)**

Particulars	As at 31 st March 2017	As at 31 st March 2016
a) Outstanding Bank Guarantee	Nil	Nil
b) Letter of Credit and Bank Guarantee provided by the holding Company on behalf of the Company	Nil	Nil
c) Liability Under Capital Commitments (Less Advances)	Nil	Nil
d) Other Commitments	Nil	Nil

20. Unhedged Foreign Currency Exposure as on the Balance Sheet date are as under :

The Particulars of unhedged foreign currency exposure at the balance sheet date:

(Amount in Rs.)

Particulars	As at 31 st March 2017	As at 31 st March 2016
Sundry Creditors	Nil	Nil
Total	Nil	Nil

21. Segment Reporting :

The Company operates in a single segment in the context of Accounting Standard 17 on Segment Reporting issued by Institute of Chartered Accountants of India. The Company primarily operates in India which is considered as a single geographical segment. As such separate information about business segment is not applicable.

22. Basis for calculation of Basic and Diluted Earnings per Share is as follows :**(Amount in Rs. except per share data)**

Particulars		Year ended 31 st March 2017	Year ended 31 st March 2016
Weighted average number of equity shares in calculating basic and Dilutive EPS	Nos.	485,920	485,920
Net Profit / (Loss) After Tax	Rs.	18,549/-	13,88,248/-
Basic & Diluted Earnings Per Share	Rs.	0.04	2.86

23. Retirement and Employee Benefits

The Accounting Standard 15 – Employee Benefits though has become mandatory, the same is however not applicable to the Company for current and previous financial year as the Company has no such liability.



Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

24. Related Party Disclosures

a) Names of the related parties:

Holding Company	:	GPT Infraprojects Limited
Key Management Personnel (KMP)	:	Mr. Shanti Lal Choraria Mr. Mahesh Kumar Lath

b) Related Party Disclosures:

(Amount in Rs.)

Nature of Transactions	Key Management Personnel and their Relatives	Holding Company	Total
Loan Refunded			
GPT Infraprojects Limited	- (-)	- (4,16,68,367/-)	- (4,16,68,367/-)
Loan Received			
GPT Infraprojects Limited	- (-)	50,00,000/- (1,00,00,000/-)	50,00,000/- (1,00,00,000/-)
Interest Paid			
GPT Infraprojects Limited	- (-)	3,40,274/- (16,13,238/-)	3,40,274/- (16,13,238/-)
Balance Outstanding at the Year end – Credit			
GPT Infraprojects Limited	- (-)	59,79,498/- (9,53,251/-)	59,79,498/- (9,53,251/-)

25.

Sl. No.	Particulars	2016 – 17	2015 – 16
a.	Value of imports calculated on C.I.F. basis	-	-
b.	Expenditure in foreign currency	-	-
c.	Total value of all imported raw materials, spare parts and components consumed during the year and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each of the total consumption	Not Applicable	Not Applicable
d.	The amount remitted during the year in foreign currencies on account of dividends	-	-
e.	Earning in foreign exchange	-	-



Superfine Vanijya Private Limited

Notes to financial statements as at and for the year ended March 31, 2017

26. In terms of notification no G.S.R.308 (E) dated 30th March 2017 of Ministry of Corporate Affairs, necessary disclosures on details of Specified Bank Notes and other denomination notes held and transacted during the period from 8th November, 2016 to 30th December 2016 are provided as under :-

Particulars	Specified Bank Notes	Other Denomination Notes	Total
(a)	(b)	(c)	(d) = (b+c)
Closing Cash in Hand as on 08.11.2016	1,50,000/-	1,10,452/-	2,60,452/-
Add. Permitted Receipts	-	1,00,000/-	1,00,000/-
Less. Permitted Payments	-	-	-
Less. Amount deposited in Banks	1,50,000/-	-	1,50,000/-
Closing Cash in Hand as on 30.12.2016	-	2,10,452/-	2,10,452/-

27. Details of Loans given, Investment made and Guarantee given covered under section 186(4) of the Companies Act, 2013.

Name of the Company	Nature of Transaction	As at 31 st March 2017	As at 31 st March 2016
GPT Sons Private Limited	Loan Given	1,17,09,137/-	66,47,137/-

- Loan given to the Company are for their general business purpose.
- There is no investment and Guarantees given during the current and previous financial year.

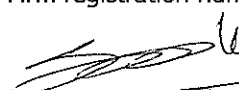
28. Previous year's figures including those given in brackets have been regrouped / re-arranged wherever considered necessary to confirm to current year's classification.

As per our attached Report of even date

For Konar Mustaphi & Associates

Chartered Accountants

Firm registration number 304125E



C.A. S.K.MUSTAPHI

Partner

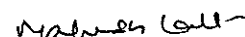
Membership No : 051842

For and on behalf of Board of Directors

S. L. Choraria

Director

DIN - 00031840


M. K. Lath

Director

DIN - 03261005

Place: Kolkata

Date: 24th April 2017

GPT Investments Private Limited

Financial statements

31 March 2017

GPT Investments Private Limited

Financial statements *for the year ended 31 March 2017*

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Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 30

GPT Investments Private Limited

Corporate data

Directors:	Atul Tantia Arun Kumar Dokania Shree Gopal Tantia Mowlooda Randera Taher Dhanun Ujoodha
Company secretary:	Rogers Capital Corporate Services Limited <i>(previously known as Kross Border Corporate Services Limited)</i> St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Republic of Mauritius
Registered office:	St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Republic of Mauritius
Auditor:	Lancasters Chartered Accountants 14, Lancaster Court Lavoquer Street Port Louis Republic of Mauritius
Bankers:	SBM Bank (Mauritius) Ltd Corporate Office SBM Tower 1, Queen Elizabeth II Avenue Port Louis Republic of Mauritius
(Until 05 May 2016)	HSBC Bank (Mauritius) Limited 6th Floor, HSBC Centre Ebène Republic of Mauritius

GPT Investments Private Limited

Directors' report

The directors are pleased to present their report together with the audited financial statements of GPT Investments Private Limited (the "Company") for the year ended 31 March 2017.

Principal activity

The principal activities of the company are that of investments holding and of management and marketing consultancy services.

Results and dividend

The results for the year are shown on page 7.

The directors do not recommend the payment of dividend for the year under review (2016: Nil).

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and of the profit or loss of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

They are also responsible for the safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

By order of the Board



Director

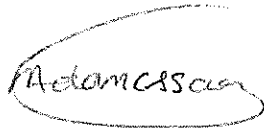
Date: 19 May 2017

GPT Investments Private Limited

Secretary's certificate
for the year ended 31 March 2017

Statement from secretary under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001.

A handwritten signature in black ink, which appears to read "Adam Cassar", is enclosed within a hand-drawn oval.

For and on behalf of **ROGERS CAPITAL CORPORATE SERVICES LIMITED**
Company Secretary

Date:19...May...2017.....

Auditors' report to shareholder of GPT Investments Private Limited

Opinion

We have audited the financial statements of GPT Investments Private Limited (the "Company") set out on pages 7 to 30 which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and 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 significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of GPT Investments Private Limited as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 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 the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' report to shareholder of GPT Investments Private Limited (continued)

Responsibilities of the Directors for the Financial Statements (continued)

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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.
- 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.

We communicate with the directors 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.

Auditors' report to shareholder of GPT Investments Private Limited (continued)

Other matter

This report is made solely for the Company's member, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.


Report on Other Legal and Regulatory Requirements

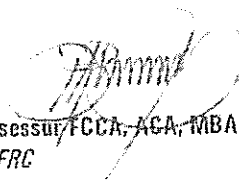
Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.


Lancasters,
Chartered Accountants
14, Lancaster Court
Lavoquer Street
Port Louis
Mauritius


Pasram Bissessur, FCCA, ACA, MBA (UK)
Licensed by FRG

Date: 19/5/2017

GPT Investments Private Limited

Statement of profit or loss and other comprehensive income for the year ended 31 March 2017

	Note	2017 USD	2016 USD
Revenue	6	559,000	559,000
Expenses		(268,302)	(257,138)
Profit from operating activities		290,698	301,862
Finance income	7	220,562	202,032
Profit before taxation		511,260	503,894
Income tax expense	8	(18,430)	(15,117)
Profit for the year		492,830	488,777
Other comprehensive income		-	-
Total comprehensive income for the year		492,830	488,777

The notes on pages 11 to 30 form part of these financial statements

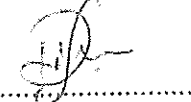
GPT Investments Private Limited

Statement of financial position
at 31 March 2017

	Note	2017 USD	2016 USD
Assets			
Non-current assets			
Available-for-sale financial assets	9	909,234	909,234
Loan receivable	10	2,968,562	2,748,000
Total non-current assets		<u>3,877,796</u>	<u>3,657,234</u>
Current assets			
Other receivables	11	1,060,362	590,438
Cash and cash equivalents		71	47,539
Total current assets		<u>1,060,433</u>	<u>637,977</u>
TOTAL ASSETS		<u>4,938,229</u>	<u>4,295,211</u>
Equity			
Stated capital	12	2,125,000	2,125,000
Retained earnings		2,490,778	1,997,948
Total equity		<u>4,615,778</u>	<u>4,122,948</u>
Liabilities			
Current liabilities			
Other payables	13	311,150	142,635
Tax payable	8	11,301	29,628
Total current liabilities		<u>322,451</u>	<u>172,263</u>
TOTAL EQUITY AND LIABILITIES		<u>4,938,229</u>	<u>4,295,211</u>

These financial statements have been approved by the Board on 19th May 2017 and signed on its behalf by:


.....
Director


.....
Director

The notes on pages 11 to 30 form part of these financial statements

GPT Investments Private Limited

Statement of changes in equity for the year ended 31 March 2017

	Stated capital USD	Retained earnings USD	Total equity USD
Balance at 01 April 2015	2,125,000	1,509,171	3,634,171
Total comprehensive income for the year			
Profit for the year	-	488,777	488,777
Other comprehensive income	-	-	-
Balance at 31 March 2016	2,125,000	1,997,948	4,122,948
Total comprehensive income for the year			
Profit for the year	-	492,830	492,830
Other comprehensive income	-	-	-
Balance at 31 March 2017	<u>2,125,000</u>	<u>2,490,778</u>	<u>4,615,778</u>

The notes on pages 11 to 30 form part of these financial statements

GPT Investments Private Limited

Statement of cash flows for the year ended 31 March 2017

	2017 USD	2016 USD
Cash flows from operating activities		
Profit before taxation	511,260	503,894
<i>Adjustment for:</i>		
Interest income	(220,562)	(202,032)
	290,698	301,862
Change in other receivables	(469,924)	(313,105)
Change in other payables	168,515	102,953
	(10,711)	91,710
Cash (used in)/ generated from operating activities	(36,757)	-
Tax paid	(47,468)	91,710
Net cash (used in)/ from operating activities		
Cash flows from financing activities		
Loan granted to related party	-	(45,000)
Net (decrease)/ increase in cash and cash equivalents	(47,468)	46,710
Cash and cash equivalents at beginning of the year	47,539	829
Cash and cash equivalents at end of the year	71	47,539

The notes on pages 11 to 30 form part of these financial statements

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

1. General information

The Company was incorporated as a private limited Company on 27 March 2008 and was granted a Category 1 Global Business Licence. The principal activities of the Company are that of investments holding and of management and marketing consultancy services.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except where stated otherwise.

