

8th
ANNUAL
REPORT
FOR
THE
YEAR
2017 - 2018



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.

JOGBANI HIGHWAY PRIVATE LIMITED
(CIN: U45400WB2010PTC150039)

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 8th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. Financial Results:

(Amount in Rs.)

| Particulars | 2017-2018 | 2016-2017 |
|---|-----------|-----------|
| Income | - | - |
| Expenses | 292.36 | - |
| Earnings before Interest, Tax, Depreciation & Amortization Expenses | - | - |
| Depreciation & Amortization Expenses | - | - |
| Finance Cost | - | - |
| Profit (Loss) before Taxes | | |
| Tax Expenses: | | |
| -Current Tax: | - | - |
| -Deferred Tax | (87.33) | - |
| Profit (Loss) for the Year | (205.03) | - |
| Earnings (Loss) Per Share: | | |
| Basic | - | - |
| Diluted | - | - |

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 year. Cost of construction and pre-operative expenses incurred during the year under review has been debited to Intangible Assets under development.

2. Operational Review:

The Concession Agreement executed with National Highway Authority of India (NHAI) for a BOT project was terminated by the Company 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 – Jobbani on NH-57A in the state of Bihar under NHDP Phase – III and invoked the arbitration clause. Consequently, the Company also terminated EPC contract with its Holding Company (EPC Contractor Company) entered for execution of the said contract.

The Arbitral Tribunal vide Award pronounced on 23rd November, 2017 for a sum of Rs. 6223.66 Lac in favour of the Company which, upon an application made by NHAI under section 33 of The Arbitration and Conciliation Act, 1996, was reduced to Rs 6120.32 Lacs vide their Order passed by the Arbitral Tribunal on 27th March, 2018.

As a matter of prudence, the impact of the said award as well as the claim of the said EPC Contractor Company has not been accounted for pending exhaustion of all applicable legal remedies for challenging the award available within the provisions of The Arbitration and Conciliation Act, 1996.

3. Dividend:

Your Board of Directors have not recommended any dividend for the year ended 31st March 2018.

4. Transfer to Reserves:

No amount was transferred to the reserves during the financial year 31st March, 2018.

5. Meetings of the Board of Directors:

During the financial year ended 31st March, 2018, Four Meetings of the Board of Directors of the Company were held.

The number of meetings attended by the Directors during FY 2017-18 is as follows:

| Date of Board Meeting | Mr. A.K. Dokania | Mr. Vaibhav Tantia |
|-----------------------|------------------|--------------------|
| 19.05.2017 | Yes | Yes |
| 03.08.2017 | Yes | Yes |
| 27.11.2017 | Yes | Yes |
| 10.01.2018 | Yes | Yes |

6. Particulars of Employees:

None of the Managerial Personnel of the Company are drawing remuneration in excess of the limits set out in Companies Act, 2013.

7. Holding Company:

The Company is the Subsidiary Company of GPT Infraprojects Limited, which holds 73.33% shares of the Company.

8. Subsidiaries, Joint Ventures and Associate Companies:

The Company does not have any Subsidiary, Joint Venture and Associate Companies.

9. Auditors:

M/s S. Jaykishan, Chartered Accountants, Kolkata, were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on 26th August 2014 to conduct Audit of the Company as per the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 for a period of 5 years effective from the conclusion of 4th Annual General Meeting till the conclusion of 9th Annual General Meeting subject to ratification of appointment by the members at every subsequent Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

10. Auditors' Report:

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

11. Applicability of IND-AS:

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (IND-AS) applicable to certain class of companies (including on its subsidiary, associates and joint venture) including your Company' holding Company. In pursuance of this

notification your holding Company and consequently your Company has adopted IND-AS with effect from April 1, 2017, with a transition date of April 1, 2016.

12. Internal Controls:

The Company has in place adequate internal financial controls commensurate with the business of the Company. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

13. Risk Management Policy:

At present the company has not identified any such element of risk which may threaten the existence of the company. However the Companies Management is consistently keeping Birds eye view to identify the Risks which may affect the operations of the company.

14. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Report as **Annexure-I**

15. Particulars of Loans, Guarantees or Investments under section 186:

Details of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

16. Directors and Key Managerial Personnel:

During the year under review, there were no changes in the Directorship of the Company. There was also no change in the Key Managerial Personnel of the Company.

17. Deposits:

The Company has not accepted any deposits during the year under review.

18. Related Party Transactions:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Therefore, the provision of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not Applicable.

19. Corporate Social Responsibility:

The Corporate Social Responsibility is not applicable to the Company.

20. Conservation of Energy , Technology absorption and Foreign Exchange Earnings and Outgo:

A. The particulars as required under the provisions of section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished because there is no activity during the year under review.

B. During the year there was no Foreign Exchange Earnings and outgo.

21. Directors' Responsibility Statement:

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. Transfer of Amounts to Investor Education and Protection Fund:

Your Company do not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

23. General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

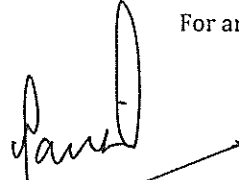
1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. There were no material changes & commitments affecting financial position of the Company occurring between the date of Financial Statements and the Board's Report.
6. There were no frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government.

24. Acknowledgements:

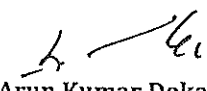
Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors, Consultants, and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Date: 22.05.2018
Place: Kolkata

For and Behalf of the Board of Directors



Vaibhav Tantia
Director
DIN: 00001345



Arun Kumar Dokania
Director
DIN: 00029002

Annexure-I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|---|
| 1. | CIN | U45400WB2010PTC150039 |
| 2. | Registration Date | 31/05/2010 |
| 3. | Name of the Company | JOGBANI HIGHWAY PRIVATE LIMITED |
| 4. | Category/Sub-category of the Company | Private Company/Limited by Shares |
| 5. | Address of the Registered office & contact details | GPT Centre,JC-25, Sector-III, Salt Lake,, Kolkata-700098, West Bengal(India) Tel: +91 33 -4050-7000 Fax: +91 33 -4050-7999 Email Id: akd@gptgroup.co.in |
| 6. | Whether listed company | Yes/No |
| 7. | Name, Address & contact details of the Registrar and Transfer Agent, if any. | N.A |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company is given below:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1 | NA | NA | NA |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S.No | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/Associate | % of Shares held | Applicable Section |
|------|--|-----------------------|------------------------------|------------------|--------------------|
| 1 | GPT Infraprojects Limited GPT Centre, JC-25, Sector-III, Salt Lake, Kolkata-700098, West Bengal | L20103WB1980PLC032872 | Holding | 73.33% | 2(46) |

| 2. Non-Institutions | | | | | | | | | |
|--|---|---------|---------|-----|---|---------|---------|-----|---|
| a) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Others | | | | | | | | | |
| Sub-total (B)(2):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding(B)=(B)(1)+(B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 4500000 | 4500000 | 100 | 0 | 4500000 | 4500000 | 100 | 0 |

ii) Shareholding of Promoters:-

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|----|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | GPT Infraprojects Ltd. 1. Equity 2. Preference | 3300000 267000 | 73.33 100 | 0 0 | 3300000 267000 | 73.33 100 | 0 0 | 0 0 |
| 2 | RDS Project Limited Equity | 1200000 | 26.67 | 0 | 1200000 | 26.67 | 0 | 0 |

iii) Change in Promoters' Shareholding (please specify, if there is no change) No Change

| SN | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | GPT Infraprojects Limited | | | | |
| | At the beginning of the year 1.Equity 2.Preference | 3300000 267000 | 73.33 100 | 3300000 267000 | 73.33 100 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the | - | - | - | - |

| | reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | | | | |
|----|---|---------|-------|---------|-------|
| | At the end of the year | | | | |
| | 1.Equity | 3300000 | 73.33 | 3300000 | 73.33 |
| | 2.Preference | 267000 | 100 | 267000 | 100 |
| 2. | RDS Project Limited | | | | |
| | At the beginning of the year | | | | |
| | Equity | 1200000 | 26.67 | 1200000 | 26.67 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | | | | |
| | Equity | 1200000 | 26.67 | 1200000 | 26.67 |

iv) Shareholding Pattern of Top Ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | | | | |
| | Equity | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | | | | |
| | Equity | NIL | NIL | NIL | NIL |

v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Arun Kumar Dokania-Director | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 2. | Vaibhav Tantia- Director | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | 0 | 0 | 0 | 0 |

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 0 | 0 | 0 |
| * Reduction | 0 | 0 | 0 | 0 |
| Net Change | 0 | 0 | 0 | 0 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lacs)

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|-----|---|-------------------------|-----|---|--------------|
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | NIL | | |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - | - |
| 5 | Others, please specify | | | | |
| | Total (A) | | | | |
| | Ceiling as per the Act | | | | |

B. Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-----|--|-------------------|------|------|-----|--------------|
| | | ----- | ---- | ---- | --- | |
| 1 | Independent Directors | | | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (1) | | | | | |
| 2 | Other Non-Executive Directors | | NIL | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (2) | | | | | |
| | Total (B)=(1+2) | | | | | |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|-----|-----|-------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | NIL | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit others, specify... | | | | |
| 5 | Others, please specify | | | | |
| | Total | | | | |

Note: The requirement of appointment of CEO, CFO or CS as required under Companies Act, 2013, is not applicable to your Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | NIL | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |



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

1. Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **JOGBANI HIGHWAY PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Ind AS Financial Statements

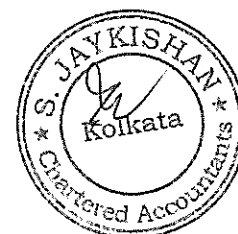
The Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income, the statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are



required to be included in the audit report under the provision of the Act and the Rules made thereunder.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 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 the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2018, its carry forward loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

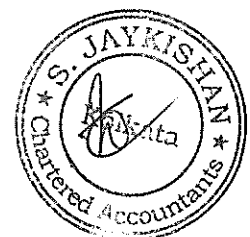
5. Report on Other Legal and Regulatory Requirements

- i. 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 Act, and on the basis of the



checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, 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 including Other Comprehensive Income, and the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
 - d. In our opinion, aforesaid Ind AS 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 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, 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, 2018. – Refer Note 19 & 20 (b) to the Standalone Ind AS 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, 2018.

For S. Jaykishan
Chartered Accountants
FRN: 309005E



(S. Chatterjee)
Partner
Membership No: 017361

Place: Kolkata

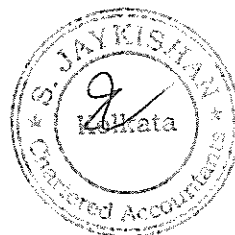
Date: The 22nd day of May 2018



"Annexure A" 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 2018.

- 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, 2018 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 22nd day of May 2018

“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, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

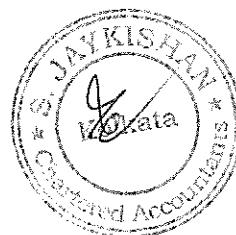
Management’s Responsibility for Internal Financial Controls

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.

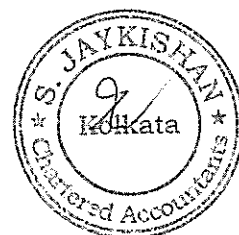
Our audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit involves performing procedures to obtain audit evidence 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

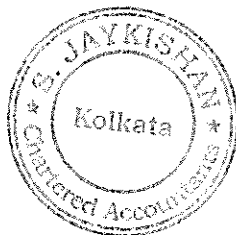
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria 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 22nd day of May 2018

Jogbani Highway Private Limited

Company Identification No - U45400WB2010PTC150039

Balance Sheet as at 31st March 2018

(Amount in Rs.)

| Particulars | Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|----------|-----------------------|-----------------------|----------------------|
| I) ASSETS | | | | |
| A) NON-CURRENT ASSETS | | | | |
| a) Property, plant and equipment | 2 | 23,58,795 | 23,58,795 | 23,58,795 |
| b) Intangible assets under development | 3 | - | 2,75,35,674 | 2,42,61,698 |
| c) Financial assets | | | | |
| (i) Trade receivables | 4 | 2,74,468 | 2,74,468 | 2,74,468 |
| d) Deferred tax assets | 5 | 87,32,929 | - | - |
| Total Non-Current Assets (A) | | 1,13,66,192 | 3,01,68,937 | 2,68,94,961 |
| B) CURRENT ASSETS | | | | |
| a) Financial assets | | | | |
| (i) Cash and cash equivalents | 6 | 13,807 | 3,146 | 15,785 |
| b) Other current assets | 7 | 3,95,00,325 | 4,11,91,325 | 4,44,63,945 |
| Total Current Assets (B) | | 3,95,14,132 | 4,11,94,471 | 4,44,79,730 |
| Total Assets (A+B) | | 5,08,80,324 | 7,13,63,408 | 7,13,74,691 |
| II) EQUITY AND LIABILITIES | | | | |
| C) EQUITY | | | | |
| a) Equity share capital | 8 | 7,17,00,000 | 7,17,00,000 | 7,17,00,000 |
| b) Other equity | 9 | (2,08,74,116) | (3,70,592) | (3,70,592) |
| Total Equity (C) | | 5,08,25,884 | 7,13,29,408 | 7,13,29,408 |
| LIABILITIES | | | | |
| D) CURRENT LIABILITIES | | | | |
| a) Financial liabilities | | | | |
| (i) Other financial liabilities | 10 | 54,440 | 34,000 | 45,283 |
| Total Current Liabilities (D) | | 54,440 | 34,000 | 45,283 |
| Total Liabilities (E = D) | | 54,440 | 34,000 | 45,283 |
| Total Equity and Liabilities (C+E) | | 5,08,80,324 | 7,13,63,408 | 7,13,74,691 |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. Jaykishan

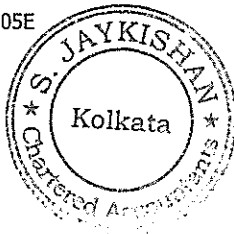
Chartered Accountants

Firm registration number: 309005E

C.A. S. Chatterjee

Partner

Membership No.: 017361



For and on behalf of the Board of Directors

Vaihhav Tanti

Director

DIN - 00001345

A.K. Dokania

Director

DIN - 00029002

Place: Kolkata

Date: 22nd May 2018

Jogbani Highway Private Limited

Company Identification No - U45400WB2010PTC150039

Statement of Profit and Loss for the year ended 31st March 2018

(Amount in Rs.)

| Particulars | Notes | 2017 - 18 | 2016 - 17 |
|--|-------|----------------------|-----------|
| INCOME | | | |
| Other income | | - | - |
| Total revenue (I) | | - | - |
| EXPENSES | | | |
| Other expenses | 11 | 2,92,36,453 | - |
| Total Expenses (II) | | 2,92,36,453 | - |
| Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II) | | (2,92,36,453) | - |
| Depreciation and amortization expenses | | - | - |
| Finance costs | | - | - |
| Loss before taxes (III) | | (2,92,36,453) | - |
| Tax expenses | | | |
| - Current tax | | - | - |
| - Deferred tax credit | | (87,32,929) | - |
| Total tax expenses (IV) | | (87,32,929) | - |
| Loss for the year [(III) – (IV)] | | (2,05,03,524) | - |
| Earnings per equity share (nominal value of share Rs. 10/- each) | | | |
| (1) Basic (Rs.) | | (4.56) | - |
| (2) Diluted (Rs.) | | (4.56) | - |
| 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

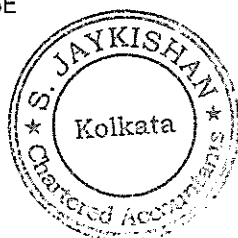
Chartered Accountants

Firm registration number: 309005E

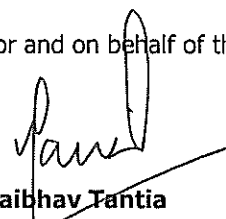

C.A. S. Chatterjee

Partner

Membership No.: 017361

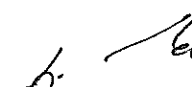


For and on behalf of the Board of Directors


Vaibhav Tantia

Director

DIN - 00001345


A.K. Dokania

Director

DIN - 00029002

Place: Kolkata

Date: 22nd May 2018

Jogbani Highway Private Limited
Cash Flow Statement for the year ended 31st March 2018

(Amount in Rs.)

| Particulars | 2017 - 18 | 2016 - 17 |
|--|---------------|--------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit before tax | (2,92,36,453) | - |
| Adjustment for : | | |
| Add: Other expenses | - | - |
| Operating Profit before working capital charges | (2,92,36,453) | - |
| (Increase) / Decrease in Trade Receivables | - | - |
| (Increase) / Decrease in Other Current Assets | 16,91,000 | 32,72,620 |
| Increase / (Decrease) in Other Financial Liabilities | 20,440 | (11,283) |
| Cash Generated from operations | (2,75,25,013) | 32,61,337 |
| Direct Taxes received / (paid) | - | - |
| Net Cash from Operating Activities (A) | (2,75,25,013) | 32,61,337 |
| B. Cash Flow from Investing Activities | | |
| Purchase of property, plant & equipment & CWIP | 2,75,35,674 | (32,73,976) |
| Net Cash used in Investing Activities (B) | 2,75,35,674 | (32,73,976) |
| C. Cash Flow from Financing Activities | | |
| Issue of redeemable Preference shares | - | - |
| Net Cash from Financing Activities (C) | - | - |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | 10,661 | (12,639) |
| Cash and Cash Equivalents - Opening Balance | 3,146 | 15,785 |
| Cash and Cash Equivalents - Closing Balance | 13,807 | 3,146 |
| Notes: | | |
| Cash & Cash Equivalents : | | |
| Cash on hand | 1,351 | 1,351 |
| Balance with Scheduled Banks: | | |
| In Current Account | 12,456 | 1,795 |
| Cash and Cash Equivalents at the end of the year | 13,807 | 3,146 |

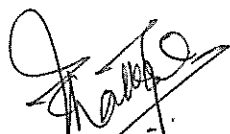
Note :

- The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 " Statement of Cash Flows" issued by Institute of Chartered Accountants of India.
- Figures in brackets denotes cash outflows.

