

JOGBANI HIGHWAY PRIVATE LIMITED
(CIN: U45400WB2010PTC150039)

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 9th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

1. Financial Results:

(Amount in Rs.)

Particulars	2017-2018	2017-2018
Income	-	-
Expenses	27.46	292.36
Earnings before Interest, Tax, Depreciation & Amortization Expenses	(27.46)	(292.36)
Depreciation & Amortization Expenses	-	-
Finance Cost	-	-
Profit (Loss) before Taxes	(27.46)	(292.36)
Tax Expenses: -Current Tax: -Deferred Tax	- 4.18	- (87.33)
Profit (Loss) for the Year	31.64	(205.03)
Earnings (Loss) Per Share: Basic Diluted	(0.70) (0.70)	(4.56) (4.56)

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 – 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.

NHAI has challenged the Arbitral Award dated 23rd November 2017 before the Hon'ble High Court of Delhi and the same is pending adjudication before the said court. The Hon'ble Court vide its order dated 08th August 2018 directed to NHAI to deposit Rs 30,00,00,000/- as security against the challenge made to the arbitral award dated 23rd November 2017.

By subsequent order dated 18th March 2019 of the Hon'ble High Court of Delhi, the Company has been granted the liberty to withdraw the said amount of Rs 30,00,00,000/- against submission of a suitable security. The referred matter is listed for hearing before Hon'ble High Court of Delhi on 12th July 2019. However, the company has not withdrawn any amount so far against order of aforesaid Hon'ble High Court.

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 the challenge made by NHAI to the arbitral award dated 23rd November 2017, as provisions of The Arbitration and Conciliation Act, 1996.

In view of the "The Arbitral Tribunal award", the accounts of the Company have been prepared on a going concern basis.

3. Dividend:

Your Board of Directors have not recommended any dividend for the year ended 31st March 2019.

4. Transfer to Reserves:

No amount was transferred to the reserves during the financial year 31st March, 2019.

5. Meetings of the Board of Directors:

During the financial year ended 31st March, 2019, Five Meetings of the Board of Directors of the Company were held.

The number of meetings attended by the Directors during FY 2018-19 is as follows:

Date of Board Meeting	Mr. A.K. Dokania	Mr. Vaibhav Tantia
10.04.2018	Yes	Yes
22.05.2018	Yes	Yes
06.08.2018	Yes	Yes
23.10.2018	Yes	Yes
24.01.2019	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.

However, Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from 7th May, 2018.

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. The Company has appointed Mr. A.B.Chakrabartty as Company Secretary w.e.f. 01st April, 2019.

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, 2019, 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, 2019 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: 18.05.2019
Place: Kolkata

For and Behalf of the Board of Directors

SD/-
Vaibhav Tantia
Director
DIN: 00001345

SD/-
Arun Kumar Dokania
Director
DIN: 00029002

Annexure-I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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 2.Preference	3300000 267000	73.33 100	3300000 267000	73.33 100
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/WTG/ 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

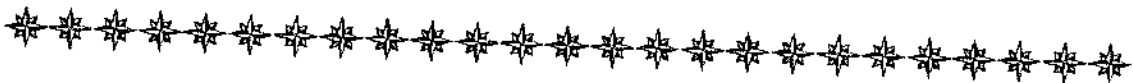
SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NIL		
	(c) Profits in lieu of salary under section 17(3) 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.

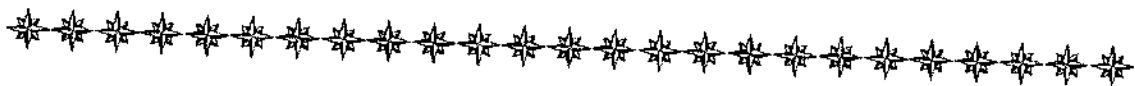
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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					

9th
ANNUAL
REPORT
FOR
THE
YEAR
2018 - 2019



JOGBANI HIGHWAY PRIVATE LIMITED



JOGBANI HIGHWAY PRIVATE LIMITED

DIRECTORS : SRI VAIBHAV TANTIA
SRI ARUN KUMAR DOKANIA

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

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

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



INDEPENDENT AUDITOR'S REPORT

To the Members of **JOGBANI HIGHWAY PVT. LTD.**

Report on the Standalone Financial Statements

1) Opinion

We have audited the accompanying standalone financial statements of **JOGBANI HIGHWAY PVT.LTD. ("The Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in equity and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its carry forward loss, its cash flows and changes in equity for the year ended on that date.

2) Basis for Opinion

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



3) Key Audit Matters

Key Audit Matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in framing our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Refer Note No 18 to the financial statements in respect of "Termination of Concession Agreement", where in it has been stated that 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 the state of Bihar under NHDP Phase – III and invoked the arbitration clause. The Arbitral Tribunal vide their Order passed on 27th March, 2018, awarded Rs. 6,120.32 Lakh to the company.

In view of the said award, the accounts of the Company have been prepared on a going concern basis. However, 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 outcome of challenge made by NHAI against "The Arbitral Tribunal" to Hon'ble Delhi Court, as per the provisions of The Arbitration and Conciliation Act, 1996.

4) Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies



making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

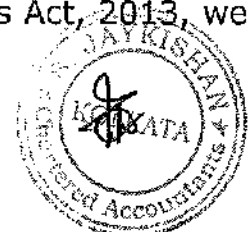
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

5) Auditor's Responsibilities for the Audit of standalone Financial Statement

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

As part of an audit in accordance with SAs, we exercise professional judgment 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. Under section 143(3)(i) of the Companies Act, 2013, we



are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

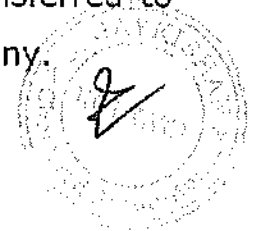
6) Report on Other Legal and Regulatory Requirements

A) As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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 A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements as at 31st March, 2019. – Refer Note 18 & 19 to the Standalone 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 Education and Protection Fund by the Company.



B) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S. Jaykishan
Chartered Accountants
FRN: 309005E



(S. Chatterjee)
Partner

Membership No: 017361



Place: Kolkata

Date: The 18 th day of May 2019

"Annexure A" referred to Para 6(A) (f) of our report of even date

Report on the Internal Financial Controls Over Financial Reporting 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, 2019 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, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S. Jaykishan
Chartered Accountants
FRN: 309005E


(S. Chatterjee)
Partner

Membership No: 017361



Place: Kolkata

Date: The 18 th day of May 2019

"Annexure B" to the Auditor's Report

Referred to in Paragraph 6(B) 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 2019.

- 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, Goods & 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, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the company has filed appeal against the order U/S144/147 dated 23/11/2018 of A.O for assessment year 2011-12, which has been disclosed in Note-12 to the Standalone Financial Statements. Other than the above, 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. To the best of our knowledge & 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

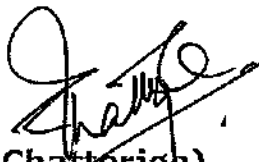


made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.

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 18 th day of May 2019

Jogbani Highway Private Limited

Company Identification No - U45400WB2010PTC150039

Balance Sheet as at 31st March 2019

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
I) ASSETS			
A) NON-CURRENT ASSETS			
a) Property, plant and equipment	2	2,358,795	2,358,795
b) Financial assets			
(i) Trade receivables	3	274,468	274,468
c) Deferred tax assets	4	8,315,433	8,732,929
Total Non-Current Assets (A)		10,948,696	11,366,192
B) CURRENT ASSETS			
a) Financial assets			
(i) Cash and cash equivalents	5	18,329	13,807
b) Other current assets	6	36,732,725	39,500,325
Total Current Assets (B)		36,751,054	39,514,132
Total Assets (A+B)		47,699,750	50,880,324
II) EQUITY AND LIABILITIES			
C) EQUITY			
a) Equity share capital	7	71,700,000	71,700,000
b) Other equity	8	(24,037,590)	(20,874,116)
Total Equity (C)		47,662,410	50,825,884
LIABILITIES			
D) CURRENT LIABILITIES			
a) Financial liabilities			
(i) Other financial liabilities	9	37,340	54,440
Total Current Liabilities (D)		37,340	54,440
Total Liabilities (E = D)		37,340	54,440
Total Equity and Liabilities (C+E)		47,699,750	50,880,324
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: 3090051

C.A. S. Chatterjee

Partner

Membership No.: 017361

**For and on behalf of the Board of Directors****Vaibhav Tandia**

Director

DIN - 00001345

A.K. Dokania

Director

DIN - 00029002

A. B. Chakrabartty

Company Secretary

M. No. F-7184

Place: Kolkata

Date: The 18th day of May 2019

Jogbani Highway Private Limited

Company Identification No - U45400WB2010PTC150039

Statement of Profit and Loss for the period ended 31st March 2019

(Amount in Rs.)

Particulars	Note No.	2018 - 19	2017 - 18
INCOME			
Other income		-	-
Total Revenue (I)		-	-
EXPENSES			
Other expenses	10	2,745,978	29,236,453
Total Expenses (II)		2,745,978	29,236,453
Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) - (II)		(2,745,978)	(29,236,453)
Depreciation and amortization expenses		-	-
Finance costs		-	-
Loss before taxes (III)		(2,745,978)	(29,236,453)
Tax expenses			
- Current tax	4	-	-
- Deferred tax expense		417,496	(8,732,929)
Total tax expenses (IV)		417,496	(8,732,929)
Loss for the year [(III) - (IV)]		(3,163,474)	(20,503,524)
Earnings per equity share (nominal value of share Rs. 10/- each)			
(1) Basic (Rs.)		(0.70)	(4.56)
(2) Diluted (Rs.)		(0.70)	(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: 3090055

C.A. S. Chatterjee

Partner

Membership No.: 017361



For and on behalf of the Board of Directors

Valbhav Tantia

Director

DIN - 00001345

A.K. Dokania

Director

DIN - 00029002

Place: Kolkata

Date: The 18th day of May 2019

A. B. Chakrabartty

Company Secretary

M. No. F-7184

Jogbani Highway Private Limited
Cash Flow Statement for the year ended 31st March 2019

(Amount in Rs.)

Particulars	2018 - 19	2017 - 18
A. Cash Flow from Operating Activities		
Net Profit before tax	(2,745,978)	(29,236,453)
Adjustment for :		
Add: Other expenses	-	-
Operating Profit before working capital charges	(2,745,978)	(29,236,453)
(Increase) / Decrease in Trade Receivables	-	-
(Increase) / Decrease in Other Current Assets	2,767,600	1,691,000
Increase / (Decrease) in Other Financial Liabilities	(17,100)	20,440
Cash Generated from operations	4,522	(27,525,013)
Direct Taxes received / (paid)	-	-
Net Cash from Operating Activities (A)	4,522	(27,525,013)
B. Cash Flow from Investing Activities		
Purchase of property, plant & equipment & CWIP	-	27,535,674
Net Cash used in Investing Activities (B)	-	27,535,674
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)	4,522	10,661
Cash and Cash Equivalents - Opening Balance	13,807	3,146
Cash and Cash Equivalents - Closing Balance	18,329	13,807
Notes:		
Cash & Cash Equivalents :		
Cash on hand	1,351	1,351
Balance with Scheduled Banks:		
In Current Account	16,978	12,456
Cash and Cash Equivalents at the end of the year	18,329	13,807

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

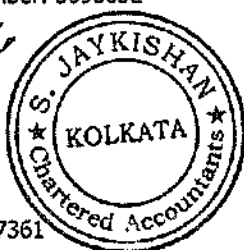
Chartered Accountants

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: The 18th day of May 2019

A. B. Chakrabarty

Company Secretary

M. No. F-7184

Jogbani Highway Private Limited**Statement of Changes in Equity for the period ended 31st March 2019****A) Equity Share Capital**

Particulars	No. of Shares	Amount(Rs.)
Equity Shares of Rs.10/- each issued, subscribed and fully paid		
At 1st April, 2017	4,500,000	45,000,000
At 31st March, 2018	4,500,000	45,000,000
At 31st March, 2019	4,500,000	45,000,000

B) Preference Share Capital

Particulars	No. of Shares	Amount(Rs.)
12% Non - Cumulative Redeemable Preference Shares of Rs.100/- each		
At 1st April, 2017	267,000	26,700,000
At 31st March, 2018	267,000	26,700,000
At 31st March, 2019	267,000	26,700,000