(c) Functional currency and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency and presentation currency.

(d) Use of the estimates and judgement

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ended 31 March 2017 is included in the relevant notes as follows:

- Recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

2. Basis of preparation (continued)

(d) Use of the estimates and judgement (continued)

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016, and have been applied in preparing these financial statements.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.

The directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Company's financial statements.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

3. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

3.2 Summary of Standards and Interpretations not yet effective for 31 March 2017

Standard/Interpretation		Date issued by IASB	Effective date: Periods beginning on or after
IAS 7	<i>Disclosure amendments</i>	January 2014	1 January 2017
IFRS 15	<i>Revenue from contracts with customers</i>	May 2014	1 January 2018
IFRS 9	<i>Financial Instruments</i>	July 2014	1 January 2018

Disclosure Initiative (Amendments to IAS 7)

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

3. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

3.2 Summary of Standards and Interpretations not yet effective for 31 March 2017 (continued)

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application. early adoption is permitted.

4. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

4. Significant accounting policies (continued)

(b) Revenue recognition

Revenue is recognised as follows:

- Dividend income: when the Company's right to receive payment is established.
- Management service fee: as services are performed and when it is probable that the economic benefits associated with the transaction will flow to the Company.

(c) Finance income

Finance income includes interest income.

(d) Expenses

All expenses are recognised in profit or loss on an accrual basis.

(e) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items directly in equity or in other comprehensive income (OCI).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of prior years.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

4. Significant accounting policies (continued)

(e) Taxation (continued)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflect the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(f) Financial instruments

The Company classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

4. Significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Non-derivative financial assets - Measurement

Loans and receivables - These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets - Available-for-sale investments whose fair value can be measured reliably are valued at fair value and the resulting temporary unrealised gains/losses are reported in equity. Available-for-sale investments whose fair value cannot be measured reliably are carried at cost less impairment.

Cash and cash equivalents - Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Other receivables - Other receivables are stated at cost less impairment.

(iii) Non-derivative financial liabilities - Measurement

Other non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities comprise of other payables.

Other payables - Other payables are stated at amortised cost.

Share capital - Ordinary shares

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(g) Impairment

(i) Non-derivative financial assets

Financial assets not classified as fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

4. Significant accounting policies (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from the Company's of financial assets

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

4. Significant accounting policies (continued)

(h) Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control or common significant influence.

(i) Provisions

A provision is recognised if, as a result of a past event, the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(j) Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance income, gain on disposal of plant and equipment and income tax.

(k) Fair value measurement principles

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction on the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring transactions on an arms' length basis.

If a market for financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include recent arms' length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures the risk-return factors inherent in the financial instrument.

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

4. Significant accounting policies (continued)

(k) Fair value measurement principles (continued)

The Company calibrates valuation techniques and tests for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e, the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e, without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

5. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2017	Loans and receivables USD	Other financial liabilities USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets not measured at fair value							
Available-for-sale financial assets	909,234	-	909,234	-	-	909,234	909,234
Loan receivable	2,968,562	-	2,968,562	-	-	-	-
Other receivables	1,056,000	-	1,056,000	-	-	-	-
Cash and cash equivalent	71	-	71	-	-	-	-
	4,933,867	-	4,933,867	-	-	909,234	909,234
Financial liabilities not measured at fair value							
Other payables	-	311,150	311,150	-	-	-	-

CPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

5. Financial instruments – Fair values and risk management (continued)

(a) Accounting classifications and fair values (continued)

31 March 2016	Loans and receivables USD	Other financial liabilities USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets not measured at fair value							
Available-for-sale financial assets	909,234	-	909,234	-	-	909,234	909,234
Loan receivable	2,748,000	-	2,748,000	-	-	-	-
Other receivables	590,000	-	590,000	-	-	-	-
Cash and cash equivalent	47,539	-	47,539	-	-	-	-
	4,294,773	-	4,294,773	-	-	909,234	909,234
Financial liabilities not measured at fair value							
Other payables	-	142,635	142,635	-	-	909,234	909,234

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

5. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management

Financial instruments carried on the statement of financial position include available-for-sale financial assets, loan receivable, other receivables, cash and cash equivalents and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are market risk, credit risk and liquidity risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews their risk management policies and systems to reflect changes in markets and emerging best practice.

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

▪ *Currency risk*

The Company invests in stocks denominated in South African Rand (ZAR). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to ZAR may change in a manner, which has a material effect on the reported values of the Company's financial assets which are denominated in USD.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

5. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

Market risk (continued)

▪ Currency risk (continued)

Currency profile

	Financial assets 2017 USD	Financial liabilities 2017 USD	Financial assets 2016 USD	Financial liabilities 2016 USD
USD	4,024,633	311,150	3,385,539	142,635
ZAR	909,234	-	909,234	-
	<u>4,933,867</u>	<u>311,150</u>	<u>4,294,773</u>	<u>142,635</u>

Sensitivity analysis – currency risk

Currency	2017 USD	2016 USD
ZAR	<u>90,923</u>	<u>90,923</u>

A 10 % strengthening of USD against the ZAR at 31 March 2017 would have increased net profit before tax by USD 90,923 (2016: USD 90,923). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis in 2016.

Similarly a 10 percent weakening of the USD against the ZAR at 31 March 2017 would have had the exact reverse effect.

▪ Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date. A 50 basis point increase or decrease is used when reporting interest rate risk.

If interest rates has been 50 basis points (bps) higher/lower and all other variables held constant, the loss for the year ended 31 March 2017 would increase/(decrease) by USD 105 (2016: USD 105) attributable to the Company exposure to interest rates on variable rate of interest.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

5. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management (continued)

* Interest rate risk (continued)

Before sensitivity analysis	Basic interest rate		Average principal amount		Interest accrued	
	2017	2016	2017	2016	2017	2016
			USD	USD	USD	USD
Loan receivable	10.5%	(9.25-10.5%)	<u>2,071,818</u>	<u>2,071,818</u>	<u>220,562</u>	<u>202,032</u>
After sensitivity analysis + 50bps						
Loan receivable	10.5%	(9.25-10.5%)	<u>2,071,818</u>	<u>2,071,818</u>	<u>220,667</u>	<u>202,137</u>
Increase/(decrease) in loan interest receivable					<u>105</u>	<u>105</u>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations, and arises from the Company's loan receivable, other receivable and cash and cash equivalents.

The Company also limits its exposure to credit risk by dealing or investing only with counterparties that has a good credit rating and management does not expect counter-parties to fail to meet their obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

5. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

Credit risk (continued)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk at the reporting date was:

	2017 USD	2016 USD
Available-for-sale financial assets	909,234	909,234
Loan receivable	2,968,562	2,748,000
Other receivable	1,056,000	590,000
Cash and cash equivalents	71	47,539
	<u>4,933,867</u>	<u>4,294,773</u>

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

	Within one year USD	Within one to five years USD	Total USD
<i>31 March 2017</i>			
Financial liabilities	311,150	-	311,150
Other payables	<u> </u>	<u> </u>	<u> </u>
	USD	USD	USD
<i>31 March 2016</i>			
Financial liabilities	142,635	-	142,635
Other payables	<u> </u>	<u> </u>	<u> </u>

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

6. Revenue

Revenue represents:

	2017 USD	2016 USD
Management service fees	<u>559,000</u>	<u>559,000</u>

7. Finance income

	2017 USD	2016 USD
Interest income	<u>220,562</u>	<u>202,032</u>

8. Income tax

The Company is subject to income tax in Mauritius at the rate of 15%. However, the Company is entitled to a tax credit equivalent to the higher of the foreign tax paid and a deemed credit of 80% of the Mauritian tax on its foreign source income.