As per our report of even date attached

For S. Jaykishan

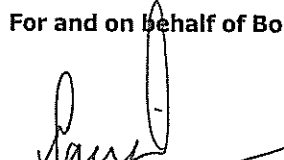
Chartered Accountants
 Firm registration number: 309005E



C.A. S. Chatterjee
 Partner
 Membership No.: 017361



For and on behalf of Board of Directors



Vaibhav Tantia
 Director
 DIN - 00001345



A.K. Dokania
 Director
 DIN - 00029002

Place: Kolkata
 Date: 22nd May 2018

Jogbani Highway Private Limited
Statement of Changes in Equity for the year ended 31st March 2018

A) Equity Share Capital

| Particulars | No. of Shares | Amount(Rs.) |
|---|---------------|-------------|
| Equity Shares of Rs.10/- each issued, subscribed and fully paid | | |
| At 1st April, 2016 | 45,00,000 | 4,50,00,000 |
| At 31st March, 2017 | 45,00,000 | 4,50,00,000 |
| At 31st March, 2018 | 45,00,000 | 4,50,00,000 |

B) Preference Share Capital

| Particulars | No. of Shares | Amount(Rs.) |
|--|---------------|-------------|
| 12% Non - Cumulative Redeemable Preference Shares of Rs.100/- each | | |
| At 1st April, 2016 | 2,67,000 | 2,67,00,000 |
| At 31st March, 2017 | 2,67,000 | 2,67,00,000 |
| At 31st March, 2018 | 2,67,000 | 2,67,00,000 |

C) Other Equity

| Particulars | Reserves and Surplus | |
|---------------------------------|----------------------|----------------------|
| | Retained Earnings | Total |
| As at 1st April, 2016 | (3,70,592) | (3,70,592) |
| Add: Profit/(Loss) for the year | - | - |
| Add: Other comprehensive income | - | - |
| As at 31st March, 2017 | (3,70,592) | (3,70,592) |
| Add: Profit/(Loss) for the year | (2,05,03,524) | (2,05,03,524) |
| Add: Other comprehensive income | - | - |
| As at 31st March, 2018 | (2,08,74,116) | (2,08,74,116) |

There has been no movement in equity shares & preference shares during the period.

As per our report of even date

For S. Jaykishan

Chartered Accountants

Firm registration number: 309005E



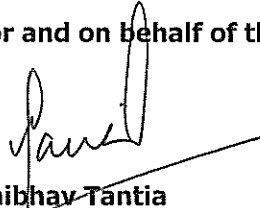
C.A. S. Chatterjee

Partner

Membership No.: 017361



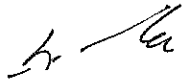
For and on behalf of the Board of Directors



Vaibhav Tantia

Director

DIN - 00001345



A.K. Dokania

Director

DIN - 00029002

Place: Kolkata

Date: 22nd May 2018

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) for all periods up to and including the year ended 31 March 2017. The Company has prepared its financial statement for the year ended 31st March 2018 in accordance with IND AS for the first time. The financial statements have been prepared on a historical cost basis.

ii. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iii. Foreign currencies

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

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.



Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

iv. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from construction activity

Construction revenue and costs are recognised by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- i) The amount of revenue can be measured reliably,
- ii) It is probable that the economic benefits associated with the contract will flow to the Company,
- iii) The stage of completion of the contract at the end of the reporting period can be measured reliably,
- iv) The costs incurred or to be incurred in respect of the contract can be measured reliably

Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. For this purpose, total estimated contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of expenditure to be incurred in future including contingencies, which being technical matters have been relied upon by the auditors. Overhead expenses representing indirect costs that cannot be directly aligned with the jobs, are distributed over the various contracts on a pro-rata basis. Revisions in projected profit or loss arising from change in estimates are reflected in each accounting period which, however, cannot be disclosed separately in the standalone financial statements as the effect thereof cannot be accurately determined.



Provision is made for all losses incurred to the balance sheet date. Variations in contract work, claims and incentive payments are recognised to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. Amount received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customers are disclosed in the Balance Sheet as trade receivables.

v. Tax Expenses

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

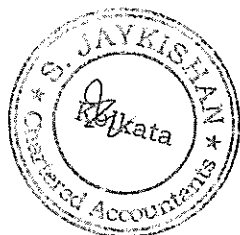
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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



Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

vi. Property, plant and equipment

The Company regards the previous GAAP carrying value for all its property, plant and equipment as deemed cost at the transition date, viz., 1 April 2017.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets specified in Schedule II to the Companies Act, 2013.

The Company, based on technical assessment made by technical expert, management estimate and related contracts with the customers, depreciates steel shuttering and certain items of building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

vii. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life (three years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible



assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

viii. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

ix. Lease

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note XX). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

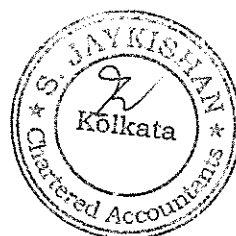
x. Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials (including those relating to construction activities) and stores & spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on 'weighted average' basis.

Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on 'weighted average' basis.



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

xi. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

xii. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xiii. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets



(excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

Other long term employee benefits in the nature of long term paid absences are provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method.

xiv. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xv. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 year are adjusted for the effects of all dilutive potential equity shares.

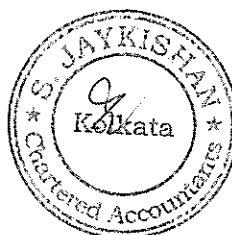
xvi. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.



Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the profit or loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

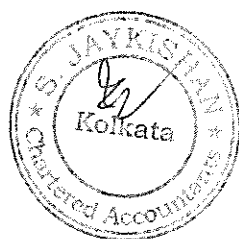
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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



Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition



of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

xvii. Fair value measurement

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

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

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

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

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

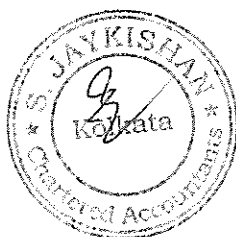
- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which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

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

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

xviii. First time adoption of IND AS.

The holding Company adopted Ind AS during the year for the first time with effect from 1st April 2017, accordingly the Company have also adopted Ind AS this year with effect from 1st April 2017 with comparatives being restated. The Impact, if, any, of transition has been provided in the Opening Reserves. The Figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.



Jogbani Highway Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

2. Property, plant and equipment

| | | (Amount in Rs.) |
|-----------------------------------|--|------------------|
| Particulars | | Land* |
| Gross Block: | | |
| As at 1st April 2016 | | 23,58,795 |
| Additions | | - |
| Deduction / Disposals | | - |
| As at 31st March 2017 | | 23,58,795 |
| Additions | | - |
| Deduction - Written off | | - |
| As at 31st March 2018 | | 23,58,795 |
| Depreciation/Amortisation: | | |
| As at 1st April 2016 | | - |
| Charge for the year | | - |
| Deduction / Disposals | | - |
| As at 31st March 2017 | | - |
| Charge for the year | | - |
| Deduction - Written off | | - |
| As at 31st March 2018 | | - |
| Net Block: | | |
| As at 1st April 2016 | | 23,58,795 |
| As at 31st March 2017 | | 23,58,795 |
| As at 31st March 2018 | | 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.

3. Intangible assets under development

| Particulars | up to year ended | | |
|---|------------------|--------------------|--------------------|
| | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| 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 |

4. Trade receivables

| Particulars | (Amount in Rs.) | | |
|---|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| | Non - Current | Non - Current | Non - 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 | 2,74,468 |
| - Considered Doubtful | - | - | - |
| | 2,74,468 | 2,74,468 | 2,74,468 |
| Less: Provision for Doubtful receivables | - | - | - |
| | 2,74,468 | 2,74,468 | 2,74,468 |
| Others | | | |
| - Considered good | - | - | - |
| | 2,74,468 | 2,74,468 | 2,74,468 |



Jogbani Highway Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

5. Deferred tax assets (net)

| Particulars | (Amount in Rs.) | | |
|---|---|---|--|
| | As at 31st March 2018 Non - Current | As at 31st March 2017 Non - Current | As at 1st April 2016 Non - Current |
| Deferred tax assets | | | |
| - Expenses allowable against taxable income in future years | 87,32,929 | - | - |
| Less. | | | |
| Timing difference on depreciable assets | - | - | - |
| Net Deferred tax assets (net) | 87,32,929 | - | - |

6. Cash and cash equivalents

| Particulars | (Amount in Rs.) | | |
|-----------------------|-------------------------------------|-------------------------------------|------------------------------------|
| | As at 31st March 2018 Current | As at 31st March 2017 Current | As at 1st April 2016 Current |
| Balances with banks: | | | |
| - On current accounts | 12,456 | 1,795 | 15,034 |
| Cash on hand | 1,351 | 1,351 | 751 |
| | 13,807 | 3,146 | 15,785 |

7. Other current assets (unsecured, considered good)

| Particulars | (Amount in Rs.) | | |
|---------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| | As at 31st March 2018 Current | As at 31st March 2017 Current | As at 1st April 2016 Current |
| Advances recoverable in cash or kind | 1,32,951 | 1,32,951 | 1,32,951 |
| Loans and advances to related parties | 3,93,50,537 | 4,10,41,537 | 4,43,06,037 |
| Other Loans and advances | | | |
| - Balance with government authorities | 16,837 | 16,837 | 24,957 |
| | 3,95,00,325 | 4,11,91,325 | 4,44,63,945 |

8. Equity share capital

| Particulars | (Amount in Rs.) | | |
|--|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| (a) Authorized | | | |
| 5,000,000 (31st March 2017 : 5,000,000 ; 1st April 2016 : 5,000,000) Equity shares of Rs. 10/- each | 5,00,00,000 | 5,00,00,000 | 5,00,00,000 |
| 9,10,000 (31st March 2017 : 9,10,000 ; 1st April 2016 : 9,10,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each | 9,10,00,000 | 9,10,00,000 | 9,10,00,000 |
| | 14,10,00,000 | 14,10,00,000 | 14,10,00,000 |
| (b) Issued, subscribed and paid-up | | | |
| 4,500,000 (31st March 2017 : 4,500,000 ; 1st April 2016 : 4,500,000) Equity shares of Rs. 10/- each | 4,50,00,000 | 4,50,00,000 | 4,50,00,000 |
| 2,67,000 (31st March 2017 : 2,67,000 ; 1st April 2016 : 2,67,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each | 2,67,00,000 | 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 | 7,17,00,000 |



Jogbani Highway Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

(c) 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 2017 : Rs. Nil ; 1st April 2016 : 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 - forth 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.

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

i. Equity Shares

| Name of the shareholder | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------|-----------------------|-----------------------|----------------------|
| GPT Infraprojects Limited | | | |
| i. No of shares held | 33,00,000 | 33,00,000 | 33,00,000 |
| ii. Percentage of holding | 73.33% | 73.33% | 73.33% |
| RDS Projects Limited | | | |
| i. No of shares held | 12,00,000 | 12,00,000 | 12,00,000 |
| ii. Percentage of holding | 26.67% | 26.67% | 26.67% |

ii. 12% Non Cumulative Redeemable Preference Shares

| Name of the shareholder | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------|-----------------------|-----------------------|----------------------|
| GPT Infraprojects Limited | | | |
| i. No of shares held | 2,67,000 | 2,67,000 | 2,67,000 |
| ii. Percentage of holding | 100.00% | 100.00% | 100.00% |

(e) Details of shares hold by the Company's holding Company GPT Infraprojects Limited is

| Class of Shares | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|-----------------------|-----------------------|----------------------|
| | No. of Shares held | No. of Shares held | No. of Shares held |
| Equity Shares | 33,00,000 | 33,00,000 | 33,00,000 |
| 12% Non Cumulative Redeemable Preference Shares | 2,67,000 | 2,67,000 | 2,67,000 |

- (f) 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.



Jogbani Highway Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

9. Other equity

| Particulars | (Amount in Rs.) | | |
|--|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| Surplus in the statement of profit and loss | | | |
| Balance as per last financial statements | (3,70,592) | (3,70,592) | (3,70,592) |
| Less: Profit/(Loss) for the year | (2,05,03,524) | - | - |
| Net surplus in the statement of profit and loss | (2,08,74,116) | (3,70,592) | (3,70,592) |
| Total Other Equity | (2,08,74,116) | (3,70,592) | (3,70,592) |

10. Other financial liabilities

| Particulars | (Amount in Rs.) | | |
|---|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| | Current | Current | Current |
| Other Payables | | | |
| - Expenses payable (other than trade payable) | 54,440 | 34,000 | 45,283 |
| | 54,440 | 34,000 | 45,283 |

11. Other expenses

| Particulars | (Amount in Rs.) | |
|---|--------------------|-----------|
| | 2017 - 18 | 2016 - 17 |
| Professional and legal fees | 16,79,907 | - |
| Filing fees | 1,200 | - |
| Bank charges | 1,972 | - |
| Payment to auditor | | |
| - As audit fees | 17,700 | - |
| Intangible assets under development written off | 2,75,35,674 | - |
| | 2,92,36,453 | - |



NOTES TO FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31st MARCH, 2018

NOTE-12 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 – 13 Contingent Liabilities Not Provided For:

| Particulars | F Y 2017 – 18 | F Y 2016 – 17 |
|---|----------------------|----------------------|
| | 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 – 14 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 2018. 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 – 15 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 :

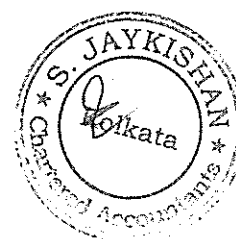
The Company operates in India only and hence separate information about geographical segment is not applicable.

NOTE – 16 RELATED PARTY DISCLOSURES:

In compliance with IND AS – 24, 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) | - (-) | 16,91,000 (32,64,500) | 16,91,000 (32,64,500) |
| Balance outstanding as at the year end – Debit | | | |
| GPT Infraprojects Limited | - (-) | 3,93,50,537 (4,10,41,537) | 3,93,50,537 (4,10,41,537) |

Figure in Bracket represents Previous Year Figure.