C) Other Equity

Particulars	Reserves and Surplus	
	Retained Earnings	Total
As at 1st April, 2017	(370,592)	(370,592)
Add: Profit/(Loss) for the year	(20,503,524)	(20,503,524)
As at 31st March, 2018	(20,874,116)	(20,874,116)
Add: Profit/(Loss) for the year	(3,163,474)	(3,163,474)
As at 31st March, 2019	(24,037,590)	(24,037,590)

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



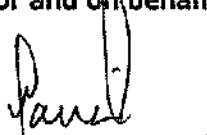
C.A. S. Chatterjee

Partner

Membership No.: 017361



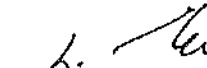
For and on behalf of the Board of Directors



Vaibhav Tandia

Director

DIN- 00001345




A.K. Dokania

Director

DIN - 00029002

Place: Kolkata

Date: The 18th day of May 2019



A. B. Chakrabarty
Company Secretary
M. No. F-7184

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 section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to 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 categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.



2. Property, plant and equipment

(Amount in Rs.)

Particulars	Land*
Gross Block:	
As at 1st April 2017	2,358,795
Additions	-
Deduction / Disposals	-
As at 31st March 2018	2,358,795
Additions	-
Deduction - Written off	-
As at 31st March 2019	2,358,795
Depreciation/Amortisation:	
As at 1st April 2017	-
Charge for the year	-
Deduction / Disposals	-
As at 31st March 2018	-
Charge for the year	-
Deduction - Written off	-
As at 31st March 2019	-
Net Block:	
As at 31st March 2018	2,358,795
As at 31st March 2019	2,358,795

* 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. Trade receivables

(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
	Non - Current	Non - Current
Unsecured		
Outstanding for a period exceeding six months from the date they became due for payment		
- Considered Good	274,468	274,468
- Considered Doubtful	-	-
	274,468	274,468
Less: Provision for Doubtful receivables	-	-
	274,468	274,468
	274,468	274,468

4. Deferred tax assets (net)

(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
	Non - Current	Non - Current
Deferred tax assets		
- Expenses allowable against taxable income in future years	8,315,433	8,732,929
Less:		
Timing difference on depreciable assets	-	-
Net Deferred tax assets (net)	8,315,433	8,732,929



5. Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
	Current	Current
Balances with banks:		
- On current accounts	16,978	12,456
Cash on hand	1,351	1,351
	18,329	13,807

6. Other current assets (unsecured, considered good)

(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
	Current	Current
Advances recoverable in cash or kind	132,951	132,951
Loans and advances to related parties	36,582,937	39,350,537
Other Loans and advances		
- Balance with government authorities	16,837	16,837
	36,732,725	39,500,325

7. Equity share capital

(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Authorized		
5,000,000 (31st March 2018 : 5,000,000) Equity shares of Rs. 10/- each	50,000,000	50,000,000
9,10,000 (31st March 2018 : 9,10,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	91,000,000	91,000,000
	141,000,000	141,000,000
(b) Issued, subscribed and paid-up		
4,500,000 (31st March 2018 : 4,500,000) Equity shares of Rs. 10/- each	45,000,000	45,000,000
2,67,000 (31st March 2018 : 2,67,000) 12% Non Cumulative Redeemable Preference Shares of Rs. 100/- each	26,700,000	26,700,000
Total issued, subscribed and fully paid-up share capital	71,700,000	71,700,000

(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 2018 : Rs. Nil)
- (c) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. 12% Non Cumulative Redeemable Preference Shares

- (a) The Redeemable Preference Shares rank in regards to return of capital and dividend in priority to the equity shares.

- (b) The Redeemable Preference Shareholders do not have any right to vote at any meeting except in case of reduction of share capital, winding up matters, proposal that affect the right of redeemable preference shareholders, in such cases each preference shareholders shall have one vote for each redeemable preference shares, the holder may demand a poll at the general meeting where such holder is entitled to vote.

- (c) The Company can issue subsequent preference shares only after getting permission for not less than three - 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 2019	As at 31st March 2018
GPT Infraprojects Limited		
i. No of shares held	3,300,000	3,300,000
ii. Percentage of holding	73.33%	73.33%
RDS Projects Limited		
i. No of shares held	1,200,000	1,200,000
ii. Percentage of holding	26.67%	26.67%

ii. 12% Non Cumulative Redeemable Preference Shares

Name of the shareholder	As at 31st March 2019	As at 31st March 2018
GPT Infraprojects Limited		
i. No of shares held	267,000	267,000
ii. Percentage of holding	100.00%	100.00%

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

Class of Shares	As at 31st March 2019	As at 31st March 2018
	No. of Shares held	No. of Shares held
Equity Shares	3,300,000	3,300,000
12% Non Cumulative Redeemable Preference Shares	267,000	267,000

(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.

8. Other equity

(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
Surplus in the statement of profit and loss		
Balance as per last financial statements	(20,874,116)	(370,592)
Less: Profit/(Loss) for the year	(3,163,474)	(20,503,524)
Net surplus in the statement of profit and loss	(24,037,590)	(20,874,116)
Total Other Equity	(24,037,590)	(20,874,116)

9. Other financial liabilities

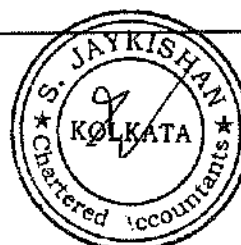
(Amount in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
	Current	Current
Other Payables		
- Expenses payable (other than trade payable)	37,340	54,440
	37,340	54,440

10. Other expenses

(Amount in Rs.)

Particulars	2018 - 19	2017 - 18
Professional and legal fees	2,718,780	1,679,907
Filing fees	2,200	1,200
Bank charges	1,398	1,972
Payment to auditor		
- As audit fees	17,700	17,700
- As certification fees	5,900	-
Intangible assets under development written off	-	27,535,674
	2,745,978	29,236,453



NOTES TO FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31st MARCH, 2019

NOTE-11 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 – 12 Contingent Liabilities Not Provided For:

Particulars	F Y 2018 – 19	F Y 2017 – 18
	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) Disputed Income Tax Demand for the A.Y 2011-12 Under Appeal	28,540,450	Nil
(c) Capital Commitments	Nil	Nil
(d) Other Commitments	Nil	Nil

NOTE – 13 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 2019. 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 – 14 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 – 15 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. Valbhav 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)	- (-)	27,67,600 (16,91,000)	27,67,600 (16,91,000)
Balance outstanding as at the year end – Debit			
GPT Infraprojects Limited	- (-)	3,65,82,937 (3,93,50,537)	3,65,82,937 (3,93,50,537)

Figure in Bracket represents Previous Year Figure.