Recognised in statement of profit or loss and other comprehensive income

	2017 USD	2016 USD
Tax for the year	15,363	15,117
Under-provision of tax for previous years	3,067	-
Income tax expense	<u>18,430</u>	<u>15,117</u>

Reconciliation of effective tax

	2017 USD	2016 USD
Profit before taxation	<u>511,260</u>	<u>503,894</u>
Income tax at 15%	76,689	75,584
Unauthorised deductions	125	-
Foreign tax credit	(61,451)	(60,467)
Tax for the year	<u>15,363</u>	<u>15,117</u>

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

8. Taxation (continued)

<i>Current tax liability</i>	2017 USD	2016 USD
Balance at 01 April	29,628	14,511
Under-provision of tax for previous years	3,067	-
Tax paid during the year	(36,757)	-
Tax for the year	15,363	15,117
Balance at 31 March	<u>11,301</u>	<u>29,628</u>

9. Available-for-sale financial assets

	2017 USD	2016 USD
At 01 April/31 March	<u>909,234</u>	<u>909,234</u>

<i>Name of company</i>	<i>Type and number of shares</i>	<i>% holding</i>	<i>Country of incorporation</i>
GPT Concrete Products South Africa Proprietary Limited	7,500 equity shares of ZAR 1 each	15	South Africa

10. Loan receivable

	2017 USD	2016 USD
<u>Loan advanced to related company:</u>		
At 01 April	2,071,818	2,026,818
Additions during the year	-	45,000
At 31 March	<u>2,071,818</u>	<u>2,071,818</u>
<u>Interest receivable</u>		
At 01 April	676,182	474,150
Movement during the year	220,562	202,032
At 31 March	<u>896,744</u>	<u>676,182</u>
<u>Carrying value:</u>		
At 31 March	<u>2,968,562</u>	<u>2,748,000</u>

The above loan bears interest at the rate of Prime Lending Rate as applicable in South Africa and are repayable after one year.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2017

11. Other receivables

	2017 USD	2016 USD
Management service fees receivable	1,056,000	590,000
Prepaid expenses	4,362	438
	<u>1,060,362</u>	<u>590,438</u>

12. Stated capital

	2017 USD	2016 USD
2,125,000 ordinary shares of USD 1 each	<u>2,125,000</u>	<u>2,125,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. Other payables

	2017 USD	2016 USD
Non-trade payables and accrued expenses	<u>311,150</u>	<u>142,635</u>

14 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control.

Two directors of the Company are deemed to have beneficial interests in the administration agreement between the Company, the administrator and Secretary.

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2017

14. Related party transactions (continued)

During the year under review, the Company entered into the following related party transactions.

		2017	2016
		USD	USD
<i>Transaction during the year</i>	<i>Nature</i>		
GPT Concrete Products South Africa Pty Ltd	Management fees accrued	559,000	559,000
GPT Concrete Products South Africa Pty Ltd	Management fees settled	(93,000)	(242,000)
GPT Concrete Products South Africa Pty Ltd	Loan advanced	-	(45,000)
GPT Concrete Products South Africa Pty Ltd	Interest accrued	220,562	202,032
<i>Balances outstanding at 31 March:</i>			
GPT Concrete Products South Africa Pty Ltd	Management fees receivable	1,056,000	590,000
GPT Concrete Products South Africa Pty Ltd	Loan receivable	2,071,818	2,071,818
GPT Concrete Products South Africa Pty Ltd	Interest receivable	896,744	676,182

Compensation to key management personnel

The Company did not pay any compensation to its key management personnel during the year under review (2016: nil)

15. Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group Companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the group. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

16. Holding company

The Company is a wholly owned subsidiary of GPT Infraprojects Limited, a company incorporated in India and is listed on the Bombay Stock Exchange and the National Stock Exchange of India. Its registered address is JC-25, Sector-III, Salt Lake, Kolkata-700 098, West Bengal, India.

17. Events subsequent to reporting date

There has been no significant event after the reporting date which requires disclosure or amendment to these financial statements.

GPT Investments Private Limited

Statement of profit or loss for the year ended 31 March 2017

	2017 USD	2016 USD
Revenue		
Management service fees	559,000	559,000
	-----	-----
Expenses		
Salaries	253,500	243,788
Legal and professional fees	7,700	4,092
Audit and accounting fees	4,466	4,610
Licence fees	1,751	3,225
Bank charges	885	1,423
	-----	-----
	268,302	257,138
	-----	-----
Profit from operating activities	290,698	301,862
Finance income	220,562	202,032
	-----	-----
Profit before taxation	511,260	503,894
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GPT - TRANSNAMIB CONCRETE SLEEPERS (PTY) LTD
(Registration number 2010/0427)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	To manufacture concrete sleepers for use on railway tracks
Directors	Mbingee W. Hindjou Mbahupa H. Tjivikua Atul Tantia Niraj K. Sinha Shafa M. Kaulinge Dantagos N. Jimmy Ferdinand Ganaseb
Registered office	344 Independence Avenue Windhoek Namibia
Business address	Hage Geingob Street Transnamib Good Shed Tsumeb
Postal address	P O Box 1416 Tsumeb Namibia
Bankers	First National Bank of Namibia Limited
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Company registration number	2010/0427

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Contents

The reports and statements set out below comprise the financial statements presented to the members:

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GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Namibia to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

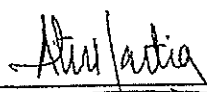
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The financial statements set out on pages 7 to 37, which have been prepared on the going concern basis, were approved by the directors and were signed on their behalf by:

Signed on behalf of the Board of Directors By:



Director



Director

Windhoek

Date: 8th May 2017



Independent Auditor's Report

To the shareholders of GPT - Transnamib Concrete Sleepers (Pty) Ltd

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GPT - Transnamib Concrete Sleepers (Pty) Ltd (the Company) as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

What we have audited

GPT - Transnamib Concrete Sleepers (Pty) Ltd's financial statements set out on pages 9 to 35 comprise:

- the directors' report for the year ended 31 March 2017;
- the statement of financial position as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with this and in accordance with other ethical requirements applicable to performing audits in Namibia.

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Practice Number 9406, T: +264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na*

Country Senior Partner: R Nangula Uandja
Partners: Carl P van der Merwe, Louis van der Riel, Anna EJ Rossouw, Serella N Lombaard, Stéfen Hugo, Chantell N Husselmann, Gerrit Esterhuysen, Taitla B Horn, Samuel N Ndahangwape, Hans F Hachagen, Johannes P Nel, Annette van Colfer



Independent Auditor's Report

Other information

The directors are responsible for the other information. The other information comprises company information, the statement of responsibility of the directors and the detailed income statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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.

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Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.
- 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.

We communicate with the directors 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.

PricewaterhouseCoopers

Per: Samuel N Ndahangwapo
Partner

Windhoek

Date: 08-05-2017

PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia
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GPT - Transnamib Concrete Sleepers (Pty) Ltd

Financial Statements for the year ended 31 March 2017

Directors' Report

The directors have pleasure in submitting their report on the financial statements of GPT - Transnamib Concrete Sleepers (Pty) Ltd for the year ended 31 March 2017.

1. Incorporation

The company was incorporated on 05 August 2010 and obtained its certificate to commence business on the same day.

2. Nature of business

GPT - Transnamib Concrete Sleepers (Pty) Ltd was incorporated in Namibia with interests in the Manufacturing industry. The company operates in Namibia.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

An ordinary dividend of N\$ 5,000,000 (2016: N\$ 20,000,000) was declared to the shareholders.

6. Directorate

The directors in office at the date of this report are as follows:

<i>Directors</i>	<i>Nationality</i>	<i>Changes</i>
Mbingee W. Hindjou	Namibian	Resigned 17 November 2016
Kunetsa K. Kufakowadya	Namibian	
Mbahupa H. Tjivikua	Namibian	
Atul Tantia	Indian	
Niraj K. Sinha	Indian	
Shafa M. Kaulinge	Namibian	Resigned 17 November 2016
Struggle T. Ihuhua	Namibian	Appointed 17 November 2016
Dantagos N. Jimmy	Namibian	Appointed 17 November 2016
Ferdinand Ganaseb		

7. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2017 the company's investment in property, plant and equipment amounted to N\$23,165,663 (2016: N\$ 25,730,483), of which N\$2,231,005 (2016: N\$ 6,528,723) was added in the current year through additions.

There were no commitments in the year under review (2016: N\$830,536).

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Directors' Report

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Auditors

PricewaterhouseCoopers continued in office as auditors for the company for 2017.

11. Secretary

The company had no secretary during the year under review, however, PricewaterhouseCoopers Tax & Advisory Services (Pty) Ltd acted as company secretary during the year.

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Statement of Financial Position as at 31 March 2017

	Note(s)	2017 N\$	2016 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	4	<u>23,165,663</u>	<u>25,730,483</u>
Current Assets			
Inventories	5	1,753,015	1,832,763
Trade and other receivables	6	29,612,378	2,963,674
Other financial assets	7	-	23,056
Prepayments	8	1,557,479	3,452,971
Current tax receivable	9	401,442	-
Cash and cash equivalents	10	2,290,829	4,043,252
		<u>35,615,143</u>	<u>12,315,716</u>
Total Assets		<u>58,780,806</u>	<u>38,046,199</u>
Equity and Liabilities			
Equity			
Share capital	11	12,500,000	12,500,000
Reserves		3,750,000	3,750,000
Retained income		15,981,376	9,869,454
		<u>32,231,376</u>	<u>26,119,454</u>
Liabilities			
Non-Current Liabilities			
Deferred tax	12	<u>3,399,855</u>	<u>2,506,961</u>
Current Liabilities			
Trade and other payables	13	13,219,123	9,177,055
Current tax payable	9	931,094	242,729
Bank overdraft	10	8,999,358	-
		<u>23,149,575</u>	<u>9,419,784</u>
Total Liabilities		<u>26,549,430</u>	<u>11,926,745</u>
Total Equity and Liabilities		<u>58,780,806</u>	<u>38,046,199</u>

GPT - Transnamib Concrete Sleepers (Pty) Ltd
 Financial Statements for the year ended 31 March 2017

Statement of Comprehensive Income

	Note(s)	2017 N\$	2016 N\$
Revenue	14	62,188,184	73,393,696
Cost of sales	15	(28,526,585)	(39,600,231)
Gross profit		33,661,599	33,793,465
Other income	16	141,279	279,841
Operating expenses		(20,673,861)	(23,991,022)
Operating profit	17	13,129,017	10,082,284
Investment income	18	1,774	10,030
Finance costs	19	(36,981)	(307,383)
Profit before taxation		13,093,810	9,784,931
Taxation	20	(1,981,888)	(1,741,811)
Profit for the year		11,111,922	8,043,120
Other comprehensive income		-	-
Total comprehensive income for the year		11,111,922	8,043,120

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Statement of Changes in Equity