NOTE – 17 EARNING PER SHARES:

The breakup of Earnings per Share (EPS) in terms of IND AS - 33 is as follows:

| Particulars | 2017 – 18 (Rs.) | 2016 – 17 (Rs.) |
|---|-----------------|-----------------|
| Net Profit / (Loss) as per Profit & Loss Statement | (2,05,03,524) | 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 | (4.56) | Nil |
| Diluted EPS | (4.56) | Nil |

NOTE – 18 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, IND AS – 19 : Employee Benefits not applicable to the company.

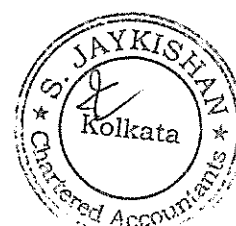
NOTE – 19 TERMINATION OF CONCESSION AGREEMENT:

The "Concession Agreement" executed with National Highway Authority of India (NHAI) for a BOT project was terminated by the Company 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 and invoked the arbitration clause. Consequently The Company also terminated EPC contract with its Holding Company (EPC Contractor Company) entered for execution of the said contract.

The Arbitral Tribunal vide Award pronounced on 23rd November, 2017 for a sum of Rs. 6,223.66 Lac in favour of the Company which, upon an application made by NHAI under section 33 of The Arbitration and Conciliation Act, 1996, was reduced to Rs. 6,120.32 Lacs vide their Order passed by the Arbitral Tribunal on 27th March, 2018.

As a matter of prudence, the impact of the said award as well as the claim of the said EPC Contractor Company has not been accounted for pending exhaustion of all applicable legal remedies for challenging the award available within the provisions of The Arbitration and Conciliation Act, 1996.

In view of the said award, the accounts of the Company have been prepared on a going concern basis.



NOTE – 20 OTHERS:

- (a) The pre-operative expenses incurred on the project till the previous year has been written off to the statement of profit and loss account on prudence basis.
- (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 – 21 OTHERS:

The Company have also adopted Ind AS this year with effect from 1st April 2017 with comparatives being restated. The Impact, if any, of transition has been provided in the Opening Reserves. The Figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

NOTE – 22 EXPLANATION OF TRANSITION TO IND AS:

The transition as at 1st April 2016 to IND AS was carried out from previous GAAP. First time adoption of IND AS, the reconciliation of Balance Sheet & Statement of Profit & Loss with previous GAAP to IND AS are explained in "Annexure I & II".

As per our report of even date

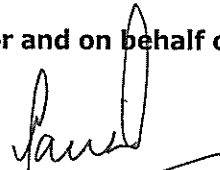
**For S. JAYKISHAN
CHARTERED ACCOUNTANTS
FRN.309005E**



(S. Chatterjee)
Partner
Membership No.- 017361



For and on behalf of the Board of Directors



Vaibhav Tantia
Director
DIN – 00001345



A. K. Dokania
Director
DIN - 00029002

Place : Kolkata
Date : 22nd May 2018

Jogbani Highway Private Limited

Notes to Financial Statements as at and for the year ended 31st March, 2018

NOTE 22 :

Annexure I : Effect of IND AS adoption on the Balance Sheet as on 31st March, 2017 and 1st April, 2016

(Amount in Rs)

| Particulars | Foot note | As at 31st March, 2017 (End of Last Period presented under previous GAAP) | | | As at 1st April, 2016 (Date of Transition) | | |
|---|-----------|--|--------------------------------|--------------------|---|--------------------------------|--------------------|
| | | As per Previous GAAP | Effect of Transition to IND AS | As per Ind-AS | As per Previous GAAP | Effect of Transition to IND AS | As per Ind-AS |
| ASSETS | | | | | | | |
| Non-current assets | | | | | | | |
| (a) Property, plant and equipment | | 23,58,795 | - | 23,58,795 | 23,58,795 | - | 23,58,795 |
| (b) Intangible assets under development | | 2,75,35,674 | - | 2,75,35,674 | 2,42,61,698 | - | 2,42,61,698 |
| (c) Financial assets | | | | | | | |
| (i) Trade receivables | | 2,74,468 | - | 2,74,468 | 2,74,468 | - | 2,74,468 |
| Total Non - current assets (A) | | 3,01,68,937 | - | 3,01,68,937 | 2,68,94,961 | - | 2,68,94,961 |
| Current assets | | | | | | | |
| (a) Financial assets | | | | | | | |
| (i) Cash and Cash Equivalents | | 3,146 | - | 3,146 | 15,785 | - | 15,785 |
| (b) Other current assets | | 4,11,91,325 | - | 4,11,91,325 | 4,44,63,945 | - | 4,44,63,945 |
| Total Current assets (B) | | 4,11,94,471 | - | 4,11,94,471 | 4,44,79,730 | - | 4,44,79,730 |
| Total assets (A+B) | | 7,13,63,408 | - | 7,13,63,408 | 7,13,74,691 | - | 7,13,74,691 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| (a) Equity Share capital | | 7,17,00,000 | - | 7,17,00,000 | 7,17,00,000 | - | 7,17,00,000 |
| (b) Other Equity | | (3,70,592) | - | (3,70,592) | (3,70,592) | - | (3,70,592) |
| Total equity (C) | | 7,13,29,408 | - | 7,13,29,408 | 7,13,29,408 | - | 7,13,29,408 |
| LIABILITIES | | | | | | | |
| Current liabilities | | | | | | | |
| (a) Financial liabilities | | | | | | | |
| (i) Other financial liabilities | | 34,000 | - | 34,000 | 45,283 | - | 45,283 |
| Total current liabilities (D) | | 34,000 | - | 34,000 | 45,283 | - | 45,283 |
| Total liabilities (E = D) | | 34,000 | - | 34,000 | 45,283 | - | 45,283 |
| Total equity and liabilities (C+E) | | 7,13,63,408 | - | 7,13,63,408 | 7,13,74,691 | - | 7,13,74,691 |



Jogbani Highway Private Limited

Notes to Financial Statements as at and for the year ended 31st March, 2018

NOTE 22 :

Annexure II : Effect of IND AS adoption on the Statement of Profit & Loss for the year ended 31st March, 2017
(Amount in Rs.)

| Particulars | Foot note | Previous GAAP | Effect of Transition to IND AS | 2016-17 |
|--|-----------|---------------|--------------------------------|---------|
| Income | | | | |
| Other Income | | - | - | - |
| Total Income (I) | | - | - | - |
| Expenses | | | | |
| Other Expenses | | - | - | - |
| Total Expenses (II) | | - | - | - |
| Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II) | | - | - | - |
| Depreciation and amortization expenses | | - | - | - |
| Finance costs | | - | - | - |
| Profit/(Loss) before taxes (III) | | - | - | - |
| Tax Expenses | | | | |
| - Current tax | | - | - | - |
| Total tax expenses (IV) | | - | - | - |
| Profit/(Loss) for the year (V) = [(III) – (IV)] | | - | - | - |
| Other Comprehensive Income (OCI) | | - | - | - |
| Total Comprehensive Income/(Loss) for the year | | - | - | - |
| Earnings per equity share (nominal value of share Rs. 10/- Basic and Diluted (Rs.)) | | - | - | - |



12th
ANNUAL
REPORT
FOR
THE
YEAR
2017 - 2018



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.

SUPERFINE VANIJYA PRIVATE LIMITED
(CIN: U25209WB2006PTC108994)

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 12th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. Financial Results:

(Rs. In Lacs)

| Particulars | 2017-18 | 2016-17 |
|--|---------|---------|
| Income | 16.48 | 13.88 |
| Other Expenses | 41.67 | 8.20 |
| Profit (Loss) before Interest, Depreciation & Taxation | (25.19) | 5.68 |
| Interest | 6.75 | 3.84 |
| Profit(Loss) before Depreciation & Taxation | (31.94) | 1.84 |
| Depreciation | 0.07 | 0.35 |
| Profit (Loss) before Taxation | (32.01) | 1.49 |
| Provision for Taxation including Deferred Tax | (10.89) | 0.81 |
| Profit (Loss) after Taxation | (21.12) | 0.68 |
| Earnings (loss) Per Share: | | |
| -Basic | 0.99 | 0.14 |
| -Diluted | 0.99 | 0.14 |

2. Operational Review:

During the financial year 2017-18, the Company's income is Rs. 16.48 Lacs, over the previous year's revenue of Rs. 13.88 Lacs. The Company's operating EBIDTA stood at Rs. (25.19) Lacs. Profit/Loss before tax stood at Rs. (32.01) Lacs while Profit after tax was Rs. (21.12) Lacs for FY 2017-18.

3. Dividend:

Your Directors has decided to plough back the profit and do not recommend dividend for the year ended 31st March 2018.

4. Transfer to Reserves:

No amount was transferred to the reserves during the financial year 31st March, 2018.

5. Meetings of the Board of Directors:

During the financial year ended 31st March. 2018, Four Meetings of the Board of Directors of the Company was held.

The number of meetings attended by the Directors during FY 2017-18 is as follows:

| Date of Board Meeting | Mr. S.L. Choraria | Mr. M.K. Lath |
|-----------------------|-------------------|---------------|
| 24.04.2017 | Yes | Yes |
| 02.08.2017 | Yes | Yes |
| 17.11.2017 | Yes | Yes |
| 17.01.2018 | Yes | Yes |

6. Particulars of Employees:

None of the Managerial Personnel of the Company are drawing remuneration in excess of the limits set out in Companies Act, 2013.

7. Holding Company:

The Company is the wholly owned Subsidiary Company of GPT Infraprojects Limited, which holds 100% shares of the Company.

8. Subsidiaries, Joint Ventures and Associate Companies:

The Company does not have any Subsidiary, Joint Venture and Associate Companies.

9. Auditors:

M/s Konar Mustaphi & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on 25th August 2014 to conduct Audit of the Company as per the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 for a period of 5 years effective from the conclusion of 8th Annual General Meeting till the conclusion of 13th Annual General Meeting..

10. Auditors' Report:

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

11. Applicability of IND-AS:

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (IND-AS) applicable to certain class of companies (including on its subsidiary, associates and joint venture) including your Company' holding Company. In pursuance of this notification your holding Company and consequently your Company has adopted IND-AS with effect from April 1, 2017, with a transition date of April 1, 2016.

12. Internal Financial Controls:

The Company has in place adequate internal financial controls commensurate with the business of the Company. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

13. Risk Management Policy:

At present the company has not identified any such element of risk which may threaten the existence of the company. However the Companies Management is consistently keeping a watch on the Risks which may affect the operations of the company.

14. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Report as Annexure-I

15. Particulars of Loans, Guarantees or Investments under section 186:

Details of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

16. Directors and Key Managerial Personnel:

During the year under review, there were no changes in the Directorship of the Company. There was no change in the Key Managerial Personnel of the Company

17. Deposits:

The Company has not accepted any deposits during the year under review.

18. Related Party Transactions:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Therefore, the provision of Section 188 of the Companies Act, 2013 were not attracted. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

19. Corporate Social Responsibility:

The Corporate Social Responsibility is not applicable to the Company.

20. Conservation of Energy , Technology absorption and Foreign Exchange Earnings and Outgo:

- A. The particulars as required under the provisions of section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the year under review.
- B. During the year there was no Foreign Exchange Earnings and outgo.

21. Directors' Responsibility Statement:

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis; and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. Transfer of Amounts to Investor Education and Protection Fund:

Your Company do not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

23. General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:


1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. There were no material changes & commitments affecting financial position of the Company occurring between the date of Financial Statements and the Board's Report.
6. There were no frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government.

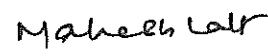
24. Acknowledgements:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors, Consultants, and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Date: 21st May, 2018
Place: Kolkata

For and Behalf of the Board of Directors


S.L. Choraria
DIN: 00031840
Director


M.K. Lath
DIN: 03261005
Director

| | | | | | | | | | |
|--|---|--------|--------|-----|---|--------|--------|-----|---|
| C. Shares held by Custodian for GDRs & | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 485920 | 485920 | 100 | 0 | 485920 | 485920 | 100 | 0 |

ii) Shareholding of Promoters:-

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|----|------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | GPT Infraprojects Ltd. | 485920 | 100 | 0 | 485920 | 100 | 0 | 0 |

iii) Change in Promoters' Shareholding (please specify, if there is no change) No Change

| SN | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | GPT Infraprojects Limited | | | | |
| | At the beginning of the year | 485920 | 100 | 485920 | 485920 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | 485920 | 100 | 485920 | 485920 |

iv) Shareholding Pattern of Top Ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 0 | 0 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |

v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Shanti Lal Choraria-Director | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 2. | Maresh Kumar Lath- Director | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | - | - | - | - |
| | At the end of the year | 0 | 0 | 0 | 0 |

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0 | 50.00 | 0 | 50.00 |
| ii) Interest due but not paid | 0 | 9.79 | 0 | 9.79 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 59.79 | 0 | 59.79 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 6.07 | 0 | 6.07 |
| * Reduction | 0 | 0 | 0 | 0 |
| Net Change | 0 | 6.07 | 0 | 6.07 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 0 | 50.00 | 0 | 50.00 |
| ii) Interest due but not paid | 0 | 15.86 | 0 | 15.86 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 65.86 | 0 | 65.86 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lacs)

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|-----|---|-------------------------|---|---|--------------|
| 1 | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | | |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - | - |
| 5 | Others, please specify | | | | |
| | Total (A) | | | | |
| | Ceiling as per the Act | | | | |

Remuneration to other directors:

| SN. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-----|--|-------------------|------|------|------|--------------|
| | | ---- | ---- | ---- | ---- | |
| 1 | Independent Directors | | | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (1) | | | | | |
| 2 | Other Non-Executive Directors | | NIL | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (2) | | | | | |
| | Total (B)=(1+2) | | | | | |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|-----|-----|-------|
| | | CEO | CS | CFO | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | NIL | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | others, specify... | | | | |
| 5 | Others, please specify | | | | |
| | Total | | | | |

Note: The requirement of appointment of CEO, CFO or CS as required under Companies Act, 2013, is not applicable to your Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | NIL | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Superfine Vanijya Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statement of **Superfine Vanijya Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement, Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

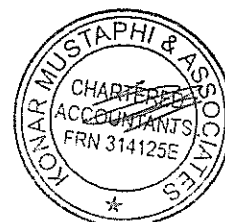
Management's Responsibility for the Financial Statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 Ind AS 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 Ind AS 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 of the Ind AS Financial Statements 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
- (b) In the case of the Statement of Profit and Loss, its Loss for the year ended on that date including other comprehensive income;
- (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.
And
- (d) In the case of Statement of Changes in Equity, of the changes 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 including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 as amended.;


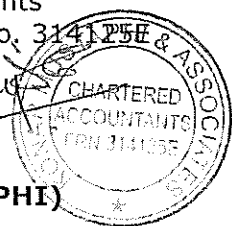


- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to 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.

For Konar Mustaphi & Associates

Chartered Accountants

Firm Registration No. 314125E

(C.A. S.K. MUSTAPHI)

Partner

Membership No.051842

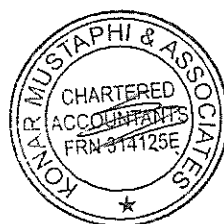
Place: Kolkata

Date: 21st May 2018

"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, 2018:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) As explained to us, the property, plant and equipment 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 property, plant and equipment 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 and cess is outstanding, as at 31st March, 2018 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.

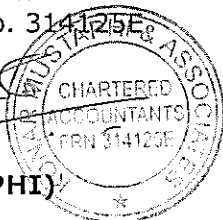
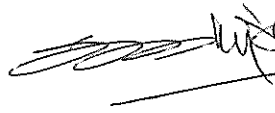


- (viii) According to the records of the Company, examined by us and as per the information and explanations given to us, the Company has not availed any loan from the financial institutions or banks and has not issued any debenture.
- (ix) In our opinion and according to the information and explanation 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 Ind AS Financial Statements as required by the applicable Ind AS.
- (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: 21st May 2018

"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, 2018 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.