NOTE – 16 EARNING PER SHARES:

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

Particulars	2018 – 19 (Rs.)	2017 – 18 (Rs.)
Net Profit / (Loss) as per Profit & Loss Statement	(31,63,474)	(2,05,03,524)
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	(0.70)	(4.56)
Diluted EPS	(0.70)	(4.56)

NOTE – 17 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 – 18 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.

NHAI has challenged the Arbitral Award dated 23rd November 2017 before the Hon'ble High Court of Delhi and the same is pending adjudication before the said court. The Hon'ble Court vide its order dated



08th August 2018 directed to NHAI to deposit Rs 30,00,00,000/- as security against the challenge made to the arbitral award dated 23rd November 2017.

By subsequent order dated 18th March 2019 of the Hon'ble High Court of Delhi, the Company has been granted the liberty to withdraw the said amount of Rs 30,00,00,000/- against submission of a suitable security. The referred matter is listed for hearing before Hon'ble High Court of Delhi on 12th July 2019. However, the company has not withdrawn any amount so far against order of aforesaid Hon'ble High Court.

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 the challenge made by NHAI to the arbitral award dated 23rd November 2017, as provisions of The Arbitration and Conciliation Act, 1996.

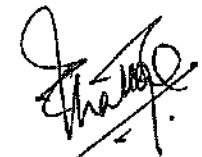
In view of the "The Arbitral Tribunal award", the accounts of the Company have been prepared on a going concern basis.

NOTE – 19 OTHERS:

- (a) 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.

As per our report of even date

For S. JAYKISHAN
CHARTERED ACCOUNTANTS
FRN.309005E



(S. Chatterjee)
Partner

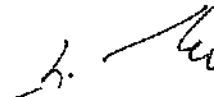
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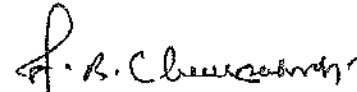
For and on behalf of the Board of Directors



Vaibhav Tanti
Director
DIN - 00001345



A. K. Dokania
Director
DIN - 00029002



A.B. Chakrabarty
Company Secretary
M. No. F-7184

Place : Kolkata

Date : The 18th day of May 2019

SUPERFINE VANIJYA PRIVATE LIMITED
(CIN: U25209WB2006PTC108994)

DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting their 13th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

1. Financial Results:

(Rs. In Lacs)

Particulars	2018-19	2017-18
Income	12.57	16.48
Other Expenses	5.77	41.67
Profit (Loss) before Interest, Depreciation & Taxation	6.80	(25.19)
Interest	0	6.75
Profit(Loss) before Depreciation & Taxation		(31.94)
Depreciation	6.83	0.07
Profit (Loss) before Taxation	(0.03)	(32.01)
Provision for Taxation including Deferred Tax	5.66	(10.89)
Profit (Loss) after Taxation	5.69	(21.12)
Earnings (loss) Per Share:		
-Basic	(1.17)	(4.35)
-Diluted	(1.17)	(4.35)

2. Operational Review:

During the financial year 2018-19, the Company's income is Rs. 12.57 Lacs, over the previous year's revenue of Rs. 16.48 Lacs. The Company's operating EBIDTA stood at Rs. 6.80 Lacs. Profit/Loss before tax stood at Rs. (0.03) Lacs while Profit after tax was Rs. 5.69 Lacs for FY 2018-19.

3. Dividend:

Your Directors has decided to plough back the profit and do not recommend dividend for the year ended 31st March 2019.

4. Transfer to Reserves:

No amount was transferred to the reserves during the financial year 31st March, 2019.

5. Meetings of the Board of Directors:

During the financial year ended 31st March. 2019, Five Meetings of the Board of Directors of the Company was held.

The number of meetings attended by the Directors during FY 2018-19 is as follows:

Date of Board Meeting	Mr. S.L. Choraria	Mr. M.K. Lath
05.04.2018	Yes	Yes
21.05.2018	Yes	Yes
03.08.2018	Yes	Yes
22.10.2018	Yes	Yes
29.01.2019	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, subject to ratification of appointment by the members at every subsequent Annual General Meeting.

However, Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from 7th May, 2018.

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, 2019, 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, 2019 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: 17th May, 2019
Place: Kolkata

For and Behalf of the Board of Directors

Sd/-
S.L. Choraria
DIN: 00031840
Director

Sd/-
M.K. Lath
DIN: 03261005
Director

FORM NO. MGT 9

As on financial year ended on 31.03.2019

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U25209WB2006PTC108994
2.	Registration Date	18/04/2006
3.	Name of the Company	SUPERFINE VANIJYA PRIVATE LIMITED
4.	Category/Sub-category of the Company	Private Company/Limited by Shares
5.	Address of the Registered office & contact details	JC-25, Sector-III, Salt Lake City, Kolkata-700098, West Bengal(India) Tel: +91 33 -4050-7000 Fax: +91 33 -4050-7999 Email Id: mlath@gptgroup.co.in
6.	Whether listed company	Yes /No
7.	Name, Address & contact details of the Registrar and Transfer Agent, if any.	N.A

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

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	100%	2(46)

i) Category-wise Share Holding

[illegible]

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.	Mahesh 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	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
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

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

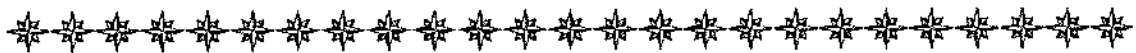
SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NIL		
	(c) Profits in lieu of salary under section 17(3) 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 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					

13th
ANNUAL
REPORT
FOR
THE
YEAR
2018 - 2019



SUPERFINE VANIJYA PRIVATE LIMITED



SUPERFINE VANIJYA PRIVATE LIMITED

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUPERFINE VANIJYA PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Superfine Vanijya Private Limited ("The Company")**, which comprises the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Basis of our Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there is no key audit matters to communicate in our report.