	Share capital	Capital Redemption Reserve Fund	Retained income	Total equity
	N\$	N\$	N\$	N\$
Balance at 01 April 2015	12,500,000	3,750,000	21,826,334	38,076,334
Profit for the year	-	-	8,043,120	8,043,120
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	8,043,120	8,043,120
Dividends	-	-	(20,000,000)	(20,000,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(20,000,000)	(20,000,000)
Balance at 01 April 2016	12,500,000	3,750,000	9,869,454	26,119,454
Profit for the year	-	-	11,111,922	11,111,922
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	11,111,922	11,111,922
Dividends	-	-	(5,000,000)	(5,000,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(5,000,000)	(5,000,000)
Balance at 31 March 2017	12,500,000	3,750,000	15,981,376	32,231,376
Note(s)	11			

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Statement of Cash Flows

	Note(s)	2017 N\$	2016 N\$
Cash flows from operating activities			
Cash receipts from customers		36,862,857	79,152,173
Cash paid to suppliers and employees		<u>(39,569,411)</u>	<u>(51,051,718)</u>
Cash generated from (used in) operations	23	(2,706,554)	28,100,455
Interest income	22	1,774	10,030
Finance costs	23	(36,981)	(307,383)
Tax paid	24	<u>(802,071)</u>	<u>(2,160,960)</u>
Net cash from operating activities		<u>(3,543,832)</u>	<u>25,642,142</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(2,231,005)	(6,528,723)
Sale of property, plant and equipment	4	-	1,320,970
Sale of financial assets	9	23,056	(1,255)
Net cash from/(to) investing activities		<u>(2,207,949)</u>	<u>(5,209,008)</u>
Cash flows from financing activities			
Repayment of preference share liability		-	(2,260,587)
Dividends paid	25	<u>(5,000,000)</u>	<u>(20,000,000)</u>
Net cash (from)/to financing activities		<u>(5,000,000)</u>	<u>(22,260,587)</u>
Total cash, cash equivalents and bank overdrafts movement for the year		(10,751,781)	(1,827,453)
Cash, cash equivalents and bank overdrafts at the beginning of the year		<u>4,043,252</u>	<u>5,870,705</u>
Total cash, cash equivalents and bank overdrafts at end of the year	10	<u>(6,708,529)</u>	<u>4,043,252</u>

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act of Namibia.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

<i>Item</i>	<i>Depreciation method</i>	<i>Average useful life</i>
Leasehold improvements	Straight line	10 years
Plant and machinery	Straight line	10 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years

Accounting Policies

1.3 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Accounting Policies

1.4 Financial instruments (continued)

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Accounting Policies

1.4 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Bank overdraft and borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities.

The dividends on these preference shares are recognised in profit or loss as interest expense.

1.5 Income tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.5 Income tax (continued)

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Accounting Policies

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.10 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised, in profit or loss, using the effective interest rate method.

Revenue comprises of income earned on the sales of sleepers. Revenue is recognised at the date the invoice is issued and the goods are ready for dispatch.

1.11 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

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Financial Statements for the year ended 31 March 2017

Accounting Policies

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

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Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2017 or later periods:

<i>Standard/ Interpretation:</i>	<i>Effective date: Years beginning on or after</i>	<i>Expected impact:</i>
• Amendment to IAS 7 – Cash flow statements	01 January 2017	Unlikely there will be a material impact
• IFRS 16 – Leases	01 January 2019	Unlikely there will be a material impact
• Amendment to IAS 12 – Income taxes	01 January 2017	Unlikely there will be a material impact
Recognition of deferred tax assets for unrealised losses.		
• IFRS 9 – Financial Instruments (2009 & 2010)	01 January 2018	Unlikely there will be a material impact
• Financial liabilities		
• Derecognition of financial instruments		
• Financial assets		
• General hedge accounting		
• IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2017	Unlikely there will be a material impact

3. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes , cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirement.

The gearing ratio at 2017 and 2016 respectively were as follows:

Cash and cash equivalents	10	6,708,529	(4,043,252)
Net debt		6,708,529	(4,043,252)
Total equity		32,231,376	26,119,454
Total capital		38,939,905	22,076,202
Gearing ratio		17 %	(18)%

Financial risk management

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Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

3. Risk management (continued)

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the company in and aggregated by company finance. Company finance monitors rolling forecasts of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the company's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Comparative information has been restated as permitted by the amendments to IFRS 7 for the liquidity risk disclosures.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 March 2017				
Trade and other payables	9,928,022	-	-	-
Bank overdraft	8,999,358	-	-	-
At 31 March 2016				
Trade and other payables	8,297,821	-	-	-

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Notes to the Financial Statements

3. Risk management (continued)

Interest rate risk

At 31 March 2017, if interest rates on Namibia Dollar-denominated borrowings had been 0.1% higher/lower with all other variables held constant, post-tax profit for the year would have been N\$ 8,999 (2016: N\$ nil) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings; other components of equity would have been N\$ 8,999 (2016: N\$ nil) lower/higher mainly as a result of a decrease/increase in the fair value of fixed rate financial assets classified as available for sale.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. this poses a risk as the company borrows and places funds in financial instruments at both fixed and floating interest rates.

The risk is managed by maintaining an approximate mix between fixed and floating interest rates, and by matching the underlying profiles of borrowings and investments based on asset and liability principles.

Interest rate effect on profit

	<i>Effect on profit 2017</i>	
	<i>100bp increase in market</i>	<i>100bp decrease in market</i>
Overdraft facility	89,994	(89,994)

Cash flow interest rate risk

	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Overdraft facilities used	11.75 %	8,999,358	-	-	-	-

Fair value interest rate risk

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The main customer for the entity is the Ministry of Works and Transport, a state government institution that has no default payment in the past.

Financial assets exposed to credit risk at year end were as follows:

	2017	2016
Financial instrument	2,284,829	4,034,361
Cash and cash equivalents	29,265,691	2,963,675
Trade receivables (excluding VAT and Inland Revenue)		

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

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Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

3. Risk management (continued)

Foreign currency exposure at the statement of financial position date

Current assets

Trade debtors	93,867	256,971
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Liabilities

Trade payables	71,867	35,433
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Price risk

The company is not exposed to material price risk.

4. Property, plant and equipment

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Leasehold improvements	7,636,195	(5,999,647)	1,636,548	7,460,332	(5,688,880)	1,771,452
Plant and machinery	57,151,628	(36,950,332)	20,201,296	55,096,487	(32,868,716)	22,227,771
Furniture and fixtures	143,290	(134,969)	8,321	143,290	(124,514)	18,776
Motor vehicles	3,122,121	(1,824,355)	1,297,766	3,122,121	(1,447,700)	1,674,421
Office equipment	54,886	(39,961)	14,925	54,886	(32,270)	22,616
IT equipment	119,730	(112,923)	6,807	119,730	(104,283)	15,447
Total	68,227,850	(45,062,187)	23,165,663	65,996,846	(40,266,363)	25,730,483

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Leasehold improvements	1,771,452	175,863	(310,767)	1,636,548
Plant and machinery	22,227,771	2,055,142	(4,081,617)	20,201,296
Furniture and fixtures	18,776	-	(10,455)	8,321
Motor vehicles	1,674,421	-	(376,655)	1,297,766
Office equipment	22,616	-	(7,691)	14,925
IT equipment	15,447	-	(8,640)	6,807
	25,730,483	2,231,005	(4,795,825)	23,165,663

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Buildings	2,485,362	680,839	-	-	(1,394,749)	1,771,452
Plant and machinery	11,162,431	2,518,682	-	18,111,986	(9,565,328)	22,227,771
Furniture and fixtures	46,001	-	-	-	(27,225)	18,776
Motor vehicles	943,981	1,661,377	(1,320,970)	-	390,033	1,674,421
Office equipment	33,080	-	-	-	(10,464)	22,616
IT equipment	38,196	-	-	-	(22,749)	15,447
Capital work in progress	16,444,157	1,667,825	-	(18,111,982)	-	-
	31,153,208	6,528,723	(1,320,970)	4	(10,630,482)	25,730,483

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Notes to the Financial Statements

	2017 N\$	2016 N\$
4. Property, plant and equipment (continued)		
The capital work in progress relates to the construction of the third production line. Construction of this facility was completed during the 2016 financial year. There were no capital work in progress during the current financial year.		
5. Inventories		
Raw materials, components	<u>1,753,015</u>	<u>1,832,763</u>
6. Trade and other receivables		
Trade receivables	29,195,191	2,963,674
Employee costs in advance	70,500	-
Other receivable (Receiver of Revenue)	346,687	-
	<u>29,612,378</u>	<u>2,963,674</u>
<i>Split between non-current and current portions</i>		
Current assets	<u>29,612,378</u>	<u>2,963,678</u>
<i>Credit quality of trade and other receivables</i>		
<i>Trade receivables</i>		
<i>Counterparties without external credit rating</i>		
Ministry of Works & Transport (existing client without history of default)	<u>29,137,786</u>	<u>2,190,289</u>
<i>Trade and other receivables past due but not impaired</i>		
Trade and other receivables which are less than 6 months past due are not considered to be impaired. At 31 March 2017, N\$ 21,546,586 (2016: N\$ 3,296) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	5,946,939	-
2 months past due	5,906,532	-
3 months past due and over	9,693,115	3,296

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Notes to the Financial Statements

	2017 N\$	2016 N\$
7. Other financial assets		
<i>At fair value through profit or loss - designated</i>		
FNB unit trusts	-	23,056
<i>Current assets</i>		
At fair value through profit or loss	-	23,056
The fair values of the financial assets were determined as follows:		
<ul style="list-style-type: none"> • The fair values of listed or quoted investments are based on the quoted market price. • The fair values on investments not listed or quoted are estimated using the discounted cash flow analysis. 		
Fair values are determined annually at balance sheet date.		
8. Prepayments		
Prepayments	1,557,479	3,452,971
9. Current tax receivable / (payable)		
The current tax balance is made up as follows:		
<i>Current tax receivable</i>		
Current tax receivable	401,442	-
<i>Current tax payable</i>		
Current tax payable	(931,094)	(242,729)
Total current tax receivable / (payable)	(529,652)	(242,729)
<i>Provision for taxation</i>		
Opening balance	(242,729)	(51,284)
Provision for the year	(1,088,994)	(2,352,405)
Provisional tax payment	500,000	1,788,920
Prior year top-up payment	302,071	372,040
	(529,652)	(242,729)
<i>Balance of provision for taxation consists of:</i>		
2016	-	(242,729)
2017	(529,652)	-