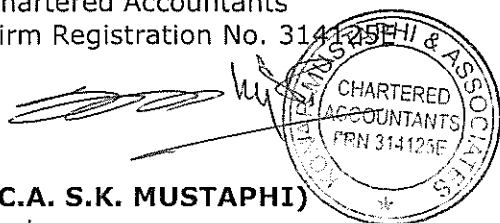
Opinion

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 2018, 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: 21st May 2018

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Balance Sheet as at 31st March 2018

(Amount in Rs.)

| Particulars | Note No. | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|----------|-----------------------|-----------------------|----------------------|
| I) ASSETS | | | | |
| A) NON-CURRENT ASSETS | | | | |
| a) Property, plant and equipment | 3 | 62,11,005 | 1,03,62,477 | 1,11,85,810 |
| b) Deferred tax assets (net) | 4 | 55,26,851 | 44,37,630 | 43,59,859 |
| Total Non-Current Assets (A) | | 1,17,37,856 | 1,48,00,107 | 1,55,45,669 |
| B) CURRENT ASSETS | | | | |
| a) Financial assets | | | | |
| (i) Cash and cash equivalents | 5 | 17,082 | 2,23,328 | 2,62,952 |
| (ii) Loans | 6 | 1,17,09,137 | 1,17,09,137 | 66,49,137 |
| (iii) Other financial assets | 7 | 38,54,941 | 23,79,590 | 12,16,733 |
| b) Current tax assets (net) | 8 | 2,64,729 | 1,00,801 | 4,81,477 |
| c) Other current assets | 9 | 5,30,941 | 4,05,941 | 4,16,317 |
| Total Current Assets (B) | | 1,63,76,830 | 1,48,18,797 | 90,26,616 |
| Total Assets (A+B) | | 2,81,14,686 | 2,96,18,904 | 2,45,72,285 |
| II) EQUITY AND LIABILITIES | | | | |
| C) EQUITY | | | | |
| a) Equity share capital | 10 | 48,59,200 | 48,59,200 | 48,59,200 |
| b) Other equity | 11 | 1,65,43,300 | 1,86,55,699 | 1,85,87,785 |
| Total Equity (C) | | 2,14,02,500 | 2,35,14,899 | 2,34,46,985 |
| LIABILITIES | | | | |
| D) CURRENT LIABILITIES | | | | |
| a) Financial liabilities | | | | |
| (i) Borrowings | 12 | 50,00,000 | 50,00,000 | - |
| (ii) Trade payables | 13 | 23,661 | 90,480 | 1,22,909 |
| (iii) Other financial liabilities | 14 | 15,86,998 | 9,79,498 | 10,02,391 |
| b) Other current liabilities | 15 | 1,01,527 | 34,027 | - |
| Total Current Liabilities (D) | | 67,12,186 | 61,04,005 | 11,25,300 |
| Total Liabilities (E = D) | | 67,12,186 | 61,04,005 | 11,25,300 |
| Total Equity and Liabilities (C+E) | | 2,81,14,686 | 2,96,18,904 | 2,45,72,285 |

The accompanying notes are an integral part of the financial statements.

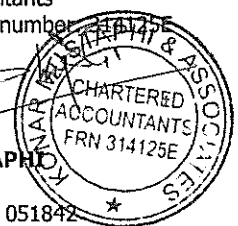
As per our report of even date

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

S.L.Choraria
Director
DIN - 00031840

M.K. Lath

M.K.Lath
Director
DIN - 03261005

Place: Kolkata
Date: 21st May 2018

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Statement of Profit and Loss for the year ended 31st March 2018

(Amount in Rs.)

| Particulars | Notes | 2017 - 18 | 2016 - 17 |
|--|-------|--------------------|------------------|
| INCOME | | | |
| Other income | 16 | 16,47,729 | 13,88,363 |
| Total Revenue (I) | | 16,47,729 | 13,88,363 |
| EXPENSES | | | |
| Other expenses | 17 | 41,67,056 | 8,20,557 |
| Total Expenses (II) | | 41,67,056 | 8,20,557 |
| Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II) | | (25,19,327) | 5,67,806 |
| Depreciation and amortization expenses | 3 | 7,294 | 34,647 |
| Finance costs | 18 | 6,75,000 | 3,84,084 |
| Profit/(Loss) before taxes (III) | | (32,01,621) | 1,49,075 |
| Tax expenses | | | |
| - Current tax | | - | 28,406 |
| - Income Tax for earlier years (net) | | - | 1,30,526 |
| - MAT credit | | - | (28,406) |
| - Deferred tax expense | | (10,89,221) | (49,365) |
| Total tax expenses (IV) | | (10,89,221) | 81,161 |
| Profit/(Loss) for the year [(III) – (IV)] | | (21,12,400) | 67,914 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | (21,12,400) | 67,914 |
| Earnings per equity share (nominal value of share Rs. 10/- each) | | | |
| (1) Basic (Rs.) | | 0.00 | 0.14 |
| (2) Diluted (Rs.) | | 0.00 | 0.14 |
| Summary of significant accounting policies | 2 | | |


The accompanying notes are an integral part of the financial statements

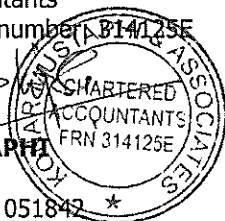
As per our report of even date

For Konar Mustaphi & Associates

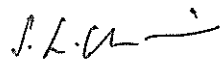
Chartered Accountants

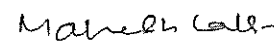
Firm registration number: 314125E


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: 21st May 2018

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Statement of Changes in Equity for the year ended 31st March 2018**A) Equity Share Capital**

| Particulars | No. of Shares | Amount(Rs.) |
|---|---------------|-------------|
| Equity Shares of Rs.10/- each issued, subscribed and fully paid | | |
| At 1st April, 2016 | 4,85,920 | 48,59,200 |
| At 31st March, 2017 | 4,85,920 | 48,59,200 |
| At 31st March, 2018 | 4,85,920 | 48,59,200 |

B) Other Equity

| Particulars | Reserves and Surplus | | |
|---------------------------------|----------------------|--------------------|--------------------|
| | Securities Premium | Retained Earnings | Total |
| As at 1st April, 2016 | 2,04,36,800 | (18,49,015) | 1,85,87,785 |
| Add: Profit/(Loss) for the year | - | 67,914 | 67,914 |
| Add: Other comprehensive income | - | - | - |
| As at 31st March, 2017 | 2,04,36,800 | (17,81,101) | 1,86,55,699 |
| Add: Profit/(Loss) for the year | - | (21,12,400) | (21,12,400) |
| Add: Other comprehensive income | - | - | - |
| As at 31st March, 2018 | 2,04,36,800 | (38,93,500) | 1,65,43,300 |

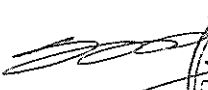
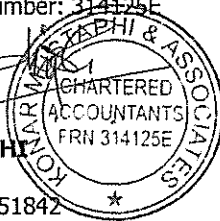

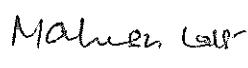
There has been no movement in equity shares during the period.

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: 21st May 2018

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Cash Flow Statement for the year ended 31st March 2018

(Amount in Rs.)

| Particulars | 2017 - 18 | 2016 - 17 |
|--|-------------------|--------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit before tax | (32,01,621) | 1,49,075 |
| Adjustment for : | | |
| Depreciation | 7,294 | 34,647 |
| Interest Income | (16,39,279) | (12,92,064) |
| Liabilities no longer required written back | (8,450) | (48,980) |
| Loss on sale of fixed assets | 41,44,178 | 7,88,687 |
| Interest Expenses | 6,75,000 | 3,84,084 |
| Operating Profit before working capital charges | (22,878) | 15,449 |
| (Increase) / Decrease in Other non current assets | (1,25,000) | 10,376 |
| Increase / (Decrease) in Trade payables | (58,369) | 16,550 |
| Increase / (Decrease) in Other financial liabilities | - | (49,140) |
| Increase / (Decrease) in Other current liabilities | 67,500 | 34,027 |
| Cash Generated from operations | (1,38,747) | 27,262 |
| Direct Taxes received / (paid) | (1,63,928) | 2,21,744 |
| Net Cash from Operating Activities (A) | (3,02,675) | 2,49,006 |
| B. Cash Flow from Investing Activities | | |
| Short Term Loan Given | - | (50,60,000) |
| Interest received | 1,63,928 | 1,29,207 |
| Net Cash used in Investing Activities (B) | 1,63,928 | (49,30,793) |
| C. Cash Flow from Financing Activities | | |
| Short Term Borrowings received / refunded (net) | - | 50,00,000 |
| Interest Paid | (67,500) | (3,57,837) |
| Net Cash from Financing Activities (C) | (67,500) | 46,42,163 |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | (2,06,247) | (39,624) |
| Cash and Cash Equivalents - Opening Balance | 2,23,328 | 2,62,952 |
| Cash and Cash Equivalents - Closing Balance | 17,081 | 2,23,328 |
| Notes: | | |
| Cash & Cash Equivalents *: | | |
| Cash on hand | 1,952 | 2,10,452 |
| Balance with Scheduled Banks: | | |
| In Current Account | 15,130 | 12,876 |
| Cash and Cash Equivalents as at the Close of the year | 17,081 | 2,23,328 |

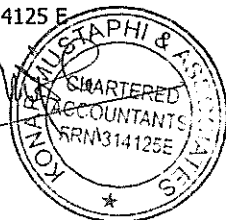
*Excluding restricted Cash in form of Fixed Deposits Pledged as security / margin with banks.

As per our report of even date

For **KONAR MUSTAPHI & ASSOCIATES**

Firm Registration No 314125 E
Chartered Accountants

C.A. S.K.MUSTAPHI
Partner
Membership No.: 051842



For and on behalf of Board of Directors

J.L.Choraria
S.L.Choraria
Director
DIN - 00031840

M.K.Lath
M.K.Lath
Director
DIN - 03261005

Place: Kolkata

Date: 21st May 2018

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. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first time the Company has prepared in accordance with Ind AS, the date of transition being 1st April 2016. The financial statements have been prepared on a historical cost basis.

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.

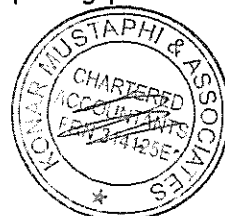
2.2 Summary of significant accounting policies

(i) 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.

(ii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period or cash or



cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, It is held primarily for the purpose of trading, It is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iii) Foreign currencies

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

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(iv) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue



from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company does not provide any warranties or maintenance contracts to its customers.

Interest income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(v) Tax Expenses

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

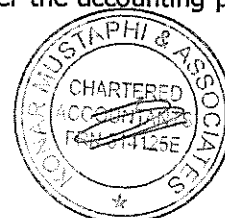
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

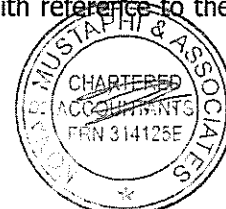
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(vi) Property, plant and equipment

The Company regards the previous GAAP carrying value for all its property, plant and equipment as deemed cost at the transition date, viz., 1 April 2016.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets specified in Schedule II to the Companies Act, 2013. 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. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(vii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life (three years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

(viii) Borrowing costs

- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(ix) Lease

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.



Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(x) Inventories

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.

- 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.
- 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.

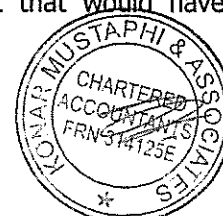
(xi) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been



determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(xii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xiii) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

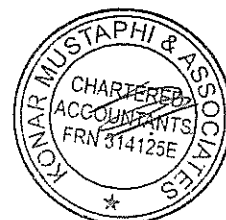
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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



Other long term employee benefits in the nature of long term paid absences are provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method.

(xiv) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(xv) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

- 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 year are adjusted for the effects of all dilutive potential equity shares.

(xvi) Financial instruments

- A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

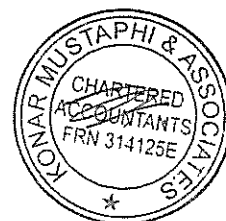
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Debt instruments at amortised cost. A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the profit or loss.



Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

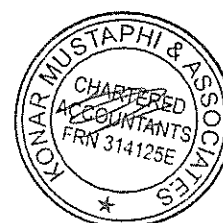
When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.



The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

(xvii) Fair value measurement

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

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



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

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

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

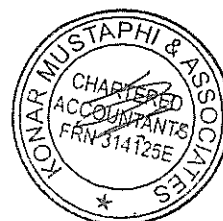
- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which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

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

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

(xviii) First time adoption of IND AS.

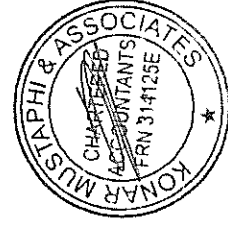
- The holding Company adopted Ind AS during the year for the first time with effect from 1st April 2017, accordingly the Company have also adopted Ind AS this year with effect from 1st April 2017 with comparatives being restated. The Impact, if, any, of transition has been provided in the Opening Reserves. The Figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.



Superfine Vanijya Private Limited
Notes to financial statements as at and for the year ended 31st March 2018

3. Property, plant and equipment

| Particulars | (Amount in Rs.) | | | | |
|----------------------------------|---------------------|------------------------|---------------|--------------------------------|--------------------|
| | Plant and Machinery | Furniture and fixtures | Vehicles | Computer and Office Equipments | Total |
| Gross Block | | | | | |
| As at 1st April 2016 | 1,25,39,338 | 1,82,832 | 77,062 | 88,812 | 1,28,88,044 |
| Additions | - | - | - | - | - |
| Deduction / Disposals | (7,75,905) | (1,82,832) | - | (88,812) | (10,47,549) |
| As at 31st March 2017 | 1,17,63,433 | - | 77,062 | - | 1,18,40,495 |
| Additions | - | - | - | - | - |
| Deduction - Written off | (47,48,543) | - | (77,062) | - | (48,25,605) |
| As at 31st March 2018 | 70,14,890 | - | - | - | 70,14,890 |
| Depreciation/Amortisation | | | | | |
| As at 1st April 2016 | 15,27,158 | 66,351 | 32,483 | 76,242 | 17,02,234 |
| Charge for the year | - | 19,225 | 7,294 | 8,128 | 34,647 |
| Deduction / Disposals | (88,917) | (85,576) | - | (84,370) | (2,58,863) |
| As at 31st March 2017 | 14,38,241 | - | 39,777 | - | 14,78,018 |
| Charge for the year | - | - | 7,294 | - | 7,294 |
| Deduction - Written off | (6,34,356) | - | (47,071) | - | (6,81,427) |
| As at 31st March 2018 | 8,03,885 | - | - | - | 8,03,885 |
| Net Block | | | | | |
| As at 1st April 2016 | 1,10,12,180 | 1,16,481 | 44,579 | 12,570 | 1,11,85,810 |
| As at 31st March 2017 | 1,03,25,192 | - | 37,285 | - | 1,03,62,477 |
| As at 31st March 2018 | 62,11,005 | - | - | - | 62,11,005 |



Superfine Vanijya Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

4. Deferred tax assets / (liabilities) (Net)

| Particulars | (Amount in Rs.) | | |
|---|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| Deferred tax assets | | | |
| Expenses allowable against taxable income in future years | 47,64,498 | 49,15,321 | 51,41,585 |
| MAT Credit Entitlement | 1,37,651 | 1,37,651 | 1,09,245 |
| | 49,02,149 | 50,52,972 | 52,50,830 |
| Less : | | | |
| Deferred tax liability | | | |
| Timing difference on depreciable assets | (6,24,702) | 6,15,342 | 8,90,971 |
| Deferred tax assets / (liabilities) (net) | 55,26,851 | 44,37,630 | 43,59,859 |

5. Cash and cash equivalents

| Particulars | (Amount in Rs.) | | |
|-----------------------|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| | Current | Current | Current |
| Balances with banks: | | | |
| - On current accounts | 15,130 | 12,876 | - |
| Cash on hand | 1,952 | 2,10,452 | 2,62,952 |
| | 17,082 | 2,23,328 | 2,62,952 |

6. Loans (unsecured, considered good)

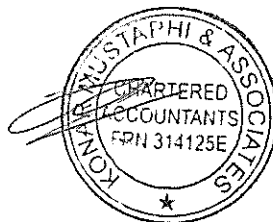
| Particulars | (Amount in Rs.) | | |
|-------------------------------|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| | Current | Current | Current |
| Loan to body corporate | | | |
| - Others | 1,17,09,137 | 1,17,09,137 | 66,49,137 |
| | 1,17,09,137 | 1,17,09,137 | 66,49,137 |

7. Other financial assets (unsecured, considered good)

| Particulars | (Amount in Rs.) | | |
|--------------------------------|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| | Current | Current | Current |
| Interest accrued on loan given | 38,54,941 | 23,79,590 | 12,16,733 |
| | 38,54,941 | 23,79,590 | 12,16,733 |

8. Current tax assets (net)

| Particulars | (Amount in Rs.) | | |
|---|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| | Current | Current | Current |
| Advance income-tax [Net of provisions of Rs. Nil (31st March 2017 : Rs. 28,406/- ; 1st April 2016 : Rs. Nil)] | 2,64,729 | 1,00,801 | 4,81,477 |
| | 2,64,729 | 1,00,801 | 4,81,477 |



Superfine Vanijya Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

9. Other current assets (unsecured, considered good)

(Amount in Rs.)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|-----------------------|-----------------------|----------------------|
| | Current | Current | Current |
| Advances recoverable in cash or kind | 1,25,000 | - | - |
| Other Loans and advances - Balance with government authorities | 4,05,941 | 4,05,941 | 4,16,317 |
| | 5,30,941 | 4,05,941 | 4,16,317 |

10. Equity share capital

(Amount in Rs.)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|---|--|-----------------------|----------------------|
| | (a) Authorized 5,00,000 (31st March 2017 : 5,00,000 ; 1st April 2016 : 5,00,000) Equity shares of Rs.10/- each | 50,00,000 | 50,00,000 |
| | 50,00,000 | 50,00,000 | 50,00,000 |
| (b) Issued, subscribed and paid-up 4,85,920 (31st March 2017 : 4,85,920 ; 1st April 2016 : 4,85,920) Equity shares of Rs. 10/- each | 48,59,200 | 48,59,200 | 48,59,200 |
| Total issued, subscribed and fully paid-up share capital | 48,59,200 | 48,59,200 | 48,59,200 |

(c) 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.