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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 during the course of our 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.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional 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 procedure 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. A required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report Are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply, with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the the directors is disqualified as on March 31, 2019 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, as amended 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.

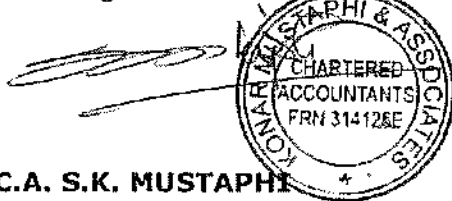


2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Konar Mustaphi & Associates

Chartered Accountants

Firm Registration No. 314125E



C.A. S.K. MUSTAPHI

Partner

(Membership No.051842)

Place: Kolkata

Date: 17th May 2019

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under Report on Other Legal and Regulatory requirements' section of our report to the Members of **Superfine Vanijya Private Limited** of even date)

Report on the Internal Financial Controls over Financial Reporting 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, 2019 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 Board of Directors of the Company 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 internal financial controls over financial reporting of the Company 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") issued by Institute Chartered Accountants of India and the Standards on Auditing, 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. 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 internal financial controls system over financial reporting of the Company.



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 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 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 the degree of compliance with the policies or procedures may deteriorate.

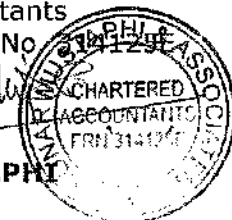
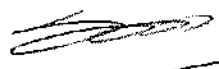
Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Konar Mustaphi & Associates

Chartered Accountants

Firm Registration No. 051842



C.A. S.K. MUSTAPHI

Partner

(Membership No. 051842)

Place: Kolkata

Date: 17th May 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' of our report of even date to the members of **Superfine Vanijya Private Limited** on the financial statements for the year ended March 31, 2019:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments etc.
- (b) As explained to us, the property, plant and equipment of the Company have been physically verified by the management. According to the information and explanations given to us, no material discrepancy between book records and the physical balance were noticed on such verification.
- (c) The Company do not possess immovable property, as such, this clause is not applicable.
- (ii) There was no inventory holding at the beginning as well as at the end of the year, accordingly provisions of this clause are 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) As per to the records maintained the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Sales-tax/Value Added tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it except Tax Deducted at Source(TDS). According to the information and explanations given to us, Tax Deducted at Source payable in respect of Income tax, as on March 31, 2019 remained unpaid for a period of more than six months from the date they became payable amounting to Rs.101,527/-.
- (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 debentures.

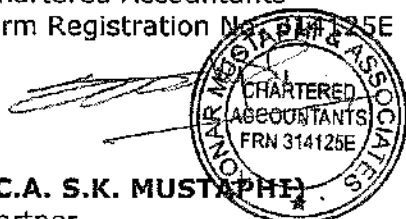


- (ix) In our opinion and according to the information and explanations given to us the company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the 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: 17th May 2019

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Balance Sheet as at 31st March 2019

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
I) ASSETS			
A) NON-CURRENT ASSETS			
a) Property, plant and equipment	3	5,528,274	6,211,005
b) Deferred tax assets (net)	4	4,960,740	5,526,851
Total Non-Current Assets (A)		10,489,014	11,737,856
B) CURRENT ASSETS			
a) Financial assets			
(i) Cash and cash equivalents	5	36,483	17,082
(ii) Loans	6	8,952,080	11,709,137
(iii) Other financial assets	7	1,131,086	3,854,941
b) Current tax assets (net)	8	390,405	264,729
c) Other current assets	9	-	530,941
Total Current Assets (B)		10,510,054	16,376,830
Total Assets (A+B)		20,999,068	28,114,686
II) EQUITY AND LIABILITIES			
C) EQUITY			
a) Equity share capital	10	4,859,200	4,859,200
b) Other equity	11	15,973,961	16,543,300
Total Equity (C)		20,833,161	21,402,500
LIABILITIES			
D) CURRENT LIABILITIES			
a) Financial liabilities			
(i) Borrowings	12	-	5,000,000
(ii) Trade payables	13	64,380	23,661
(iii) Other financial liabilities	14	-	1,586,998
b) Other current liabilities	15	101,527	101,527
Total Current Liabilities (D)		165,907	6,712,186
Total Liabilities (E = D)		165,907	6,712,186
Total Equity and Liabilities (C+E)		20,999,068	28,114,686
Summary of significant accounting policies	2		

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

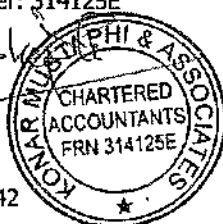
As per our report of even date

For Konar Mustaphi & Associates

Chartered Accountants

Firm registration number: 314125E

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



Place: Kolkata
Date: 17th May 2019

For and on behalf of the Board of Directors

S.L.Choraria
Director
DIN - 00031840

M.K.Lath
Director
DIN - 03261005

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Statement of Profit and Loss for the period ended 31st March 2019

(Amount in Rs.)

Particulars	Notes	2018 - 19	2017 - 18
INCOME			
Other income	16	1,256,762	1,647,729
Total Revenue (I)		1,256,762	1,647,729
EXPENSES			
Other expenses	17	577,259	4,167,056
Total Expenses (II)		577,259	4,167,056
Earnings before finance costs, tax expenses, depreciation and amortization expenses (EBITDA) (I) – (II)		679,503	(2,519,327)
Depreciation and amortization expenses	3	682,731	7,294
Finance costs	18	-	675,000
Profit/(Loss) before taxes (III)		(3,228)	(3,201,621)
Tax expenses			
- Current tax		-	-
- MAT credit		-	-
- Deferred tax expense	4	566,111	(1,089,221)
Total tax expenses (IV)		566,111	(1,089,221)
Profit/(Loss) for the year [(III) – (IV)]		(569,339)	(2,112,400)
Other comprehensive income		-	-
Total comprehensive income for the year		(569,339)	(2,112,400)
Earnings per equity share (nominal value of share Rs. 10/- each)			
(1) Basic (Rs.)		(1.17)	(4.35)
(2) Diluted (Rs.)		(1.17)	(4.35)
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



Place: Kolkata

Date: 17th May 2019

For and on behalf of the Board of Directors**S.L.Choraria**

Director

DIN - 00031840

M.K.Lath

Director

DIN - 03261005

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Cash Flow Statement for the year ended 31st March 2019

(Amount in Rs.)