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Notes to the Financial Statements

	2017 N\$	2016 N\$
10. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,877	8,891
Bank balances	2,284,952	4,034,361
Bank overdraft	(8,999,358)	-
	(6,708,529)	4,043,252
Current assets	2,290,829	4,043,252
Current liabilities	(8,999,358)	-
	(6,708,529)	4,043,252

As at year end the entity had an unsecured short-term overdraft facility of N\$ 9,000,000 (2016:N\$ Nil) with First National Bank of Namibia Limited. The company has ceded its debtors in favour of the bank as security for the overdraft facility.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

<i>Credit rating</i>		
First National Bank P-2(zaf)	(6,702,652)	4,034,361

11. Share capital

<i>Authorised</i>		
12,500,00 Ordinary shares of N\$1 each	12,500,000	12,500,000
<i>Authorised</i>		
Redeemable cumulative preference shares	3,750,000	3,750,000
Share premium	33,750,000	33,750,000
	37,500,000	37,500,000
<i>Issued</i>		
12,500,000 Ordinary shares of N\$1 each	12,500,000	12,500,000

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

	2017 N\$	2016 N\$
12. Deferred tax		
<i>Deferred tax liability</i>		
Property plant and equipment	(2,990,501)	(2,250,378)
Inventory	(145,360)	(141,796)
Short term unrealised forex gains	-	(38,663)
Prepayments	(275,824)	(101,227)
Total deferred tax liability	(3,411,685)	(2,532,064)
<i>Deferred tax asset</i>		
Provisions	11,830	25,103
<p>The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:</p>		
Deferred tax liability	(3,411,685)	(2,532,064)
Deferred tax asset	11,830	25,103
Total net deferred tax liability	(3,399,855)	(2,506,961)
Deferred tax liability	(3,411,685)	(2,532,064)
Deferred taxation liability to be recovered after more than 12 months	(2,501,884)	(2,532,064)
Deferred taxation liability to be recovered within 12 months	(909,801)	-
Deferred tax asset	11,830	25,103
Deferred taxation asset to be recovered after more than 12 months	-	25,103
Deferred taxation asset to be recovered within 12 months	11,830	-
Total net deferred tax liability	(3,399,855)	(2,506,961)
<i>Reconciliation of deferred tax asset / (liability)</i>		
At beginning of year	(2,506,961)	(3,117,556)
Increases (decrease) in leave pay provision of deferred tax asset	(13,273)	-
Taxable / (deductible) temporary difference movement on tangible fixed assets	(740,123)	-
Taxable / (deductible) temporary difference on inventory	(3,564)	-
Taxable / (deductible) temporary difference on prepayments	(174,597)	-
Taxable / (deductible) temporary difference on short term unrealised forex gains	38,663	-
Timing difference recognised through profit/loss	-	610,595
	(3,399,855)	(2,506,961)

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Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

	2017 N\$	2016 N\$
13. Trade and other payables		
Trade payables	9,928,022	8,297,821
VAT	3,121,823	649,503
Royalty provision	-	(26,888)
Leave pay provision	169,278	256,619
	<u>13,219,123</u>	<u>9,177,055</u>
14. Revenue		
Sale of goods	<u>62,188,184</u>	<u>73,393,696</u>
15. Cost of sales		
Cost of goods sold	<u>28,526,585</u>	<u>39,600,231</u>
16. Other income		
Scrap sales	111,469	35,547
Supplier write off	20,217	-
Profit and loss on sale of assets and liabilities	-	29,501
Profit on exchange gains	9,593	214,793
	<u>141,279</u>	<u>279,841</u>
17. Operating profit (loss)		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
<i>Auditor's remuneration - external</i>	175,299	205,984
Audit fees	66,101	-
Other services	<u>241,400</u>	<u>205,984</u>
<i>Remuneration, other than to employees</i>	2,598,169	177,933
Consulting and professional services	21,000	29,200
Secretarial services	<u>2,619,169</u>	<u>207,133</u>
<i>Employee costs</i>		
Salaries, wages, bonuses and other benefits	<u>7,252,120</u>	<u>6,269,289</u>
<i>Leases</i>		
<i>Operating lease charges</i>	111,601	523,270
Contractual amounts	<u>111,601</u>	<u>523,270</u>

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Notes to the Financial Statements

	2017 N\$	2016 N\$
17. Operating profit (loss) (continued)		
<i>Depreciation and amortisation</i>		
Depreciation of property, plant and equipment	4,795,825	10,630,482
<i>Other</i>		
Other operating gains (losses)	-	244,294
<i>Expenses by nature</i>		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Changes in inventories of finished goods and work in progress	28,526,585	39,600,231
Employee costs	7,252,120	6,269,289
Operating lease charges	111,601	523,270
Depreciation, amortisation and impairment	4,795,825	10,630,482
Other expenses	6,985,485	4,275,589
Transport and freight	181,777	671,051
Repairs and maintenance	761,416	1,105,499
Motor vehicle expenses	585,637	515,842
	<u>49,200,446</u>	<u>63,591,253</u>
18. Investment income		
<i>Interest income</i>		
Bank	1,774	10,030
19. Finance costs		
Trade and other payables	36,981	29,270
Finance costs on preference shares	-	278,113
Total finance costs	<u>36,981</u>	<u>307,383</u>

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Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

	2017 N\$	2016 N\$
20. Income tax expense		
<i>Major components of the income tax expense</i>		
<i>Current</i>		
Local income tax - current period	1,088,994	2,039,713
Local income tax- recognised in current tax for prior periods	-	312,692
	1,088,994	2,352,405
<i>Deferred</i>		
Originating and reversing temporary differences	889,251	(610,594)
Arising from prior period adjustments	3,643	-
	892,894	(610,594)
	1,981,888	1,741,811
<i>Reconciliation of the income tax expense</i>		
Reconciliation between accounting profit and tax expense.		
Accounting profit	13,093,810	9,784,931
Tax at the applicable tax rate of 18% (2016: 18%)	2,356,886	1,761,288
<i>Tax effect of adjustments on taxable income</i>		
Prior period adjustment	-	343,643
Tax effect of permanent differences	-	(363,120)
	2,356,886	1,741,811

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

	2017	2016
	N\$	N\$

21. Depreciation, amortisation and impairment losses

The following items are included within depreciation, amortisation and impairment losses:

Depreciation

Property, plant and equipment	4,795,825	10,630,482
-------------------------------	-----------	------------

During the current year, the company revised its estimates on depreciation for a further useful lives of 5 years of the Leasehold improvements and Plant and Machinery. The initial contract of 5 years came to an end and the company is currently in negotiation with its main customer (the Ministry of Works & Transport) to extend their contract. The Ministry of Works & Transport shows interest in the further manufacturing of concrete sleepers.

22. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2017

	Financial liabilities at amortised cost	Total
Trade and other payables	9,928,022	9,928,022
Bank overdraft	8,999,358	8,999,358
	18,927,380	18,927,380

2016

	Financial liabilities at amortised cost	Total
Trade and other payables	8,297,821	8,297,821

23. Cash generated from (used in) operations

Profit before taxation	13,093,810	9,784,931
Adjustments for:		
Depreciation and amortisation	4,795,825	10,630,482
Interest income	(1,774)	(10,030)
Finance costs	36,981	307,383
Profit on foreign exchange	-	(214,793)
Changes in working capital:		
Inventories	79,748	1,986,365
Trade and other receivables	(26,648,704)	7,812,904
Prepayments	1,895,492	(1,629,164)
Trade and other payables	4,042,068	(567,623)
	(2,706,554)	28,100,455

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

	2017 N\$	2016 N\$
24. Tax paid		
Balance at beginning of the year	(242,729)	(51,284)
Current tax for the year recognised in profit or loss	(1,088,994)	(2,352,405)
Balance at end of the year	529,652	242,729
	(802,071)	(2,160,960)

25. Dividends paid

Dividends	(5,000,000)	(20,000,000)
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26. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	-	830,536
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This committed expenditure relates to property and will be financed by available bank facilities, retained profits, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

27. Related parties

Relationships

Shareholder with significant influence

Shareholder

Key management

Directors

Transnamib Holdings Limited
GPT Infraprojects Limited
Doros Investment Number Twenty Two (Pty) Ltd
Harsh V. Roongta (Chief Operating Officer)
M Kanniyappan (Manager - Engineering
Logistics & Management Service)
DK Jaimani (Factory Manager)
Mbingee W. Hindjou
Ferdinand Ganaseb
Mbahupa H. Tjivukua
Niraj K. Sinha
Shafa M. Kaulinge
Dantagos N. Jimmy
Atul Tantia

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

	2017 N\$	2016 N\$
27. Related parties (continued)		
<i>Related party balances</i>		
<i>Amounts included in trade receivable/ (payable) regarding related parties</i>		
Ministry of Works and Transport	29,137,786	2,190,289
GPT Infraprojects Limited	(71,867)	(35,433)
GPT Concrete Products South Africa (Pty) Limited	(2,500,000)	(442,400)
<i>Shareholder's liability</i>		
GPT Infraprojects Limited	40,000	40,000
GPT Infraprojects: Royalty provision	53,867	216,971
Doros Investment	-	650,000
Transnamib Holdings	-	2,500,000
<i>Advance payment to related parties</i>		
Dorros Investment	70,000	-
<i>Related party transactions</i>		
<i>Purchase/ (Sale) of goods</i>		
Ministry of Works and Transport	(60,028,148)	(69,982,886)
GPT Concrete Products South Africa (Pty) Limited	9,612,128	3,304,684
<i>Key management</i>		
Salaries	2,778,116	2,428,883
<i>Royalties</i>		
GPT Infraprojects (Pty) Ltd	704,214	850,618
<i>Compensation to directors</i>		
Short-term employee benefits	899,724	508,000
28. Directors' emoluments		
<i>Non-executive</i>		
2017		
Director fees	Emoluments 899,724	Total 899,724
2016		
Director fees	Emoluments 508,000	Total 508,000

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Notes to the Financial Statements

	2017 N\$	2016 N\$
29. Financial assets by category		
The accounting policies for financial instruments have been applied to the line items below:		
2017		
	Loans and receivables	Total
Trade and other receivables	29,265,691	29,265,691
Cash and cash equivalents	2,290,829	2,290,829
	31,556,520	31,556,520

2016		
	Loans and receivables	Total
Other financial assets	23,056	23,056
Other	2,963,678	2,963,678
Cash and cash equivalents	4,043,252	4,043,252
	7,029,986	7,029,986

30. Change in estimate

Property, plant and equipment

The useful lives of Leasehold improvements and Plant and Machinery were estimated in 2016 to be 5 years. In the current period management have revised their estimates to 10 years. The effect of this revision has reduced the depreciation charges for the current and future periods by N\$ (5,483,711)

31. Prior period errors

In the prior period, the capital redemption reserve fund was incorrectly transferred to retained earnings. This has been corrected in the current year.