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

| Name of Shareholder | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|----------------------------------|-----------------------|-----------------------|----------------------|
| GPT Infraprojects Limited | | | |
| i. No. of shares held | 4,85,920 | 4,85,920 | 4,85,920 |
| ii. Percentage of holding | 100% | 100% | 100% |

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

(f) 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.



Superfine Vanijya Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

11. Other equity

(Amount in Rs.)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| | | | |
| Securities Premium Account | | | |
| Balance as per last financial statements | 2,04,36,800 | 2,04,36,800 | 2,04,36,800 |
| Closing Balance (a) | 2,04,36,800 | 2,04,36,800 | 2,04,36,800 |
| Other Comprehensive Income | | | |
| Balance as per last financial statements | - | - | - |
| Add: for the year | - | - | - |
| Closing Balance (b) | - | - | - |
| Surplus in the statement of profit and loss | | | |
| Balance as per last financial statements | (17,81,101) | (18,49,015) | (32,37,263) |
| Less: Profit/(Loss) for the year | (21,12,400) | 67,914 | 13,88,248 |
| Closing Balance (c) | (38,93,500) | (17,81,101) | (18,49,015) |
| Total Other Equity (a+b+c) | 1,65,43,300 | 1,86,55,699 | 1,85,87,785 |

12. Borrowings

(Amount in Rs.)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|------------------------|--------------------------|--------------------------|-------------------------|
| | Current | Current | Current |
| Unsecured Loans | | | |
| From holding company | 50,00,000 | 50,00,000 | - |
| | 50,00,000 | 50,00,000 | - |

Note :

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

13. Trade Payables

(Amount in Rs.)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| | Current | Current | Current |
| Trade Payables * (including due to Micro, Small and Medium Enterprises Rs. Nil (Rs. Nil)) | 23,661 | 90,480 | 1,22,909 |
| | 23,661 | 90,480 | 1,22,909 |

* As per information available with the company, there are no suppliers covered under Micro, Small & Medium Enterprise Development Act,

14. Other financial liabilities

(Amount in Rs.)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|--------------------------|--------------------------|-------------------------|
| | Current | Current | Current |
| Interest accrued and due on borrowings | 15,86,998 | 9,79,498 | 9,53,251 |
| Temporary overdraft in bank account | - | - | 49,140 |
| | 15,86,998 | 9,79,498 | 10,02,391 |



Superfine Vanijya Private Limited

Notes to the Financial Statements as at and for the year ended 31st March 2018

15. Other current liabilities

| Particulars | (Amount in Rs.) | | |
|------------------------------------|--------------------------|--------------------------|-------------------------|
| | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
| | Current | Current | Current |
| Other payables - Statutory Dues | 1,01,527 | 34,027 | - |
| | 1,01,527 | 34,027 | - |

16. Other income

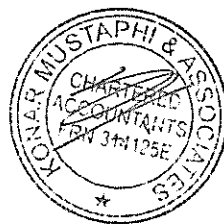
| Particulars | (Amount in Rs.) | |
|---|------------------|------------------|
| | 2017 - 18 | 2016 - 17 |
| Interest income on | | |
| - Bank deposits | - | - |
| - Loan given | 16,39,279 | 12,92,064 |
| - Others | - | 47,319 |
| Liabilities no longer required written back | 8,450 | 48,980 |
| Miscellaneous receipts | - | - |
| | 16,47,729 | 13,88,363 |

17. Other expenses

| Particulars | (Amount in Rs.) | |
|---------------------------------|------------------|-----------------|
| | 2017 - 18 | 2016 - 17 |
| Rates and taxes | 600 | 300 |
| Payment to Auditors: | | |
| As Auditor: | | |
| - Audit fee | 11,800 | 11,550 |
| Loss on discard of fixed assets | 41,44,178 | 7,88,687 |
| Miscellaneous Expenses | 10,478 | 20,020 |
| | 41,67,056 | 8,20,557 |

18. Finance Cost

| Particulars | (Amount in Rs.) | |
|-----------------------|-----------------|-----------------|
| | 2017 - 18 | 2016 - 17 |
| Interest on borrowing | 6,75,000 | 3,84,084 |
| | 6,75,000 | 3,84,084 |



19. Contingent liabilities not provided for in respect of:

(Amount in Rs.)

| Particulars | As at 31 st March 2018 | As at 31 st March 2017 |
|---|--------------------------------------|--------------------------------------|
| 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. Operating Segments :

The Company operates in a single segment in the context of IND AS 108 on Operating Segments 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.

21. Basis for calculation of Basic and Diluted Earnings per Share is as follows :

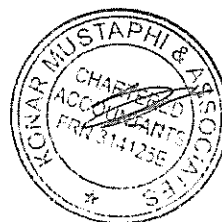
(Amount in Rs. except per share data)

| Particulars | Year ended 31 st March 2018 | Year ended 31 st March 2017 |
|--|--|--|
| Weighted average number of equity shares in calculating basic and Dilutive EPS (Nos) | 4,85,920 | 4,85,920 |
| Net Profit / (Loss) After Tax (Rs.) | (21,12,400) | 67,914 |
| Basic & Diluted Earnings Per Share (Rs.) | 0.00 | 0.14 |

22. 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 |



a. Related Party Disclosures:

(Amount in Rs.)

| Nature of Transactions | Key Management Personnel and their Relatives | Holding Company | Total |
|---|--|------------------------------|------------------------------|
| Loan Received | | | |
| GPT Infraprojects Limited | - (-) | - (50,00,000/-) | - (50,00,000/-) |
| Interest Paid | | | |
| GPT Infraprojects Limited | - (-) | 6,75,000/- (3,40,274/-) | 6,75,000/- (3,40,274/-) |
| Balance Outstanding at the Year end – Credit | | | |
| GPT Infraprojects Limited | - (-) | 65,86,998/- (59,79,498/-) | 65,86,998/- (59,79,498/-) |

23.

| Sl. No. | Particulars | 2017 – 18 | 2016 – 17 |
|---------|---|----------------|----------------|
| 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 | - | - |

24. Retirement and Employee Benefits

The IND AS 19 – 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 the standalone financial statements for the year ended 31 March 2018

25. 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 2018 | As at 31 st March 2017 |
|--------------------------|-----------------------|-----------------------------------|-----------------------------------|
| GPT Sons Private Limited | Loan Given | 1,17,09,137/- | 1,17,09,137/- |

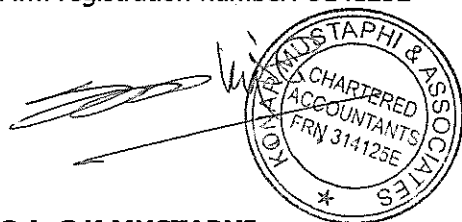
- i. Loan given to the Company are for their general business purpose.
ii. There is no investment and Guarantees given during the current and previous financial year.
26. The Company have also adopted Ind AS this year with effect from 1st April 2017 with comparatives being restated. The Impact, if, any, of transition has been provided in the Opening Reserves. The Figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.
27. The transition as at 1st April 2016 to IND AS was carried out from previous GAAP. First time adoption of IND AS, the reconciliation of Balance Sheet and Statement of Profit & Loss with previous GAAP to IND AS are explained in "Annexure I & II".

As per our attached 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 Board of Directors

S. L. Choraria

Director

DIN - 00031840

M. K. Lath

Director

DIN - 03261005

Place: Kolkata

Date: 21st May 2018

Superfine Vanijya Private Limited

Notes to Financial Statements as at and for the year ended 31st March, 2018

Note 27 :

Annexure I : Effect of IND AS adoption on the Balance Sheet as on 31st March, 2017 and 1st April, 2016

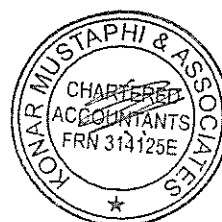
(Amount in Rs.)

| Particulars | Foot note | As at 31st March, 2017 (End of Last Period presented under previous GAAP) | | | As at 1st April, 2016 (Date of Transition) | | |
|---|-----------|--|--------------------------------|--------------------|---|--------------------------------|--------------------|
| | | As per Previous GAAP | Effect of Transition to IND AS | As per Ind-AS | As per Previous GAAP | Effect of Transition to IND AS | As per Ind-AS |
| ASSETS | | | | | | | |
| Non-current assets | | | | | | | |
| (a) Property, plant and equipment | | 1,03,62,477 | - | 1,03,62,477 | 1,11,85,810 | - | 1,11,85,810 |
| (b) Deferred tax Assets (net) | | - | 49,365 | 49,365 | - | 42,50,614 | 42,50,614 |
| Total Non - current assets (A) | | 1,03,62,477 | 49,365 | 1,04,11,842 | 1,11,85,810 | 42,50,614 | 1,54,36,424 |
| Current assets | | | | | | | |
| (a) Financial assets | | | | | | | |
| (i) Cash and Cash Equivalents | | 2,23,328 | - | 2,23,328 | 2,62,952 | - | 2,62,952 |
| (ii) Loans | | 1,17,09,137 | - | 1,17,09,137 | 66,49,137 | - | 66,49,137 |
| (iii) Other financial assets | | 23,79,590 | - | 23,79,590 | 12,16,733 | - | 12,16,733 |
| (b) Current tax assets(net) | | 1,00,801 | - | 1,00,801 | 4,81,477 | - | 4,81,477 |
| (c) Other current assets | | 5,43,592 | - | 5,43,592 | 5,25,562 | - | 5,25,562 |
| Total Current assets (B) | | 1,49,56,448 | - | 1,49,56,448 | 91,35,861 | - | 91,35,861 |
| Total assets (A+B) | | 2,53,18,925 | 49,365 | 2,53,68,290 | 2,03,21,671 | 42,50,614 | 2,45,72,285 |
| EQUITY AND LIABILITIES | | | | | | | |
| Equity | | | | | | | |
| (a) Equity Share capital | | 48,59,200 | - | 48,59,200 | 48,59,200 | - | 48,59,200 |
| (b) Other Equity | | 1,43,55,720 | 49,365 | 1,44,05,085 | 1,43,37,171 | 42,50,614 | 1,85,87,785 |
| Total equity (C) | | 1,92,14,920 | 49,365 | 1,92,64,285 | 1,91,96,371 | 42,50,614 | 2,34,46,985 |
| LIABILITIES | | | | | | | |
| Current liabilities | | | | | | | |
| (a) Financial liabilities | | | | | | | |
| (i) Borrowings | | 50,00,000 | - | 50,00,000 | - | - | - |
| (ii) Trade payables | | 90,480 | - | 90,480 | 1,22,909 | - | 1,22,909 |
| (iii) Other financial liabilities | | 9,79,498 | - | 9,79,498 | 10,02,391 | - | 10,02,391 |
| (b) Other current liabilities | | 34,027 | - | 34,027 | - | - | - |
| Total current liabilities (D) | | 61,04,005 | - | 61,04,005 | 11,25,300 | - | 11,25,300 |
| Total liabilities (E = D) | | 61,04,005 | - | 61,04,005 | 11,25,300 | - | 11,25,300 |
| Total equity and liabilities (C+E) | | 2,53,18,925 | 49,365 | 2,53,68,290 | 2,03,21,671 | 42,50,614 | 2,45,72,285 |

Foot Note : 1

Calculation of tax of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

| Particulars | As at 31st March 2017 | As at 1st April 2016 |
|---|-----------------------|----------------------|
| Tax Asset : | | |
| Balance of Unabsorbed depreciation (i) | 1,08,76,154 | 1,08,76,154 |
| Balance of Business loss (ii) | 55,79,557 | 57,63,279 |
| Total of (i) + (ii) | 1,64,55,711 | 1,66,39,433 |
| Tax rate | 29.87% | 30.90% |
| Gross Deferred tax assets | 49,15,321 | 51,41,585 |
| Tax Liability : | | |
| WDV value of fixed assets as per Companies Act, 2013 | 1,03,62,477 | 1,11,85,810 |
| WDV value of fixed assets as per Income Tax Act, 1961 | 83,02,408 | 83,02,408 |
| Impact of difference between tax depreciation and depreciation charged over financial reporting | 20,60,069 | 28,83,402 |
| Tax rate | 29.87% | 30.90% |
| Gross Deferred tax liability | 6,15,342 | 8,90,971 |
| Net Deferred tax assets created | 42,99,979 | 42,50,614 |
| Net Deferred tax assets created as at 1st April 2016 | | 42,50,614 |
| Net Deferred tax assets created as at 31st March 2017 | 49,365 | |



Superfine Vanijya Private Limited

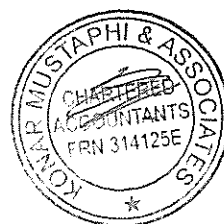
Notes to Financial Statements as at and for the year ended 31st March, 2018

Note 27 :

Annexure II : Effect of IND AS adoption on the Statement of Profit & Loss for the year ended 31st March, 2017

(Amount in Rs.)

| Particulars | Foot note | Previous GAAP | Effect of Transition to IND AS | 2016-17 |
|--|-----------|------------------|--------------------------------|------------------|
| Income | | | | |
| Other Income | | 13,88,363 | - | 13,88,363 |
| Total Income (I) | | 13,88,363 | - | 13,88,363 |
| Expenses | | | | |
| Other Expenses | | 8,20,557 | - | 8,20,557 |
| Total Expenses (II) | | 8,20,557 | - | 8,20,557 |
| Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II) | | 5,67,806 | - | 5,67,806 |
| Depreciation and amortization expenses | | 34,647 | - | 34,647 |
| Finance costs | | 3,84,084 | - | 3,84,084 |
| Profit/(Loss) before taxes (III) | | 1,49,075 | - | 1,49,075 |
| Tax Expenses | | | | |
| - Current tax | | 28,406 | - | 28,406 |
| - Income tax for earlier years (net) | | 1,30,526 | - | 1,30,526 |
| - MAT credit | | (28,406) | - | (28,406) |
| - Deferred tax expenses | | - | (49,365) | (49,365) |
| Total tax expenses (IV) | | 1,30,526 | (49,365) | 81,161 |
| Profit/(Loss) for the year (V) = [(III) – (IV)] | | 18,549 | 49,365 | 67,914 |
| Other Comprehensive Income (OCI) | | - | - | - |
| Total Comprehensive Income/(Loss) for the year | | 18,549 | 49,365 | 67,914 |
| Earnings per equity share (nominal value of share Rs. 10/- each) | | | | |
| Basic and Diluted (Rs.) | 1 | 0.04 | 0.10 | 0.14 |



GPT - TRANSNAMIB CONCRETE SLEEPERS (PTY) LTD
(Registration number 2010/0427)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Annual Financial Statements for the year ended 31 March 2018

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. Tjvikua 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 |
| Banker | First National Bank of Namibia Limited |
| Auditor | PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia) |
| Company registration number | 2010/0427 |

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Annual Financial Statements for the year ended 31 March 2018

Contents

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

| <i>Contents</i> | <i>Page</i> |
|---|-------------|
| Directors' Responsibilities and Approval | 3 |
| Independent Auditor's Report | 4 - 6 |
| Directors' Report | 7 - 8 |
| Statement of Financial Position | 9 |
| Statement of Comprehensive Income | 10 |
| Statement of Changes in Equity | 11 |
| Statement of Cash Flows | 12 |
| Accounting Policies | 13 - 21 |
| Notes to the Annual Financial Statements | 22 - 34 |
| The following supplementary information does not form part of the annual financial statements and is unaudited: | |
| Detailed Statement of Comprehensive Income | 35 - 37 |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 annual financial statements.