Particulars	2018 - 19	2017 - 18
A. Cash Flow from Operating Activities		
Net Profit before tax	(3,228)	(3,201,621)
Adjustment for :		
Depreciation	682,731	7,294
Interest Income	(1,256,762)	(1,639,279)
Liabilities no longer required written back	-	(8,450)
Loss on sale of fixed assets	-	4,144,178
Interest Expenses	(574,031)	675,000
Operating Profit before working capital charges	(577,259)	(22,878)
(Increase) / Decrease in Other current assets	530,941	(125,000)
Increase / (Decrease) in Trade payables	40,719	(58,369)
Increase / (Decrease) in Other current liabilities	-	67,500
Cash Generated from operations	(5,599)	(138,747)
Direct Taxes received / (paid)	(125,676)	(163,928)
Net Cash from Operating Activities (A)	(131,275)	(302,675)
B. Cash Flow from Investing Activities		
Short Term Loan Given/refunded	2,757,057	-
Interest received	3,980,617	163,928
Net Cash used in Investing Activities (B)	6,737,674	163,928
C. Cash Flow from Financing Activities		
Short Term Borrowings received / refunded (net)	(5,000,000)	-
Interest Paid	(1,586,998)	(67,500)
Net Cash from Financing Activities (C)	(6,586,998)	(67,500)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	19,401	(206,247)
Cash and Cash Equivalents - Opening Balance	17,082	223,329
Cash and Cash Equivalents - Closing Balance	36,483	17,082
Notes:		
Cash & Cash Equivalents *:		
Cash on hand	1,951	1,952
Balance with Scheduled Banks:		
In Current Account	34,532	15,130
Cash and Cash Equivalents as at the Close of the year	36,483	17,082

*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

S.L.Choraria

Director

DIN - 00031840

M.K.Lath

Director

DIN - 03261005

Place: Kolkata

Date: 17th May 2019

Superfine Vanijya Private Limited

Company Identification No - U25209WB2006PTC108994

Statement of Changes in Equity for the period ended 31st March 2019**A) Equity Share Capital**

Particulars	No. of Shares	Amount(Rs.)
Equity Shares of Rs.10/- each issued, subscribed and fully paid		
At 1st April, 2017	485,920	4,859,200
At 31st March, 2018	485,920	4,859,200
At 31st March, 2019	485,920	4,859,200

B) Other Equity

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
As at 1st April, 2017	20,436,800	(1,781,100)	18,655,700
Add: Profit/(Loss) for the year	-	(2,112,400)	(2,112,400)
As at 31st March, 2018	20,436,800	(3,893,500)	16,543,300
Add: Profit/(Loss) for the year	-	(569,339)	(569,339)
As at 31st March, 2019	20,436,800	(4,462,839)	15,973,961

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: 17th May 2019

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 Section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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:

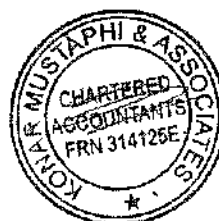
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

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:

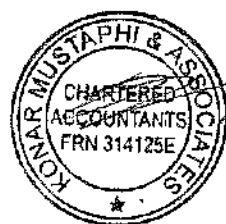
- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



- 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.



Superfine Vaniya Private Limited
Notes to financial statements for the period ended 31st March 2019

3. Property, plant and equipment

Particulars	Plant and Machinery	Furniture and fixtures	Vehicles	Computer and Office Equipments	Total
Gross Block					
As at 1st April 2017	11,763,433	-	77,062	-	11,840,495
Additions	-	-	-	-	-
Deduction / Disposals	(4,748,543)	-	(77,062)	-	(4,825,605)
As at 31st March 2018	7,014,890	-	-	-	7,014,890
Additions	-	-	-	-	-
Deduction - Written off	-	-	-	-	-
As at 31st March 2019	7,014,890	-	-	-	7,014,890
Depreciation/Amortisation					
As at 1st April 2017	1,438,241	-	39,777	-	1,478,018
Charge for the year	-	-	7,294	-	7,294
Deduction / Disposals	(634,356)	-	(47,071)	-	(681,427)
As at 31st March 2018	803,885	-	-	-	803,885
Charge for the year	682,731	-	-	-	682,731
Deduction - Written off	-	-	-	-	-
As at 31st March 2019	1,486,616	-	-	-	1,486,616
Net Block					
As at 31st March 2018	6,211,005	-	-	-	6,211,005
As at 31st March 2019	5,528,274	-	-	-	5,528,274



Superfine Vanijya Private Limited

Notes to Financial Statements for the period ended 31st March 2019

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

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
Deferred tax assets		
Expenses allowable against taxable income in future years	4,101,814	4,764,498
MAT Credit Entitlement	137,651	137,651
	4,239,465	4,902,149
Less :		
Deferred tax liability		
Timing difference on depreciable assets	(721,275)	(624,702)
Deferred tax assets / (liabilities) (net)	4,960,740	5,526,851

5. Cash and cash equivalents

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Balances with banks:		
- On current accounts	34,532	15,130
Cash on hand	1,951	1,952
	36,483	17,082

6. Loans (unsecured, considered good)

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Loan to body corporate		
- Others	8,952,080	11,709,137
	8,952,080	11,709,137

7. Other financial assets (unsecured, considered good)

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Interest accrued on loan given	1,131,086	3,854,941
	1,131,086	3,854,941

8. Current tax assets (net)

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Advance income-tax [Net of Provisions of Rs. Nil (31st March 2018 : Rs. Nil)]	390,405	264,729
	390,405	264,729



9. Other current assets (unsecured, considered good)

Particulars	(Amount in Rs.)	
	As at 31st March 2019 Current	As at 31st March 2018 Current
Advances recoverable in cash or kind	-	125,000
Other Loans and advances - Balance with government authorities	-	405,941
	-	530,941

10. Equity share capital

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
(a) Authorized 5,00,000 (31st March 2018 : 5,00,000) Equity shares of Rs.10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
(b) Issued, subscribed and paid-up 4,85,920 (31st March 2018 : 4,85,920) Equity shares of Rs.10/- each	4,859,200	4,859,200
Total issued, subscribed and fully paid-up share capital	4,859,200	4,859,200