The correction of the error results in adjustments as follows:

<i>Statement of Financial Position</i>		
Capital redemption reserve fund	-	(3,750,000)
Retained earnings	-	3,750,000

32. Reclassifications

During the current year, the balance for preference share liability of N\$ 40,000 have been reclassified to trade and other payables.

GPT - Transnamib Concrete Sleepers (Pty) Ltd
 Financial Statements for the year ended 31 March 2017

Detailed Statement of Comprehensive Income

	Note(s)	2017 N\$	2016 N\$
Revenue			
Sale of goods		62,188,184	73,393,696
Cost of sales			
Purchases		(28,526,585)	(39,600,231)
Gross profit		33,661,599	33,793,465
Other income			
Scrap sales		111,469	35,547
Other income		20,217	-
Gain on disposal of assets or settlement of liabilities		-	29,501
Foreign exchange gains		9,593	214,793
	16	141,279	279,841
Expenses (Refer to page 37)		(20,673,861)	(23,991,022)
Operating profit	17	13,129,017	10,082,284
Investment income	18	1,774	10,030
Finance costs	19	(36,981)	(307,383)
Profit before taxation		13,093,810	9,784,931
Taxation	20	(1,981,888)	(1,741,811)
Profit for the year		11,111,922	8,043,120

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Detailed Statement of Comprehensive Income

	Note(s)	2017 N\$	2016 N\$
Other operating expenses			
Selling and distribution expenses			
Motor vehicle expenses		(585,637)	(515,842)
Postage		(20,131)	(40,051)
Transport and freight		(181,777)	(671,051)
		<u>(787,545)</u>	<u>(1,226,944)</u>
Marketing expenses			
Advertising		(23,979)	(48,078)
General and administrative expenses			
Auditors remuneration - external auditors	17	(241,400)	(205,984)
Bank charges		(173,502)	(194,419)
Computer expenses		(16,983)	(12,006)
Depreciation		(4,795,825)	(10,630,482)
Employee costs		(7,252,120)	(6,269,289)
Insurance		(211,242)	(204,923)
Lease rentals on operating lease		(111,601)	(523,270)
Levies		(5,838)	(468)
Water and electricity		(682,917)	(890,240)
Printing and stationery		(118,068)	(44,963)
Secretarial fees		(21,000)	(29,200)
Telephone and fax		(26,760)	(32,930)
		<u>(13,657,256)</u>	<u>(19,038,174)</u>
Maintenance expenses			
Repairs and maintenance		(761,416)	(1,105,499)

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Financial Statements for the year ended 31 March 2017

Detailed Statement of Comprehensive Income

	Note(s)	2017 N\$	2016 N\$
Other operating expenses			
Cleaning		(12,440)	(13,256)
Consulting and professional fees		(2,555,416)	(142,944)
Consulting and professional fees - legal fees		(42,753)	(34,989)
Consumables		-	(18,433)
Donations		(34,500)	(19,006)
Entertainment		(14,554)	(29,800)
Office expenses		(12,538)	(19,656)
Safety equipment		(1,659)	(5,425)
Training expenses		-	(750)
Miscellaneous expenses		(4,891)	(160)
Sundry asset write off		-	(200)
Fines and penalties		(126,268)	(189,515)
Gifts		(5,446)	(44,583)
Protective clothing		(48,124)	(39,891)
Royalties		(704,214)	(850,618)
Security		(71,395)	(126,512)
Staff welfare		(567,556)	(88,904)
Travel - local		(92,872)	(90,147)
Travel - overseas		(1,149,039)	(857,538)
		<u>(5,443,665)</u>	<u>(2,572,327)</u>
		<u>(20,673,861)</u>	<u>(23,991,022)</u>

GPT Concrete Products South Africa Proprietary Limited
(Registration number 2007/031165/07)
Financial Statements

For the year ended 31 March 2017

GPT Concrete Products South Africa Proprietary Limited
(Registration number 2007/031165/07)
Financial Statement for the year ended March 31, 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacturing and sales of railway concrete sleepers
Directors	Dwarika Prasad Tantia Atul Tantia Lawrence Thulani Mthethwa
Registered office	Houghton Estate Office Park 2 nd Floor Palm Grove Osborn Road Houghton 2198
Business address	TFR Danskraal Yard Fairclough Road Ladysmith Kwazulu Natal 3370
Postal address	PO Box 1879 Ladysmith 3370
Auditors	Ernst & Young Inc. Chartered Accountants (S.A.) Registered Auditor
Secretary	ER Goodman Secretarial Services CC

GPT Concrete Products South Africa Proprietary Limited
(Registration number 2007/031165/07)
Financial Statement for the year ended March 31, 2017

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The reports and statements set out below comprise the financial statements presented to the shareholders:

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Statement of Changes in Equity	10
Statement of Cash Flows	11
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The following supplementary information does not form part of the financial statements and is unaudited:	
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GPT Concrete Products South Africa Proprietary Limited
(Registration number 2007/031165/07)
Financial Statement for the year ended March 31, 2017

Directors' Responsibilities and Approval

The directors are required by the Companies Act 21 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flow for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clear defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risks across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the systems of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to March 31, 2017 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 5.

The financial statement set out on pages 7 to 29, which have been prepared on the going concern basis, were approved by the board of directors on May 10, 2017 and were signed on its behalf by:


Lawrence Thulani Mthethwa


Atul Tanti

Johannesburg
10th May 2017



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Sandton
Private Bag X14
Sandton
2146

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Docex 123 Randburg
ey.com

Independent Auditor's Report

To the Shareholders of GPT Concrete Products South Africa Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GPT Concrete Products South Africa ABC Proprietary Limited set out on pages 7 to 27 which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of GPT Concrete Products South Africa Proprietary Limited as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)*, the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (IESBA code)* and other independence requirements applicable to performing the audit of GPT Concrete Products South Africa Proprietary Limited. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of GPT Concrete Products South Africa Proprietary Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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 the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement,

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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.
- 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.

We communicate with the directors 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.



Ernst & Young Inc.
Director: Charles MazhIndu
Chartered Accountant (SA)
Registered Auditor

Date: 19 May 2017

Ernst & Young Inc
102 Rivonia Road
Sandton

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2017

Statement of Financial Position

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	3	87,853,601	80,846,231
Operating Lease Asset		642,858	-
		87,496,459	80,846,231
Current Assets			
Inventories	6	31,355,658	39,452,205
Operating Lease Asset		428,572	-
Trade and other receivables	7	27,188,873	11,915,637
Cash and cash equivalents	8	2,549,764	46,970
		61,522,868	51,414,812
Total Assets		149,019,327	132,261,043
Equity and Liabilities			
Equity			
Share Capital	9	50,000	50,000
Retained Income		24,328,631	21,748,490
		24,378,631	21,798,490
Liabilities			
Non-Current Liabilities			
Loans from shareholders	4	29,753,363	22,253,363
Other financial liabilities	10	-	-
Deferred tax	5	10,514,418	9,637,811
		40,267,781	31,891,174
Current Liabilities			
Accrued interest on loan from shareholders	4	8,982,226	6,580,936
Other financial liabilities	10	-	9,439,758
Trade and other payables	13	53,975,564	41,311,316
Provisions	11	97,263	108,434
Dividend payable		100,000	100,000
Bank overdraft	8	21,217,862	21,030,935
		84,372,915	78,571,379
Total Liabilities		124,640,696	110,462,553
Total Equity and Liabilities		149,019,327	132,261,043

GPT Concrete Products South Africa Proprietary Limited
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 Financial Statement for the year ended March 31, 2017

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue	14	67,785,259	97,022,377
Cost of sales	15	(53,700,976)	(69,514,089)
Gross profit		14,084,283	27,508,288
Other operating income		3,524,635	2,236,560
Administrative and other expenditure		(8,739,169)	(17,979,146)
Operating profit	16	8,869,749	11,765,702
Investment revenue	17	46,227	37,490
Finance cost	18	(5,459,227)	(6,050,745)
Profit before taxation		3,456,750	5,752,447
Taxation	19	(876,607)	(2,352,787)
Profit for the year		2,580,143	3,399,660
Other comprehensive income		-	-
Total comprehensive income for the year		2,580,143	3,399,660

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2017

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at April 01, 2015	50,000	18,348,829	18,398,829
Changes in equity			
Total comprehensive income for the year	-	3,399,660	3,399,660
Dividends	-	-	-
Total changes	-	3,399,660	3,399,660
Balance at April 01, 2016	50,000	21,748,489	21,798,489
Changes in equity			
Total comprehensive income for the year	-	2,580,143	2,580,143
Dividends	-	-	-
Total changes	-	2,580,143	2,580,143
Balance at March 31, 2017	50,000	24,328,631	24,378,631
Note(s)	9		

GPT Concrete Products South Africa Proprietary Limited
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 Financial Statement for the year ended March 31, 2017

Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash receipt from customers		56,025,486	104,374,002
Cash paid to supplier and employees		(33,946,749)	(81,819,140)
Cash generated from operations	21	22,078,736	22,554,862
Interest income		46,227	37,490
Finance costs		(5,459,227)	(6,050,745)
Net cash from operating activities		16,665,737	16,541,607
Cash flows from investing activities			
Sale of property, plant and equipment		36,803	
Purchase of property, plant and equipment	3	(14,848,205)	(3,286,054)
Net cash from investing activities		(14,811,402)	(3,286,054)
Cash flows from financing activities			
Proceeds from other financial liabilities		-	
Repayment of other financial liabilities		(9,439,758)	(13,373,526)
Proceeds from shareholders' loan		9,901,291	2,634,434
Dividend paid		-	(2,294,000)
Net cash from financing activities		461,533	(13,033,092)
Total cash movement of the year		2,315,868	222,461
Cash at the beginning of the year		(20,983,966)	(21,206,426)
Total cash at end of the year	8	(18,668,098)	(20,983,965)

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2017

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there are observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment of financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance of slowing moving, damaged and obsolete inventory

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is only tested for impairment when there is an indicator of impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply, and demand together with economic factors such as exchange rates, inflation, and interest.