The annual 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.

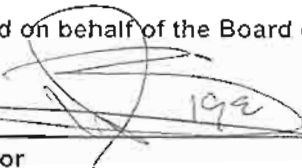
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2019 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 annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The annual 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 2018



Independent Auditor's Report

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

Report on the audit of the financial statements

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 2018, 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 7 to 34 comprise:

- the directors' report for the year ended 31 March 2018;
- the statement of financial position as at 31 March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended and;
- 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)*) 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 Uaandja

Partners: Carl P van der Merwe, Louis van der Riet, Anna EJ Rossouw, Chantell N Husselmann, Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel



Independent Auditor's Report

Other information

The directors are responsible for the other information. The other information comprises the information included in the GPT-Transnamib Concrete Sleepers (Pty) Ltd's Annual Financial Statements for the year ended 31 March 2018. 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.
- 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.

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Independent Auditor's Report

- 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.

Report on other legal and regulatory requirements

With the written consent of all shareholders, we have performed certain secretarial duties in the name of PricewaterhouseCoopers Tax and Advisory Services (Pty) Ltd.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Samuel N Ndahangwapo
Partner

Windhoek

Date: 09/05/2018

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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 Uaandja

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GPT - Transnamib Concrete Sleepers (Pty) Ltd
Annual Financial Statements for the year ended 31 March 2018

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of GPT - Transnamib Concrete Sleepers (Pty) Ltd for the year ended 31 March 2018.

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 and operates 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 annual 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 annual 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\$ 24,000,000 (2016: N\$ 5,000,000) was declared to the shareholders. The total dividends declared to date is N\$ 49,000,000.

6. Directorate

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

| <i>Directors</i> | <i>Nationality</i> |
|-------------------------|---------------------------|
| Mbingee W. Hindjou | Namibian |
| Mbahupa H. Tjivikua | Namibian |
| Atul Tantia | Indian |
| Niraj K. Sinha | Indian |
| Shafa M. Kaulinge | Namibian |
| Dantagos N. Jimmy | Namibian |
| Ferdinand Ganaseb | Namibian |

There have been no changes to the directorate for the year under review.

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 2018 the company's investment in property, plant and equipment amounted to N\$ 24,089,523 (2017: N\$ 23,165,663), of which N\$ 4,800,000 (2017: N\$ 2,231,005) was added in the current year through additions

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

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Annual Financial Statements for the year ended 31 March 2018

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 annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company 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. Auditor

PricewaterhouseCoopers continued in office as the auditor for the company for 2018.

11. Secretary

The company had no secretary for the financial year.

With the written consent of the shareholders, PricewaterhouseCoopers has performed certain secretarial duties in the name of PricewaterhouseCoopers Tax & Advisory Services (Pty) Ltd.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Statement of Financial Position as at 31 March 2018

| | Note(s) | 2018 N\$ | 2017 N\$ |
|-------------------------------------|---------|--------------------------|--------------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 4 | 24,089,523 | 23,165,663 |
| Current Assets | | | |
| Inventories | 5 | 1,438,282 | 1,753,015 |
| Trade and other receivables | 6 | 509,385 | 29,612,378 |
| Prepayments | 7 | 1,225,726 | 1,557,479 |
| Current tax receivable | 8 | - | 401,442 |
| Cash and cash equivalents | 9 | 11,434,810 | 2,290,829 |
| | | <u>14,608,203</u> | <u>35,615,143</u> |
| Total Assets | | <u>38,697,726</u> | <u>58,780,806</u> |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | 11 | 12,500,000 | 12,500,000 |
| Reserves | 12 | 3,750,000 | 3,750,000 |
| Retained income | | 2,694,576 | 15,981,376 |
| | | <u>18,944,576</u> | <u>32,231,376</u> |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Deferred tax | 13 | 3,175,072 | 3,399,855 |
| Current Liabilities | | | |
| Trade and other payables | 14 | 11,275,499 | 13,219,123 |
| Current tax payable | 8 | 302,579 | 931,094 |
| Dividend payable | 15 | 5,000,000 | - |
| Bank overdraft | 9 | - | 8,999,358 |
| | | <u>16,578,078</u> | <u>23,149,575</u> |
| Total Liabilities | | <u>19,753,150</u> | <u>26,549,430</u> |
| Total Equity and Liabilities | | <u>38,697,726</u> | <u>58,780,806</u> |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Statement of Comprehensive Income

| | Note(s) | 2018 N\$ | 2017 N\$ |
|--|---------|-------------------|-------------------|
| Revenue | 17 | 57,528,286 | 62,188,184 |
| Cost of sales | 18 | (25,110,677) | (28,528,585) |
| Gross profit | | 32,417,609 | 33,661,599 |
| Other operating income | 20 | 260,330 | 131,686 |
| Other operating gains (losses) | 19 | (108,975) | 9,593 |
| Selling and distribution expenses | | (717,635) | (787,545) |
| Marketing expenses | | (20,264) | (23,979) |
| General and administrative expenses | | (12,431,642) | (13,657,256) |
| Maintenance expenses | | (922,348) | (761,416) |
| Other operating expenses | | (5,748,973) | (5,443,665) |
| Operating profit | 21 | 12,728,102 | 13,129,017 |
| Investment income | 22 | 424 | 1,774 |
| Finance costs | 23 | (45,542) | (36,981) |
| Profit before taxation | | 12,682,984 | 13,093,810 |
| Taxation | 24 | (1,969,784) | (1,981,888) |
| Profit for the year | | 10,713,200 | 11,111,922 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 10,713,200 | 11,111,922 |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Statement of Changes in Equity

| | Share capital | Capital redemption reserve fund | Retained income | Total equity |
|--|---------------|---------------------------------|---------------------|---------------------|
| | N\$ | N\$ | N\$ | N\$ |
| 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 01 April 2017 | 12,500,000 | 3,750,000 | 15,981,376 | 32,231,376 |
| Profit for the year | - | - | 10,713,200 | 10,713,200 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the year | - | - | 10,713,200 | 10,713,200 |
| Dividends | - | - | (24,000,000) | (24,000,000) |
| Total contributions by and distributions to owners of company recognised directly in equity | - | - | (24,000,000) | (24,000,000) |
| Balance at 31 March 2018 | 12,500,000 | 3,750,000 | 2,694,576 | 18,944,576 |
| Note | 11 | | | |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Statement of Cash Flows

| | Note(s) | 2018 N\$ | 2017 N\$ |
|--|---------|--------------------|---------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 25 | 40,810,097 | (2,706,554) |
| Interest income | 22 | 424 | 1,774 |
| Finance costs | 23 | (45,542) | (36,981) |
| Tax paid | 26 | (2,421,640) | (802,071) |
| Net cash from operating activities | | 38,343,339 | (3,543,832) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 4 | (1,200,000) | (2,231,005) |
| Sale of financial assets | | - | 23,056 |
| Net cash from investing activities | | (1,200,000) | (2,207,949) |
| Cash flows from financing activities | | | |
| Dividends paid | 27 | (19,000,000) | (5,000,000) |
| Total cash, cash equivalents and bank overdraft movement for the year | | 18,143,339 | (10,751,781) |
| Cash, cash equivalents and bank overdraft at the beginning of the year | | (6,708,529) | 4,043,252 |
| Total cash, cash equivalents and bank overdraft at end of the year | 9 | 11,434,810 | (6,708,529) |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

The annual 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 annual financial statements and the Companies Act of Namibia.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual 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

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

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 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.

Residual values and useful lives of property, plant and equipment

Management assess the appropriateness of the residual values and useful lives of property, plant and equipment at the end of each reporting period. The residual values and 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.

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

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.

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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.3 Property, plant and equipment (continued)

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 |

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.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.4 Financial instruments (continued)

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.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

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.

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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.4 Financial instruments (continued)

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.

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 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 - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.5 Tax (continued)

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 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 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

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 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.

Any contingent rents are expensed in the period they are incurred.

1.7 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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.7 Inventories (continued)

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.

When inventories are sold, the carrying amount of those inventories are 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of assets

The company assesses at each end of the reporting period 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.

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 is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

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

1.9 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.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.10 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.

1.11 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.

Contingent assets and contingent liabilities are not recognised.

1.12 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.

1.13 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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Accounting Policies

1.14 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 annual financial statements are recognised in profit or loss in the period in which they arise.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

| <i>Standard/ Interpretation:</i> | <i>Effective date: Years beginning on or after</i> | <i>Expected impact:</i> |
|--|--|---|
| <ul style="list-style-type: none">Amendments to IAS 7: Disclosure initiative | 01 January 2017 | The impact of the standard is not material. |
| <ul style="list-style-type: none">Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses | 01 January 2017 | The impact of the amendments is not material. |

2.2 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 2018 or later periods:

| <i>Standard/ Interpretation:</i> | <i>Effective date: Years beginning on or after</i> | <i>Expected impact:</i> |
|--|--|--|
| <ul style="list-style-type: none">IFRIC 22 Foreign currency transactions and advance consideration | 01 January 2018 | Unlikely there will be a material impact |
| <ul style="list-style-type: none">IFRS 16 Leases | 01 January 2019 | Impact is currently being assessed |
| <ul style="list-style-type: none">IFRS 9 Financial Instruments | 01 January 2018 | Impact is currently being assessed |
| <ul style="list-style-type: none">IFRS 15 Revenue from Contracts with Customers | 01 January 2018 | Impact is currently being assessed |
| <ul style="list-style-type: none">Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers | 01 January 2018 | Impact is currently being assessed |

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 cash and cash equivalents disclosed in note 9, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirement.

Financial risk management

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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

3. Risk management (continued)

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.

| At 31 March 2018 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|-------------------------------------|------------------|-----------------------|-----------------------|--------------|
| Trade and other payables (less VAT) | 10,517,213 | - | - | - |
| At 31 March 2017 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
| Trade and other payables (less VAT) | 10,097,300 | - | - | - |
| Bank overdraft | 8,999,358 | - | - | - |

Interest rate risk

At 31 March 2018, 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\$ 10,713 (2017: N\$ 8,999) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings; other components of equity would have been N\$ 10,713 (2017: N\$ 8,999) 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

| | Effect on profit 2018 | | Effect on profit 2017 | |
|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 100bp increase in market | 100bp decrease in market | 100bp increase in market | 100bp decrease in market |
| Overdraft facility | - | - | 89,994 | (89,994) |
| Cash and cash equivalents | 114,348 | (114,348) | 22,908 | (22,908) |
| | <u>114,348</u> | <u>(114,348)</u> | <u>112,902</u> | <u>(112,902)</u> |

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.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

3. Risk management (continued)

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:

| Financial instrument | 2018 N\$ | 2017 N\$ |
|--|-------------|-------------|
| Cash and cash equivalents | 11,420,498 | 2,284,829 |
| Trade receivables (excluding VAT and tax receivable) | 162,698 | 29,265,691 |

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.

Foreign currency exposure at the statement of financial position date

| | | |
|-----------------------|-----------|--------|
| Current assets | | |
| Trade debtors | - | 93,867 |
| Liabilities | | |
| Trade payables | 3,325,077 | 71,867 |

Price risk

The company is not exposed to a material price risk, as it does not have any equity securities.

4. Property, plant and equipment

| | 2018 | | | 2017 | | |
|------------------------|-------------------|--------------------------|-------------------|-------------------|--------------------------|-------------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Leasehold improvements | 7,636,195 | (6,250,595) | 1,385,600 | 7,636,195 | (5,999,647) | 1,636,548 |
| Plant and machinery | 61,951,628 | (40,222,623) | 21,729,005 | 57,151,628 | (36,950,332) | 20,201,296 |
| Furniture and fixtures | 143,290 | (136,407) | 6,883 | 143,290 | (134,969) | 8,321 |
| Motor vehicles | 3,122,121 | (2,166,433) | 955,688 | 3,122,121 | (1,824,355) | 1,297,766 |
| Office equipment | 54,886 | (47,518) | 7,368 | 54,886 | (39,961) | 14,925 |
| IT equipment | 119,730 | (114,751) | 4,979 | 119,730 | (112,923) | 6,807 |
| Total | 73,027,850 | (48,938,327) | 24,089,523 | 68,227,850 | (45,062,187) | 23,165,663 |

Reconciliation of property, plant and equipment - 2018

| | Opening balance | Additions | Depreciation | Total |
|------------------------|-------------------|------------------|--------------------|-------------------|
| Leasehold improvements | 1,636,548 | - | (250,948) | 1,385,600 |
| Plant and machinery | 20,201,296 | 4,800,000 | (3,272,281) | 21,729,005 |
| Furniture and fixtures | 8,321 | - | (1,438) | 6,883 |
| Motor vehicles | 1,297,766 | - | (342,078) | 955,688 |
| Office equipment | 14,925 | - | (7,557) | 7,368 |
| IT equipment | 6,807 | - | (1,828) | 4,979 |
| Total | 23,165,663 | 4,800,000 | (3,876,140) | 24,089,523 |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ | | |
|--|--------------------|------------------|--------------------|-------------------|
| 4. Property, plant and equipment (continued) | | | | |
| <i>Reconciliation of property, plant and equipment - 2017</i> | | | | |
| | 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 |
| | <u>25,730,483</u> | <u>2,231,005</u> | <u>(4,795,825)</u> | <u>23,165,663</u> |
| 5. Inventories | | | | |
| Raw materials, components | | 1,438,282 | | 1,753,015 |
| 6. Trade and other receivables | | | | |
| Trade receivables | | 81,900 | | 29,195,191 |
| Employee costs in advance | | - | | 70,500 |
| Other receivables (Receiver of Revenue) | | 346,687 | | 346,687 |
| Other debtors | | 80,798 | | - |
| | | <u>509,385</u> | | <u>29,612,378</u> |
| <i>Split between non-current and current portions</i> | | | | |
| Current assets | | <u>509,385</u> | | <u>29,612,378</u> |
| <i>Credit quality of trade and other receivables</i> | | | | |
| The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates: | | | | |
| <i>Trade receivables</i> | | | | |
| <i>Counterparties without external credit rating</i> | | | | |
| Ministry of Works & Transport (existing client without history of default) | | - | | 29,137,786 |
| <i>Fair value of trade and other receivables</i> | | | | |
| Trade and other receivables | | 509,385 | | 29,612,378 |
| The carrying amount of trade and other receivables approximates fair value. | | | | |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|--|-------------------|--------------------|
| 6. Trade and other receivables (continued) | | |
| <i>Trade and other receivables past due but not impaired</i> | | |
| Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2018, N\$ 82,250 (2017: N\$ 21,546,586) 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 | 82,250 | 9,693,115 |
| 7. Prepayments | | |
| Prepayments consist of advanced payments made in respect of plant and machinery. | | |
| Prepayments | <u>1,225,726</u> | <u>1,557,479</u> |
| 8. 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 | <u>(302,579)</u> | <u>(931,094)</u> |
| Total current tax receivable / (payable) | <u>(302,579)</u> | <u>(529,652)</u> |
| <i>Provision for taxation</i> | | |
| Opening balance | 529,652 | (242,729) |
| Provision for the year | (2,682,231) | (1,088,094) |
| Provisional tax payment | 1,850,000 | 500,000 |
| Prior year top-up payment | - | 302,071 |
| | <u>(302,579)</u> | <u>(529,652)</u> |
| <i>Balance of provision for taxation consists of:</i> | | |
| 2018/2017 | <u>(302,579)</u> | <u>(529,652)</u> |
| 9. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 14,312 | 5,877 |
| Bank balances | 11,420,498 | 2,284,952 |
| Bank overdraft | - | (8,999,358) |
| | <u>11,434,810</u> | <u>(6,708,529)</u> |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|---|-------------------|--------------------|
| 9. Cash and cash equivalents (continued) | | |
| Current assets | 11,434,810 | 2,290,829 |
| Current liabilities | - | (8,999,358) |
| | <u>11,434,810</u> | <u>(6,708,529)</u> |