(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 2019	As at 31st March 2018
GPT Infraprojects Limited		
i. No. of shares held	485,920	485,920
ii. Percentage of holding	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 Financial Statements for the period ended 31st March 2019

11. Other equity

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
Securities Premium Account		
Balance as per last financial statements	20,436,800	20,436,800
Closing Balance (a)	20,436,800	20,436,800
Surplus in the statement of profit and loss		
Balance as per last financial statements	(3,893,500)	(1,781,100)
Less: Profit/(Loss) for the year	(569,339)	(2,112,400)
Closing Balance (b)	(4,462,839)	(3,893,500)
Total Other Equity (a+b)	15,973,961	16,543,300

12. Borrowings

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Unsecured Loans		
From holding company	-	5,000,000
	-	5,000,000

Note :

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

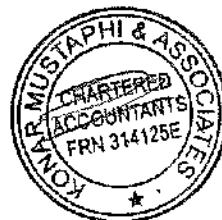
13. Trade Payables

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Trade Payables * (Including due to Micro, Small and Medium Enterprises Rs. Nil (Rs. Nil))	64,380	23,661
	64,380	23,661

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

14. Other financial liabilities

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Interest accrued and due on borrowings	-	1,586,998
	-	1,586,998



Superfine Vanijya Private Limited

Notes to Financial Statements for the period ended 31st March 2019

15. Other current liabilities

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31st March 2018
	Current	Current
Other payables - Statutory Dues	101,527	101,527
	101,527	101,527

16. Other income

Particulars	(Amount in Rs.)	
	2018 - 19	2017 - 18
Interest income on - Loan given	1,256,762	1,639,279
Liabilities no longer required written back	-	8,450
	1,256,762	1,647,729

17. Other expenses

Particulars	(Amount in Rs.)	
	2018 - 19	2017 - 18
Rates and taxes	600	600
Payment to Auditors: <u>As Auditor:</u>		
- Audit fee	14,750	11,800
Loss on discard of fixed assets	-	4,144,178
Sundry Balances Adjusted	530,941	-
Professional fees	26,550	1,360
Miscellaneous Expenses	4,418	9,118
	577,259	4,167,056

18. Finance Cost

Particulars	(Amount in Rs.)	
	2018 - 19	2017 - 18
Interest on borrowing	-	675,000
	-	675,000



19. Contingent liabilities not provided for in respect of:

(Amount in Rs.)

Particulars	As at 31 st March 2019	As at 31 st March 2018
a) Disputed Income Tax Demand Under Appeal	Rs.85,21,930/-	Nil
b) Outstanding Bank Guarantee	Nil	Nil
c) Other Commitments	Nil	Nil
d) Liability under Capital Commitments (Less Advances)	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 2019	Year ended 31 st March 2018
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.)	(569,339)	(2,112,400)
Basic & Diluted Earnings Per Share (Rs.)	(1.17)	(4.35)

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	- (-)	- (-)	- (-)
Repayment of Loan Received & Interest Accrued			
GPT Infraprojects Limited	- (-)	65,86,998/- (-)	65,86,998/- (-)
Interest Paid			
GPT Infraprojects Limited	- (-)	- (6,75,000/-)	- (6,75,000/-)
Balance Outstanding at the Year end – Credit			
GPT Infraprojects Limited	- (-)	- (65,86,998/-)	- (65,86,998/-)

23.

Sl. No.	Particulars	2018 – 19	2017 – 18
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 2019

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 2019	As at 31 st March 2018
GPT Sons Private Limited	Loan Given	89,52,080/-	1,17,09,137/-

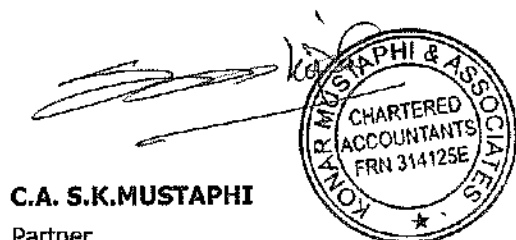
- i. Loan given to the Company are for their general business purpose.
- ii. There is no investment and Guarantees given during the current and previous financial year.

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: 17th May 2019

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

Financial Statements

For the year ended 31 March 2019

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacturing and sales of railway concrete sleepers
Directors	Dwarika Prasad Tantia Atul Tantia Lawrence Thulani Mthethwa Duduzile Cynthia Patience Mazibuko
Registered office	TFR Danskraal Yard Fairclough Road Ladysmith Kwazulu Natal 3370
Business address	TFR Danskraal Yard Fairclough Road Ladysmith Kwazulu Natal 3370
Postal address	PO Box 1879 Ladysmith 3370
Auditors	Lee Oosthuizen and Smith Inc. Chartered Accountants (S.A.) Registered Auditors
Compilers	Baker Kharva Chartered Accountants (S.A.) Registered Auditors
Secretary	ER Goodman Secretarial Services CC

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Index

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

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Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14-21
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The following supplementary information does not form part of the financial statements and is unaudited:

Detailed Income Statement	33-34
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GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Directors' Responsibilities and Approval

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

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

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

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

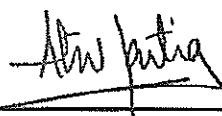
The directors have reviewed the company's cash flow forecast for the year to March 31, 2019 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The financial statement set out on pages 9 to 32, which have been prepared on the going concern basis, were approved by the board of directors on May 9th, 2019 and were signed on its behalf by:



Duduzile Cynthia Patience Mazibuko



Atul Tantia

Johannesburg
9th May 2019

PRACTITIONER'S COMPILATION REPORT


To The Management of GPT Concrete Products South Africa Proprietary Limited

We have compiled the accompanying financial statements of GPT Concrete Products South Africa Proprietary Limited based on information you have provided. These financial statements are presented in accordance with International Financial Reporting Standards. The financial statements comprise the statement of financial position of GPT Concrete Products South Africa Proprietary Limited as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for these financial statements including adoption of the applicable financial reporting framework, and for the accuracy and completeness of the information used to compile the financial statements.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements. This Standard requires that we comply with quality control standards and relevant ethical requirements, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of expressing an audit opinion or a review conclusion. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.