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2017

Accounting Policies

1.1 Significant Judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Buildings	8 years
Plant and machinery	8 years
Furniture and fixtures	8 years
Motor vehicles	5 years
Office equipment	8 years
Laboratory equipment	8 years
Other property, plant and equipment	1 year

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate. Based on the same the depreciation has been calculated.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and has significantly different patterns of consumption of economic benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period.

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Accounting Policies

1.3 Financial Instruments

Measurement

Initial recognition and measurement - Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments. The company classifies financial instruments, or their component parts, in initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement - Financial instrument at fair value through profit or loss are subsequently measured at fair value with gains and losses arising from changes in the fair value being included in profit or loss for the period.

Trade and other payables

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

Loans to shareholders

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand that is readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

GPT Concrete Products South Africa Proprietary Limited

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Accounting Policies

1.4 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.6 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the weighted average cost basis. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down of loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in the net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Impairment of assets

The company assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

GPT Concrete Products South Africa Proprietary Limited
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Accounting Policies

1.7 Impairment of assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received

Government grants with no conditions attached are recognised in the income statement immediately.

1.9 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

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Accounting Policies

1.9 Revenue (continued)

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings
- weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred

The capitalisation of borrowing costs commences when:

- expenditure for the asset has occurred
- borrowing cost has been incurred
- activities that are necessary to prepare the asset for its intended use or sale are in progress

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Translations of foreign currencies

Foreign currency translations

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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Notes to the Financial Statements

Figures in Rand 2017 2016

2. New Standards and Interpretations

IAS 36 Disclosure requirements for the recoverable amount of impaired assets

The amendment is effective for annual periods beginning on or after 1 January 2014.

IFRS 9 Financial Instruments: Classification and Measurement

The standard is effective for annual periods beginning on or after 1 January 2015.

IAS 13 Offsetting Financial Assets and Financial Liabilities

This standard is effective for annual periods beginning on or after 1 January 2014.

3. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated Depreciation	Carrying Value	Cost / Valuation	Accumulated Depreciation	Carrying Value
Building	25,280,500	(12,856,577)	12,423,923	25,280,499	(11,357,244)	13,923,256
Leasehold Improvements	13,611,177	-	13,611,177			
Plant and machinery	116,316,005	(55,854,405)	60,461,600	115,101,666	(48,807,414)	66,294,252
Furniture and fixtures	185,138	(156,365)	28,773	185,138	(135,537)	49,601
Motor vehicles	845,890	(686,532)	159,358	950,790	(605,457)	345,333
Office equipment	238,311	(201,013)	37,298	238,311	(174,203)	64,108
IT equipment	58,187	(56,813)	1,373	58,187	(53,128)	5,059
Laboratory Equipment	306,869	(220,996)	85,873	306,869	(186,473)	120,396
Other property, plant and equipment	1,920,168	(1,875,942)	44,226	1,897,479	(1,853,253)	44,226
Total	158,762,245	(71,908,643)	86,853,602	144,018,939	(63,172,709)	80,846,231

Reconciliation of property, plant & equipment - 2017

	Opening Balance	Additions / (Disposal)	Depreciation	Total
Building	13,923,256	-	(1,499,333)	12,423,923
Leasehold Improvements	-	13,611,177	-	13,611,177
Plant and machinery	66,294,252	1,214,339	(7,046,992)	60,461,600
Furniture and fixtures	49,601	-	(20,828)	28,773
Motor vehicles	345,333	(36,803)	(149,171)	159,358
Office equipment	64,108	-	(26,810)	37,298
IT equipment	5,059	-	(3,685)	1,373
Laboratory equipment	120,396	-	(34,523)	85,873
Other property, plant and equipment	44,226	22,689	(22,689)	44,226
	80,846,231	14,811,402	(8,804,031)	86,853,601

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Notes to the Financial Statements

Figures in Rand	2017	2016		
3. Property, plant and equipment (continued)				
Reconciliation of property, plant & equipment - 2016				
	Opening Balance	Additions / (Disposal)	Depreciation	Total
Building	15,004,006	774,288	(1,855,038)	13,923,256
Leasehold Improvements	-	-	-	-
Plant and machinery	71,824,587	2,117,593	(7,647,928)	66,294,252
Furniture and fixtures	70,429	-	(20,828)	49,601
Motor vehicles	509,453	-	(164,120)	345,333
Office equipment	91,319	-	(27,211)	64,108
IT equipment	6,747	-	(1,689)	5,059
Laboratory Equipment	82,440	68,872	(30,916)	120,396
Other property, plant and equipment	44,226	325,301	(325,301)	44,226
	87,633,207	3,286,054	(10,073,031)	80,846,231

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company. The useful life of the assets has been reworked as per the above and the depreciation for the year reflects the same.

In 2016, the Company expanded its production facility at Ladysmith and has estimated the remaining useful life of the assets at 8 years from April 2015. For each of the next 7 years of useful life of the factory the depreciation expense will be recognized evenly every year.

4. Loans to (from) shareholders

1. GPT Investments Private Limited	(31,170,901)	(28,834,298)
The loan is unsecured and interest bearing. Interest on this loan is charged at the prime lending rate as applicable in South Africa amounting to R1 2,100,959.92 (2016: R1 2,100,959.92). The loan is repayable once the loan from Bank of Baroda has been repaid.		
2. GPT Infraprojects Limited	(7,064,688)	-
3. P Lingam	(500,000)	-
<hr/>		
Non-current liabilities	(29,753,363)	(22,253,363)
Current liabilities - Accrued interest on loan	(8,982,226)	(6,580,936)
	(38,735,589)	(28,834,298)

5. Deferred tax

Accelerated capital allowances for tax purposes	(12,297,622)	(10,467,658)
Interest capitalised	-	-
Tax losses available for set off against future tax income	1,692,130	598,028
Operating lease & other accruals	91,074	25,638
Unrealised foreign exchange differences	-	206,181
	(10,514,418)	(9,637,811)

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Notes to the Financial Statements

Figures in Rand	2017	2016
5. Deferred Tax (continued)		
Reconciliation of deferred tax asset (liability)		
At beginning of the year	(9,637,811)	(7,285,024)
Increase (decrease) in tax losses available for set off against future taxable income	1,094,102	598,028
Originating temporary difference on tangible fixed assets	(1,829,964)	(2,506,138)
Reversing temporary difference on employee advances	65,436	10,381
Originating temporary difference on interest capitalisation	-	71,129
Unrealised foreign exchange differences	(206,182)	(526,187)
	(10,514,418)	(9,637,811)

6. Inventories

Raw material, components	2,956,856	3,377,346
Finished goods	27,732,569	35,928,209
Direct consumables	666,233	146,650
	31,355,658	39,452,205

7. Trade and other receivables

Trade receivables	25,152,951	10,361,765
Deposits	771,457	743,207
Cost in advance	1,264,466	810,666
	27,188,873	11,915,637

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2017 R (606,210) (2016: R 394,352) were past due but not impaired.

The ageing of the trade receivables is as follows:

	25,152,951	10,361,765
Neither past due nor impaired	25,759,161	9,967,413
14-28 days but not impaired	-	-
28-42 days but not impaired	-	-
42-56 days but not impaired	-	-
More than 56 days but not impaired	(606,210)	394,352

Trade and other receivables impaired:

As of 31 March 2017, no trade and other receivables were impaired and provided for.