As at year end the entity had an unsecured short-term overdraft facility of N\$ nil (2017: N\$ 9,000,000) 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:

Credit rating

| | | |
|-------------------------------|-------------------|--------------------|
| First National Bank P-2 (zaf) | <u>11,420,498</u> | <u>(6,702,652)</u> |
|-------------------------------|-------------------|--------------------|

10. Financial assets by category

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

2018

| | Loans and receivables | Total |
|--|--------------------------|-------------------|
| Trade and other receivables (excluding VAT and tax receivable) | 162,698 | 162,698 |
| Cash and cash equivalents | 11,434,810 | 11,434,810 |
| | <u>11,597,508</u> | <u>11,597,508</u> |

2017

| | Loans and receivables | Total |
|--|--------------------------|-------------------|
| Trade and other receivables (excluding VAT and tax receivable) | 29,612,378 | 29,612,378 |
| Cash and cash equivalents | 2,290,829 | 2,290,829 |
| | <u>31,903,207</u> | <u>31,903,207</u> |

11. Share capital

Authorised

| | | |
|---|-------------------|-------------------|
| 12,500,000 Ordinary shares of N\$1 each | 12,500,000 | 12,500,000 |
| Redeemable cumulative preference shares | 3,750,000 | 3,750,000 |
| Share premium | 33,750,000 | 33,750,000 |
| | <u>50,000,000</u> | <u>50,000,000</u> |

Issued

| | | |
|---|-------------------|-------------------|
| 12,500,000 Ordinary shares of N\$1 each | <u>12,500,000</u> | <u>12,500,000</u> |
|---|-------------------|-------------------|

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|---|--------------------|--------------------|
| 12. Reserves | | |
| Capital redemption reserve fund | 3,750,000 | 3,750,000 |
| 13. Deferred tax | | |
| <i>Deferred tax liability</i> | | |
| Property plant and equipment | (2,844,071) | (2,990,501) |
| Inventory | (119,963) | (145,360) |
| Prepayments | (220,631) | (275,824) |
| Total deferred tax liability | (3,184,665) | (3,411,685) |
| <i>Deferred tax asset</i> | | |
| Provisions | 9,593 | 11,830 |
| <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 | (3,184,665) | (3,411,685) |
| Deferred tax asset | 9,593 | 11,830 |
| Total net deferred tax liability | (3,175,072) | (3,399,855) |
| Deferred tax liability | (3,184,665) | (3,411,685) |
| Deferred taxation liability to be recovered after more than 12 months | (2,501,884) | (2,501,884) |
| Deferred taxation liability to be recovered within 12 months | (682,781) | (909,801) |
| Deferred tax asset | 9,593 | 11,830 |
| Deferred taxation asset to be recovered after more than 12 months | - | - |
| Deferred taxation asset to be recovered within 12 months | 9,593 | 11,830 |
| Total net deferred tax liability | (3,175,072) | (3,399,855) |
| <i>Reconciliation of deferred tax asset / (liability)</i> | | |
| At beginning of year | (3,399,855) | (2,506,961) |
| Increases (decrease) in leave pay provision of deferred tax asset | - | (13,273) |
| Taxable / (deductible) temporary difference movement on tangible fixed assets | 146,430 | (740,123) |
| Taxable / (deductible) temporary difference on inventory | 25,397 | (3,564) |
| Taxable / (deductible) temporary difference on prepayments | 55,193 | (174,597) |
| Taxable / (deductible) temporary difference on short term unrealised forex gains | (2,237) | 38,663 |
| | (3,175,072) | (3,399,855) |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|--|---|-------------------|
| 14. Trade and other payables | | |
| Trade payables | 10,360,194 | 9,928,022 |
| VAT | 758,286 | 3,121,823 |
| Leave pay accrual | 157,019 | 169,278 |
| | <u>11,275,499</u> | <u>13,219,123</u> |
| <i>Fair value of trade and other payables</i> | | |
| Trade payables | 11,275,499 | 13,219,123 |
| The carrying amount of trade and other payables approximates the fair value. | | |
| 15. Dividend payable | | |
| Dividend payable | <u>5,000,000</u> | <u>-</u> |
| 16. Financial liabilities by category | | |
| The accounting policies for financial instruments have been applied to the line items below: | | |
| 2018 | | |
| | Financial liabilities at amortised cost | Total |
| Trade and other payables (less VAT) | <u>10,517,213</u> | <u>10,517,213</u> |
| 2017 | | |
| | Financial liabilities at amortised cost | Total |
| Trade and other payables (less VAT) | 10,097,300 | 10,097,300 |
| Bank overdraft | 8,999,358 | 8,999,358 |
| | <u>19,096,658</u> | <u>19,096,658</u> |
| 17. Revenue | | |
| Sale of goods | <u>57,528,286</u> | <u>62,188,184</u> |
| 18. Cost of sales | | |
| Cost of goods sold | <u>25,110,677</u> | <u>28,526,585</u> |
| 19. Other operating gains (losses) | | |
| <i>Foreign exchange gains (losses)</i> | | |
| Foreign exchange loss | <u>(108,975)</u> | <u>-</u> |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|---|------------------|------------------|
| 20. Other operating income | | |
| Scrap sales | 51,176 | 111,469 |
| Supplier write off | 771 | 20,217 |
| Other income | 208,383 | - |
| | <u>260,330</u> | <u>131,686</u> |
| 21. Operating profit (loss) | | |
| Operating profit for the year is stated after charging (crediting) the following, amongst others: | | |
| <i>Auditor's remuneration - external</i> | | |
| Audit fees | 260,679 | 175,299 |
| Tax and secretarial services | 30,221 | 66,101 |
| | <u>290,900</u> | <u>241,400</u> |
| <i>Remuneration, other than to employees</i> | | |
| Consulting and professional services | 4,046,802 | 2,598,169 |
| Secretarial services | - | 21,000 |
| | <u>4,046,802</u> | <u>2,619,169</u> |
| <i>Employee costs</i> | | |
| Salaries, wages, bonuses and other benefits | 6,715,149 | 7,252,120 |
| <i>Leases</i> | | |
| <i>Operating lease charges</i> | | |
| Premises | 141,400 | 111,601 |
| <i>Depreciation</i> | | |
| Depreciation of property, plant and equipment | 3,876,140 | 4,795,825 |
| <i>Other</i> | | |
| Other operating gains (losses) | 19 | (108,975) |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|---|-------------------|-------------------|
| 21. Operating profit (loss) (continued) | | |
| <i>Expenses by nature</i> | | |
| The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows: | | |
| Cost of sales | 25,110,677 | 28,526,585 |
| Employee costs | 6,715,149 | 7,252,120 |
| Operating lease charges | 141,400 | 111,601 |
| Depreciation | 3,876,140 | 4,795,825 |
| Other expenses | 1,339,763 | 1,902,174 |
| Water and electricity | 668,300 | 682,917 |
| Consulting and professional fees | 3,997,978 | 2,555,416 |
| Travel overseas | 520,924 | 1,149,039 |
| Motor vehicle expenses | 525,579 | 585,637 |
| Royalties | 742,074 | 704,214 |
| Repairs and maintenance | 922,348 | 761,416 |
| Bank charges | 391,207 | 173,502 |
| | 44,951,539 | 49,200,446 |
| 22. Investment income | | |
| <i>Interest income</i> | | |
| <i>From investments in financial assets:</i> | | |
| Bank and other cash | 424 | 1,774 |
| | | |
| 23. Finance costs | | |
| Trade and other payables | 45,542 | 36,981 |
| | | |
| 24. Income tax expense | | |
| <i>Major components of the income tax expense</i> | | |
| <i>Current</i> | | |
| Local income tax - current period | 2,194,567 | 1,088,994 |
| | | |
| <i>Deferred</i> | | |
| Originating and reversing temporary differences | (224,783) | 889,251 |
| Arising from prior period adjustments | - | 3,643 |
| | (224,783) | 892,894 |
| | 1,969,784 | 1,981,888 |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|---|---------------------|--------------------|
| 24. Income tax expense (continued) | | |
| <i>Reconciliation of the income tax expense</i> | | |
| Reconciliation between accounting profit and tax expense. | | |
| Accounting profit | 12,682,984 | 13,093,810 |
| Tax at the applicable tax rate of 18% (2017: 18%) | 2,282,937 | 2,356,886 |
| <i>Tax effect of adjustments on taxable income</i> | | |
| Tax effect of permanent differences | (313,153) | (374,998) |
| | 1,969,784 | 1,981,888 |
| 25. Cash generated from operations | | |
| Profit before taxation | 12,682,984 | 13,093,810 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 3,876,140 | 4,795,825 |
| Losses (gains) on foreign exchange | 108,875 | (9,593) |
| Interest income | (424) | (1,774) |
| Finance costs | 45,542 | 36,981 |
| Other non-cash items | (106,975) | 9,593 |
| <i>Changes in working capital:</i> | | |
| Inventories | 314,733 | 79,748 |
| Trade and other receivables | 29,102,993 | (26,648,704) |
| Prepayments | 331,753 | 1,895,492 |
| Trade and other payables | (5,543,624) | 4,042,068 |
| | 40,810,097 | (2,706,554) |
| 26. Tax paid | | |
| Balance at beginning of the year | (529,652) | (242,729) |
| Current tax for the year recognised in profit or loss | (2,194,567) | (1,088,994) |
| Balance at end of the year | 302,579 | 529,652 |
| | (2,421,640) | (1,802,071) |
| 27. Dividends paid | | |
| Dividends | (24,000,000) | (5,000,000) |
| Balance at end of the year | 5,000,000 | - |
| | (19,000,000) | (5,000,000) |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|--|-------------|---|
| 28. Related parties | | |
| Relationships | | |
| Shareholder with significant influence | | Transnamib Holdings Limited GPT Infraprojects Limited Dorros Investment Number Twenty Two (Pty) Ltd |
| Other related parties | | GPT Investments (Pty) Ltd GPT Casting Limited GPT Concrete Products South Africa (Pty) Ltd |
| Shareholder | | Harsh V. Roongta (Chief Operating Officer) |
| Key management | | M Kanniyappan (Manager - Engineering Logistics & Management Service) DK Jaimani (Factory Manager) |
| Directors | | Mdingee W. Hindjou Ferdinand Ganaseb Mbahupa H. Tjivukua Niraj K. Sinha Shafa M. Kaulinge Dantagos N. Jimmy Atul Tantia |

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

| | | |
|--|-------------|-------------|
| Ministry of Works and Transport | - | 29,137,785 |
| GPT Infraprojects Limited | - | (71,867) |
| GPT Investments (Pty) Ltd | (3,600,000) | - |
| GPT Concrete Products South Africa (Pty) Ltd | 508,531 | (2,500,000) |

Shareholder's liability

| | | |
|--------------------------------------|---|--------|
| GPT Infraprojects Limited | - | 40,000 |
| GPT Infraprojects: Royalty provision | - | 53,867 |

Advance payment to related parties

| | | |
|---|---------|--------|
| Dorros Investment Number Twenty Two (Pty) Ltd | 274,923 | 70,000 |
|---|---------|--------|

Dividend payable

| | | |
|---|-----------|---|
| GPT Infraprojects Limited | 1,850,000 | - |
| Dorros Investment Number Twenty Two (Pty) Ltd | 650,000 | - |
| Transnamib Holdings Ltd | 2,500,000 | - |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Notes to the Annual Financial Statements

| | 2018 N\$ | 2017 N\$ |
|--|----------------------------|------------------|
| 28. Related parties (continued) | | |
| <i>Related party transactions</i> | | |
| <i>Purchase/(Sale) of goods</i> | | |
| Ministry of Works and Transport | (56,870,536) | (60,028,148) |
| GPT Concrete Products South Africa (Pty) Ltd | 4,706,497 | 9,612,128 |
| <i>Key management</i> | | |
| Salaries | 1,770,200 | 2,778,116 |
| <i>Dividend declared</i> | | |
| GPT Infraprojects Limited | 8,880,000 | 7,400,000 |
| Dorros Investment (Pty) Ltd | 3,120,000 | 2,600,000 |
| Transnamib Holdings Ltd | 12,000,000 | 10,000,000 |
| <i>Compensation to directors</i> | | |
| Short-term employee benefits | 904,100 | 899,724 |
| 29. Directors' emoluments | | |
| <i>Non-executive</i> | | |
| <i>2018</i> | | |
| Director fees | Directors' fees 904,100 | Total 904,100 |
| <i>2017</i> | | |
| Directors | Directors' fees 899,724 | Total 899,724 |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Detailed Statement of Comprehensive Income

| | Note(s) | 2018 N\$ | 2017 N\$ |
|---|---------|---------------------|---------------------|
| Revenue | | | |
| Sale of goods | | 57,528,286 | 62,188,184 |
| Cost of sales | | | |
| Purchases | | (25,110,677) | (28,526,585) |
| Gross profit | | 32,417,609 | 33,661,599 |
| Other income | | | |
| Scrap sales | | 51,176 | 111,469 |
| Other income | | 771 | 20,217 |
| Gain on disposal of assets or settlement of liabilities | | 208,383 | - |
| | 20 | 260,330 | 131,686 |
| Other operating gains (losses) | | | |
| Foreign exchange (losses) gains | | (108,975) | 9,593 |
| Expenses (Refer to page 36) | | (19,840,862) | (20,673,861) |
| Operating profit | 21 | 12,728,102 | 13,129,017 |
| Investment income | 22 | 424 | 1,774 |
| Finance costs | 23 | (45,542) | (36,981) |
| Profit before taxation | | 12,682,984 | 13,093,810 |
| Taxation | 24 | (1,969,784) | (1,981,888) |
| Profit for the year | | 10,713,200 | 11,111,922 |

GPT - Transnamib Concrete Sleepers (Pty) Ltd

Annual Financial Statements for the year ended 31 March 2018

Detailed Statement of Comprehensive Income

| | Note(s) | 2018 N\$ | 2017 N\$ |
|--|---------|---------------------|---------------------|
| Other operating expenses | | | |
| Selling and distribution expenses | | | |
| Motor vehicle expenses | | (525,579) | (585,637) |
| Postage | | (7,285) | (20,131) |
| Transport and freight | | (184,771) | (181,777) |
| | | <u>(717,635)</u> | <u>(787,545)</u> |
| Marketing expenses | | | |
| Advertising | | (20,264) | (23,979) |
| General and administrative expenses | | | |
| Auditors remuneration - external auditors | 21 | (290,900) | (241,400) |
| Bank charges | | (391,907) | (173,502) |
| Computer expenses | | (23,793) | (16,983) |
| Depreciation | | (3,876,140) | (4,795,825) |
| Employee costs | | (6,715,149) | (7,252,120) |
| Insurance | | (199,766) | (211,242) |
| Lease rentals on operating lease | | (141,400) | (111,601) |
| Levies | | (3,680) | (5,838) |
| Printing and stationery | | (23,862) | (118,068) |
| Secretarial fees | | - | (21,000) |
| Telephone and fax | | (19,214) | (26,760) |
| Water and electricity | | (668,300) | (682,917) |
| | | <u>(12,354,111)</u> | <u>(13,657,256)</u> |
| Maintenance expenses | | | |
| Repairs and maintenance | | (922,348) | (761,416) |

GPT - Transnamib Concrete Sleepers (Pty) Ltd
Annual Financial Statements for the year ended 31 March 2018

Detailed Statement of Comprehensive Income

| | Note(s) | 2018 N\$ | 2017 N\$ |
|---|---------|----------------------------|----------------------------|
| Other operating expenses | | | |
| Cleaning | | (116,377) | (12,440) |
| Consulting and professional fees | | (3,997,978) | (2,555,416) |
| Consulting and professional fees - legal fees | | (48,824) | (42,753) |
| Donations | | (27,514) | (34,500) |
| Entertainment | | (15,367) | (14,554) |
| Fines and penalties | | 25,378 | (126,268) |
| GEAN | | (3,855) | - |
| Gifts | | (9,885) | (5,446) |
| Miscellaneous expenses | | (855) | (4,891) |
| Office expenses | | (14,389) | (12,538) |
| Protective clothing | | (42,376) | (48,124) |
| Royalties | | (742,074) | (704,214) |
| Safety equipment | | (3,113) | (1,659) |
| Security | | (167,010) | (71,395) |
| Staff welfare | | (73,139) | (567,556) |
| Training expenses | | (6,370) | - |
| Travel - local | | (61,832) | (92,872) |
| Travel - overseas | | (520,924) | (1,149,039) |
| | | <u>(5,826,504)</u> | <u>(5,443,665)</u> |
| | | <u>(19,840,862)</u> | <u>(20,673,861)</u> |

GPT Investments Private Limited

Financial statements

31 March 2018

GPT Investments Private Limited

Financial statements

for the year ended 31 March 2018

| <i>Contents</i> | Page |
|--|-------------|
| Corporate data | 1 |
| Directors' report | 2 |
| Secretary's certificate | 3 |
| Independent auditors' report | 4 - 6 |
| Statement of profit or loss and other comprehensive income | 7 |
| Statement of financial position | 8 |
| 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 Cathie Hannelas 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 |

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 2018.

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.

Dividend declared for the year under review is USD 492,500 (2017: 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: 22 MAY 2018

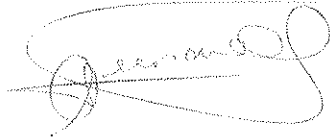
GPT Investments Private Limited

Secretary's certificate

for the year ended 31 March 2018

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.



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

Date:..... **22 MAY 2018**

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 2018, 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 the Company as at 31 March 2018, 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 Bissessar FCCA, ACA, MBA (UK)
Licensed by FRC

Date: 22 MAY 2018

GPT Investments Private Limited

Statement of profit or loss and other comprehensive income for the year ended 31 March 2018

| | Notes | 2018 USD | 2017 USD |
|--|-------|-------------------------|-----------------------|
| Revenue | 6 | | |
| Management service fees | | 1,559,000 | 559,000 |
| Dividend income | | 62,920 | - |
| | | <u>1,621,920</u> | <u>559,000</u> |
| Expenses | | | |
| Salaries | | 242,200 | 253,500 |
| Legal and professional fees | | 8,472 | 7,700 |
| Audit and accounting fees | | 5,160 | 4,466 |
| Licence fees | | 2,325 | 1,751 |
| Bank charges | | 1,446 | 885 |
| Sundries | | 1,583 | - |
| | | <u>261,186</u> | <u>268,302</u> |
| Profit from operating activities | | 1,360,734 | 290,698 |
| Finance income | 7 | 216,850 | 220,562 |
| Profit before taxation | | <u>1,577,584</u> | <u>511,260</u> |
| Income tax expense | 8 | (50,521) | (18,430) |
| Profit for the year | | <u>1,527,063</u> | <u>492,830</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u><u>1,527,063</u></u> | <u><u>492,830</u></u> |

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

GPT Investments Private Limited

Statement of financial position

at 31 March 2018

| | Note | 2018 USD | 2017 USD |
|-------------------------------------|------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Available-for-sale financial assets | 9 | 909,234 | 909,234 |
| Loan receivable | 10 | 3,185,412 | 2,968,562 |
| Total non-current assets | | <u>4,094,646</u> | <u>3,877,796</u> |
| Current assets | | | |
| Other receivables | 11 | 1,654,887 | 1,060,362 |
| Cash and cash equivalents | | 7,025 | 71 |
| Total current assets | | <u>1,661,912</u> | <u>1,060,433</u> |
| TOTAL ASSETS | | <u><u>5,756,558</u></u> | <u><u>4,938,229</u></u> |
| Equity | | | |
| Stated capital | 12 | 2,125,000 | 2,125,000 |
| Retained earnings | | 3,525,341 | 2,490,778 |
| Total equity | | <u>5,650,341</u> | <u>4,615,778</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Other payables | 13 | 62,683 | 311,150 |
| Tax payable | 8 | 43,534 | 11,301 |
| Total current liabilities | | <u>106,217</u> | <u>322,451</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>5,756,558</u></u> | <u><u>4,938,229</u></u> |

These financial statements have been approved by the Board on 22 MAY 2018 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 2018

| | Stated capital USD | Retained earnings USD | Total equity USD |
|--|--------------------------|-----------------------------|------------------------|
| Balance at 01 April 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 | 2,125,000 | 2,490,778 | 4,615,778 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 1,527,063 | 1,527,063 |
| Other comprehensive income | - | - | - |
| Transaction with owner of the Company | | | |
| Dividend paid | - | (492,500) | (492,500) |
| Balance at 31 March 2018 | <u>2,125,000</u> | <u>3,525,341</u> | <u>5,650,341</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 2018

| | 2018 USD | 2017 USD |
|--|--------------|-----------------|
| Cash flows from operating activities | | |
| Profit before taxation | 1,577,584 | 511,260 |
| <i>Adjustment for:</i> | | |
| Interest income | (216,850) | (220,562) |
| Dividend income | (62,920) | - |
| | ----- | ----- |
| | 1,297,814 | 290,698 |
| Change in other receivables | (594,525) | (469,924) |
| Change in other payables | (248,467) | 168,515 |
| | ----- | ----- |
| Cash generated from / (used in) operating activities | 454,822 | (10,711) |
| Dividend received | 62,920 | - |
| Dividend paid | (492,500) | - |
| Withholding tax paid | (3,146) | (36,757) |
| Corporate tax paid | (15,142) | - |
| | ----- | ----- |
| Net cash used in operating activities | 6,954 | (47,468) |
| | ----- | ----- |
| Net increase/(decrease) in cash and cash equivalents | 6,954 | (47,468) |
| Cash and cash equivalents at beginning of the year | 71 | 47,539 |
| | ----- | ----- |
| Cash and cash equivalents at end of the year | 7,025 | 71 |
| | ===== | ===== |

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 2018*

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 2018 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 2018*

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)

3.1 Amendments to IFRSs that are mandatorily effective for the current year

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 April 2017 and have been applied in preparing these financial statements.

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.

GPT Investments Private Limited

Notes to the financial statements

for the year ended 31 March 2018

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

3.1 Amendments to IFRSs that are mandatorily effective for the current year (Continued)

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The adoption of the above amendments shall not have significant impact on the company's financial statements

3.2 Summary of Standards and Interpretations not yet effective for 31 March 2018

| Standard/Interpretation | | Date issued by IASB | Effective date: Periods beginning on or after |
|-------------------------|--|---------------------|---|
| 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 |

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 2018

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 2018 (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 2018

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 2018*

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 2018

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.

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;

Notes to the financial statements
for the year ended 31 March 2018

4. Significant accounting policies (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets(continued)

- 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.

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 2018

4. Significant accounting policies (continued)

(h) 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.

(i) 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.

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2018

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 2018 | Available-for-sale financial asset | | Loans and receivables | | Other financial liabilities | | Total | | Level 1 | | Level 2 | | Level 3 | | Total | | |
|--|------------------------------------|-----|-----------------------|-----|-----------------------------|-----|-----------|-----|---------|-----|---------|-----|---------|-----|-------|-----|--|
| | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD | USD | |
| Financial assets not measured at fair value | | | | | | | | | | | | | | | | | |
| Available-for-sale financial assets | 909,234 | | - | | - | | 909,234 | | | | | | | | | | |
| Loan receivable | - | | 3,185,412 | | - | | 3,185,412 | | | | | | | | | | |
| Other receivables | - | | 1,650,525 | | - | | 1,650,525 | | | | | | | | | | |
| Cash and cash equivalent | - | | 7,025 | | - | | 7,025 | | | | | | | | | | |
| | 909,234 | | 4,842,962 | | - | | 5,752,196 | | | | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | | | | | |
| Other payables | - | | - | | 62,683 | | 62,683 | | | | | | | | | | |

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2018

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

(a) Accounting classifications and fair values (continued)

| 31 March 2017 | Available- for-sale financial asset USD | 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 | - | - | - | - |
| Loan receivable | - | 2,968,562 | - | 2,968,562 | - | - | - | - |
| Other receivables | - | 1,056,000 | - | 1,056,000 | - | - | - | - |
| Cash and cash equivalent | - | 71 | - | 71 | - | - | - | - |
| | 909,234 | 4,024,633 | - | 4,933,867 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Other payables | - | - | 311,150 | 311,150 | - | - | - | - |

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2018

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 2018

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

(b) Financial risk management (continued)

Market risk (continued)

▪ Currency risk (continued)

Currency profile

| | Financial assets 2018 USD | Financial liabilities 2018 USD | Financial assets 2017 USD | Financial liabilities 2017 USD |
|-----|------------------------------------|---|------------------------------------|---|
| USD | 4,842,962 | 62,683 | 4,024,633 | 311,150 |
| ZAR | 909,234 | - | 909,234 | - |
| | <u>5,752,196</u> | <u>62,683</u> | <u>4,933,867</u> | <u>311,150</u> |

Sensitivity analysis – currency risk

| Currency | 2018 USD | 2017 USD |
|----------|---------------|---------------|
| ZAR | <u>90,923</u> | <u>90,923</u> |

A 10 % strengthening of USD against the ZAR at 31 March 2018 would have increased net profit before tax by USD 90,923 (2017: 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 2017.

Similarly a 10 percent weakening of the USD against the ZAR at 31 March 2018 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 2018 would increase/(decrease) by USD 105 (2017: 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 2018

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 | |
|---------------------------------------|---------------------|-------|--------------------------|------------------|------------------|----------------|
| | 2018 | 2017 | 2018 USD | 2017 USD | 2018 USD | 2017 USD |
| Loan receivable | 10%-10.5% | 10.5% | <u>2,071,818</u> | <u>2,071,818</u> | <u>216,850</u> | <u>220,562</u> |
| After sensitivity analysis + 50bps | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Loan receivable | 10.5%- 11% | 11% | <u>2,071,818</u> | <u>2,071,818</u> | <u>217,934</u> | <u>221,665</u> |
| Increase in loan interest receivable | | | | | <u>1,084</u> | <u>1,103</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:

Exposure to credit risk

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

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2018

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

(c) Financial risk management (continued)

Credit risk (continued)

| | 2018 USD | 2017 USD |
|-------------------------------------|------------------|------------------|
| Available-for-sale financial assets | 909,234 | 909,234 |
| Loan receivable | 3,185,412 | 2,968,562 |
| Other receivable | 1,650,525 | 1,056,000 |
| Cash and cash equivalents | 7,025 | 71 |
| | <u>5,752,196</u> | <u>4,933,867</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 |
|------------------------------|---------------------------|------------------------------------|----------------|
| 31 March 2018 | | | |
| Financial liabilities | | | |
| Other payables | <u>62,683</u> | - | <u>62,683</u> |
| | USD | USD | USD |
| 31 March 2017 | | | |
| Financial liabilities | | | |
| Other payables | <u>311,150</u> | - | <u>311,150</u> |

6. Revenue

Revenue represents:

| | 2018 USD | 2017 USD |
|-------------------------|------------------|----------------|
| Management service fees | 1,559,000 | 559,000 |
| Dividend income | 62,920 | - |
| | <u>1,621,920</u> | <u>559,000</u> |

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2018

7. Finance income

| | 2018 USD | 2017 USD |
|-----------------|-------------|-------------|
| Interest income | 216,850 | 220,562 |

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

| | 2018 USD | 2017 USD |
|---|-------------|-------------|
| Charge for the year | 47,375 | 15,363 |
| Under-provision of tax for previous years | - | 3,067 |
| Withholding tax paid | 3,146 | - |
| | ----- | ----- |
| Income tax expense | 50,521 | 18,430 |

Reconciliation of effective tax

| | 2018 USD | 2017 USD |
|-------------------------|-------------|-------------|
| Profit before taxation | 1,577,584 | 511,260 |
| | ----- | ----- |
| Income tax at 15% | 236,637 | 76,689 |
| Unauthorised deductions | 237 | 125 |
| Foreign tax credit | (189,499) | (61,451) |
| Withholding tax paid | 3,164 | - |
| | ----- | ----- |
| Tax for the year | 50,521 | 15,363 |

GPT Investments Private Limited

Notes to the financial statements for the year ended 31 March 2018

8. Taxation (continued)

Current tax liability

| | 2018 USD | 2017 USD |
|---|---------------|---------------|
| Balance at 01 April | 11,301 | 29,628 |
| Under-provision of tax for previous years | - | 3,067 |
| Tax paid during the year | (15,124) | (36,757) |
| Tax for the year | 47,357 | 15,363 |
| | <u>43,534</u> | <u>11,301</u> |
| Balance at 31 March | <u>43,534</u> | <u>11,301</u> |

9. Available-for-sale financial assets

| | 2018 USD | 2017 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

| | 2018 USD | 2017 USD |
|--|------------------|------------------|
| <u>Loan advanced to related company:</u> | | |
| At 01 April | 2,071,818 | 2,071,818 |
| Movement during the year | - | - |
| | <u>2,071,818</u> | <u>2,071,818</u> |
| At 31 March | <u>2,071,818</u> | <u>2,071,818</u> |
| <u>Interest receivable</u> | | |
| At 01 April | 896,744 | 676,182 |
| Movement during the year | 216,850 | 220,562 |
| | <u>1,113,594</u> | <u>896,744</u> |
| At 31 March | <u>1,113,594</u> | <u>896,744</u> |
| <u>Carrying value:</u> | | |
| At 31 March | <u>3,185,412</u> | <u>2,968,562</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 2018

11. Other receivables

| | 2018 USD | 2017 USD |
|------------------------------------|------------------|------------------|
| Management service fees receivable | 1,650,525 | 1,056,000 |
| Prepaid expenses | 4,362 | 4,362 |
| | <u>1,654,887</u> | <u>1,060,362</u> |

12. Stated capital

| | 2018 USD | 2017 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

| | 2018 USD | 2017 USD |
|---|---------------|----------------|
| Non-trade payables and accrued expenses | <u>62,683</u> | <u>311,150</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 2018

14. Related party transactions (continued)

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

| | | 2018 USD | 2017 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 | (564,475) | (93,000) |
| GPT Concrete Products South Africa Pty Ltd | Interest accrued | 216,850 | 220,562 |
| GPT Infraprojects Limited | Dividend paid | 492,500 | - |
| GPT Concrete Products South Africa Pty Ltd | Dividend received | 62,920 | - |
| | | ===== | ===== |

Balances outstanding at 31 March:

| | | | |
|--|----------------------------|-----------|-----------|
| GPT Concrete Products South Africa Pty Ltd | Management fees receivable | 1,050,525 | 1,056,000 |
| GPT Concrete Products South Africa Pty Ltd | Loan receivable | 2,071,818 | 2,071,818 |
| GPT Concrete Products South Africa Pty Ltd | Interest receivable | 1,113,594 | 896,744 |
| | | ===== | ===== |

Compensation to key management personnel

The Company did not pay any compensation to its key management personnel during the year under review (2017: 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

GPT Investments Private Limited

Notes to the financial statements
for the year ended 31 March 2018

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.