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Notes to the Financial Statements

Figures In Rand	2017	2016
8. Cash and cash equivalents		
Cash & cash equivalents consist of:		
Cash on hand	2,037	1,160
Bank balance	2,547,727	45,810
Bank overdraft	(21,217,862)	(21,030,935)
	(18,668,098)	(20,983,965)
Current assets	2,549,764	46,970
Current liabilities	(21,217,862)	(21,030,935)
	(18,668,098)	(20,983,965)

The overdraft facility of R21 million and bank limit guarantee of R2 million are secured by:

- A first charge on fixed assets (held by Bank of Baroda) which is secured by a Notarial Bond No. 000001308/2014 dated 29.01.2014
- Corporate guarantee of GPT Infraprojects Limited and personal guarantee of DP Tantia, Atul Tantla, Shree Gopal Tantia and Vaibhav Tantia
- Cash margin of 20% on bank guarantees issued (100% for amounts in excess of R2 million)

9. Share Capital

Authorised 50,000 Ordinary shares of R1 each	50,000	50,000
Issued Ordinary	50,000	50,000

10. Other financial liabilities

At amortised cost		
Bank of Baroda	-	9,439,758
This loan is repayable in 35 equal instalments, with the 36th payment being the balance, commencing on the 1st of January 2014. Interest is charged at the prime lending rate as applicable in South Africa.		
Non-current liabilities		
Bank of Baroda	-	-
Current liabilities		
Bank of Baroda	-	9,439,758
	-	9,439,758

GPT Concrete Products South Africa Proprietary Limited

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Financial Statement for the year ended March 31, 2017

Notes to the Financial Statements

Figures in Rand

	2017	2016
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11. Provisions

Reconciliation of provisions - 2017

	Opening balance	Additions	Unutilised during the year	Total
Bonus Provision	72,290	69,425	(72,290)	69,425
Leave Pay Provision	36,145	27,838	(36,145)	27,838
	108,434	97,263	(108,434)	97,263

Reconciliation of provisions - 2016

	Opening balance	Additions	Unutilised during the year	Total
Bonus Provision	66,620	72,290	(66,620)	72,290
Leave Pay Provision	33,310	36,145	(33,310)	36,145
	99,930	108,434	(99,930)	108,434

12. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Loan from shareholders	31,170,901	28,834,298
Other financial liabilities	-	9,439,758
Trade and other payables	53,975,564	41,311,316
Bank overdraft	21,217,862	21,030,935
Provisions	97,263	108,434
	106,461,590	100,724,741

13. Trade and other payables

Trade payables	53,139,095	40,345,092
VAT payables	213,978	246,065
Accrued expense	49,818	65,896
Other payables	572,673	654,263
	53,975,564	41,311,316

14. Revenue

Sale of goods	67,785,259	97,022,377
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GPT Concrete Products South Africa Proprietary Limited

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Notes to the Financial Statements

Figures in Rand	2017	2016
15. Cost of sales		
Cost of goods sold	34,078,881	52,879,673
Write down of inventories to net realisable value	3,310,076	(6,529,529)
Employee costs	4,012,768	7,454,788
Water & electricity	1,031,662	886,632
Rent	734,200	2,063,002
Repairs and maintenance	746,490	1,359,952
Consumables & sundries	662,179	837,274
Custom duty	2,328	10,913
Motor vehicle fuel & oil	139,763	350,100
Depreciation	8,627,951	9,854,563
Insurance	177,708	168,476
Rental equipment	176,971	178,246
	53,700,976	69,514,089
16. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
Contractual amounts	165,657	286,189
Loss on exchange difference	(2,246,393)	3,948,044
Depreciation on property, plant and equipment	8,804,032	10,073,031
Employee cost	3,536,958	2,588,495
17. Investment revenue		
Interest revenue		
Bank	46,227	37,490
18. Finance costs		
Bank of Baroda	3,036,330	3,634,258
GPT Investments Private Limited	2,336,603	2,100,960
GPT Infraprojects Limited	64,688	
Trade and other payables	135,845	
Finance charges	(125,835)	125,835
SARS	11,596	189,692
	5,459,227	6,050,745

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Notes to the Financial Statements

Figures in Rand	2017	2016
19. Taxation		
Major components of the tax expense		
Deferred Originating and reversing temporary differences	876,607	2,352,787
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	3,456,750	5,752,447
Tax on accounting profit at the applicable tax rate of 28% (2016: 28%)	967,890	1,610,685
Tax effect of adjustments on taxable income		
Non-deductible expense	17,222	80,464
Non-taxable income		-
	985,112	1,691,149
20. Auditors' remuneration		
Fees	357,081	291,700
21. Cash generated from operations		
Profit before taxation	3,456,750	5,752,447
Adjustments for:		
Depreciation and amortisation	8,804,032	10,073,031
Interest received	(46,227)	(37,490)
Finance costs	5,459,227	6,050,745
Movements in provisions	(11,172)	8,504
Operating lease	(1,071,430)	-
Changes in working capital:		
Inventories	8,096,547	(9,723,351)
Trade and other receivables	(15,273,236)	5,106,564
Trade and other payables	12,664,248	5,324,414
	22,078,738	22,554,864
22. Dividends paid		
Dividends	(100,000)	(2,394,000)
Balance at end of the year	100,000	100,000
	-	(2,294,000)

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Notes to the Financial Statements

Figures in Rand	2017	2016
23. Related parties		
Relationships		
Holding company	GPT Infraprojects Limited	
Shareholder with significant influence	GPT Investments Private Limited RA Mthethwa	
Shareholder	GPT Umnambithi Community Trust DE Peter A Tantia	
Member of key management	DP Tantia A Tantia LT Mthethwa	
Fellow Associate of holding company	GPT Castings Limited GPT TransNamib Concrete (Pty) Limited	
Related party balances		
Loan accounts - Owing (to) by related parties		
GPT Investments Private Limited	(31,170,901)	(28,834,298)
GPT Infraprojects Limited	(7,064,688)	
Amounts included in Trade receivables (Trade payable) regarding related parties		
RA Mthethwa	-	-
GPT Investments Private Limited	(13,063,872)	(8,284,726)
GPT Infraprojects Limited	(764,612)	(452,456)
GPT Castings Limited	(1,084,080)	(688,376)
GPT TransNamib Concrete Sleepers (Pty) Limited	2,500,000	(404,523)
Related party transactions		
Interest paid to (received from) related parties		
GPT Investments Private Limited	2,336,603	2,100,960
GPT Infraprojects Limited	64,688	
Consulting fees paid to related parties		
GPT Investments Private Limited	7,265,160	7,538,286
Salaries paid to related parties		
RA Mthethwa	1,560,000	1,617,000
LT Mthethwa	325,000	289,600

All the above transactions are at arms length and comparable market rates.

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Notes to the Financial Statements

Figures in Rand	2017	2016
24. Directors' emoluments		
Non-Executive		
2017		Emoluments
LT Mthethwa		325,000
2016		Emoluments
LT Mthethwa		289,600
Prescribed Officers		
2017		Emoluments
RA Mthethwa		1,560,000
2016		Emoluments
RA Mthethwa		1,617,000

25. Risk management

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Interest rate risk - The company's interest rate risk arises from long term borrowings. Borrowing issued at variable rates expose the company to cash flow interest rate risk. During 2017 and 2016 the company's borrowings at variable rates were denominated in the Rand. The company analyses its interest rate exposure on a dynamic basis. The company calculates the impact on profit and loss of a defined interest rate shift.

At 31 March 2017, if interest rates on Rand denominated borrowings had been 1% higher with all other variables held constant, post tax profit for the year would have been lower, mainly as a result of a higher interest expense on floating rate borrowings.

Credit risk - Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standings and limits exposure to any one counter-party.

Foreign exchange risk - The company does not hedge foreign exchange fluctuations.

Exchange rates used for converting of foreign items were USD 1:R13.41 (2016: R14.91). The source of these rates is the Interbank rate of Nedbank Limited.

Foreign currency exposure at the end of the reporting period.

Liabilities

GPT Infraprojects Limited 2017: \$57,007 (2016: \$30,345)	764,612	452,456
GPT Castings Limited 2017: \$80,825 (2016: \$46,168)	1,084,080	688,376
GPT Investments (Pvt) Limited 2017: \$974,000 (2016: \$551,000)	13,063,872	8,215,410
Anjaneya Trading (Pte) Limited 2017: \$424,282 (2016: \$724,282)	5,690,727	10,799,045
	20,603,291	20,155,287

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Figures in Rand 2017 2016

Liquidity risk - The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Over 5 years
Borrowings	30,200,088	29,753,363	-
Trade and other payables	53,975,564	-	-
	84,175,652	29,753,363	-
At 31 March 2016	Less than 1 year	Between 1 and 2 years	Over 5 years
Borrowings	37,051,628	22,253,363	-
Trade and other payables	41,311,316	-	-
	78,362,944	22,253,363	-

26. Contingencies

The following guarantees have been issued:

Scaw South Africa (Pty) Limited against a fixed deposit of R100,000 held at Bank of Baroda	500,000	500,000
Pandrol South Africa (Pty) Limited against a fixed deposit of R100,000 held at Bank of Baroda	500,000	500,000
Transnet Limited against a fixed deposit of R376,010 held at Bank of Baroda	1,680,000	1,174,979
	2,680,000	2,174,979
	2,680,000	2,174,979

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Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
Revenue			
Sales of goods	14	67,785,259	97,022,377
Cost of sales			
Opening stock		(36,074,859)	(25,345,829)
Purchases		(46,024,919)	(80,243,119)
Closing Stock		28,398,802	36,074,859
	15	(53,700,976)	(69,514,089)
Gross profit		14,084,283	27,508,288
Other income			
Discount received		3,522,609	2,236,560
Miscellaneous Income		2,026	-
Interest received	17	46,227	37,490
Government grants		-	-
		3,570,862	2,274,050
Expenses (Refer to page 29)		(8,739,169)	(17,979,146)
Operating profit		8,915,976	11,803,192
Finance costs	18	(5,459,227)	(6,050,745)
Profit before taxation		3,456,750	5,752,447
Taxation	19	876,607	2,352,787
Profit for the year		2,580,143	3,399,660

The supplementary information presented does not form part of the financial statements and is unaudited

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2017

Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
Operating expenses			
Accounting fees		67,154	27,150
Advertising		19,308	7,080
Auditors' remuneration	20	357,081	291,700
Bank charges		57,331	115,416
Cleaning		265,346	204,364
Computer expenses		16,480	13,061
Consulting fees		4,515,171	7,590,688
Depreciation, amortisation and impairments		176,081	218,468
Donations		38,500	16,200
Entertainment		36,851	62,205
Employee Costs		2,784,730	2,588,495
Business promotions		190,094	877
General expense		65,857	61,377
Fines and penalties		2,860	2,405
Insurance		112,173	159,079
Lease rentals on operating lease		165,656	286,190
Legal expenses		59,900	10,870
Loss on exchange differences		(2,246,393)	3,948,044
Motor vehicle expenses		152,259	199,264
Postage		5,512	8,581
Printing and stationery		21,198	23,900
Repairs and maintenance		34,635	29,830
Secretarial fees		29,935	30,536
Staff welfare		303,773	331,645
Security		609,054	767,061
Subscriptions		2,975	2,841
Telephone and fax		134,999	108,955
Travelling		609,295	331,711
Transport and freight		119,330	508,967
Utilities		32,024	32,186
		8,739,169	17,979,146

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