BAKER KHARVA
Registered Accountants and Auditors
Chartered Accountants (SA)

23 Walton Street,
Ladysmith, KwaZulu-Natal

Date: 09 May 2019



Chartered Accountants (S.A.)

REGISTERED ACCOUNTANTS

AND AUDITORS

50 Francis Road

P.O. Box/Posbus 491

Ladysmith 3370

Republic of South Africa

Tel: 036 637 2161

Fax 036 631 1510

E-mail: audit@lee-oos.co.za

Newcastle

Republic of South Africa

Tel: 034 315 4014

Fax: 034 315 5022

E-mail: tax@los.co.za

Hilton

40 Hilton Avenue

Hilton, 3245

Tel: 033 343 1236

E-mail: melvin@los.co.za

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements to the shareholders of GPT Concrete Products South Africa (Pty) Ltd

We have audited the accompanying financial statements of GPT Concrete Products South Africa (Pty) Ltd set out on pages 10 to 32, which comprise the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of GPT Concrete Products South Africa (Pty) Ltd as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on pages 33 to 34. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

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

INDEPENDENT AUDITOR'S REPORT (continued)

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 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.

Lee Oosthuizen & Smith Inc.



Chartered Accountants (S.A.)
REGISTERED ACCOUNTANTS
AND AUDITORS

50 Francis Road
P.O. Box/Posbus 491

Ladysmith 3370
Republic of South Africa

Tel: 036 637 2161

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INDEPENDENT AUDITOR'S REPORT (continued)

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that this is the second year that we are the auditors of GPT Concrete Products South Africa (Pty) Ltd.

The company is not registered for the Compensation for Occupational Injuries and Diseases Act, 1993. However, the company is in the process of registering.

Lee Oosthuizen & Smith Inc.

Lee Oosthuizen & Smith Inc.

Director: David Ian Lee

Chartered Accountant (SA)

Registered Auditor

Ladysmith, KwaZulu-Natal

Date: 10-5-2019

50 Francis Road

Ladysmith

3370

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Directors' Report

The directors submit their report for the year ended March 31, 2019.

1. Review of activities

Main business and operations

The company is engaged in manufacturing and sale of railway concrete sleepers and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

No significant events reported.

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Change
Dwarika Prasad Tantia	Indian	No change
Atul Tantia	Indian	No change
Lawrence Thulani Mthethwa	South African	No change
Duduzile Cynthia Patience Mazibuko	South African	Appointed 01 October 2018

Secretary

The secretary of the company is ER Goodman Secretarial Services CC of:

Business address	3 River Road (Cnr Boeing W) Bedfordview 2008
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5. Auditors

Lee Oosthuizen and Smith Inc. were appointed auditors in accordance with section 90(1) of the Companies Act.

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Statement of Financial Position

Figures in Rand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	79 652 354	80 713 685
Right of use asset	25	1 085 219	-
Operating Lease Asset		-	214 288
		80 737 573	80 927 973
Current Assets			
Inventories	6	50 711 401	21 290 071
Operating Lease Asset		214 287	428 572
Trade and other receivables	7	3 739 496	46 508 701
Cash and cash equivalents	8	1 580 747	821 676
		56 245 931	69 049 020
Total Assets		136 983 504	149 976 993
Equity and Liabilities			
Equity			
Share Capital	9	50 000	50 000
Retained income		28 212 418	27 088 753
Total Equity		28 262 418	27 138 753
Liabilities			
Non-Current Liabilities			
Loans from shareholders	4	35 510 307	33 507 505
Other financial liabilities	10	5 096 745	8 689 545
Deferred tax	5	13 625 525	12 655 442
		54 232 577	54 852 492
Current Liabilities			
Other financial liabilities	10	3 750 000	3 750 000
Trade and other payables	13	33 026 370	42 167 652
Provisions	11	167 556	165 153
Lease liabilities	25	1 141 153	-
Dividend payable		180 000	732 500
Bank overdraft	8	16 223 430	21 170 443
		54 488 509	67 985 748
Total Liabilities		108 721 086	122 838 240
Total Equity and Liabilities		136 983 504	149 976 993

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Revenue	14	109 488 026	134,600,453
Cost of sales	15	(72 245 984)	(103 196 174)
Gross profit		37 242 042	31 404 279
Other operating income		114 377	106 524
Administrative and other expenditure		(23 537 574)	(14 540 670)
Operating profit	16	13 818 845	16 970 133
Interest received	17	87 756	41 622
Finance cost	18	(5 449 404)	(6 608 701)
Profit before taxation		8 457 197	10 403 054
Taxation	19	(2 333 532)	(2 642 932)
Profit for the year		6 123 665	7 760 122
Other comprehensive income		-	-
Total comprehensive income for the year		6 123 665	7 760 122

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at April 01, 2017	50 000	24 328 631	24 378 631
Changes in equity			
Total comprehensive income for the year	-	7 760 122	7 760 122
Dividends	-	(5 000 000)	(5 000 000)
Total changes	-	2 760 122	2 760 122
Balance at March 31, 2018	50 000	27 088 753	27 138 753
Changes in equity			
Total comprehensive income for the year	-	6 123 665	6 123 665
Dividends	-	(5 000 000)	(5 000 000)
Total changes	-	1 123 665	1 123 665
Balance at March 31, 2019	50 000	28 212 418	28 262 418
Note(s)	9		

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash receipt from customers		155 996 727	115 983 227
Cash paid to supplier and employees		(126 297 828)	(109 015 386)
Cash generated from operations	21	29 870 172	6 967 841
Interest income		87 756	41 622
Taxation movements		(449 502)	(654 410)
Finance costs		(5 449 404)	(6 608 701)
Net cash from operating activities		24 059 022	(253 648)
Cash flows from investing activities			
Sale of property, plant and equipment	3	100 000	-
Purchase of property, plant and equipment	3	(12 451 596)	(4 270 982)
Net cash from investing activities		(12 351 596)	(4 270 982)
Cash flows from financing activities			
Proceeds from other financial liabilities		-	15 000 000
Repayment of other financial liabilities		(3 592 797)	(2 560 455)
Lease liability		1 141 153	-
Proceeds from shareholders' loan		2 002 802	(5 228 084)
Dividend paid	22	(5 552 500)	(4 367 500)
Net cash from financing activities		(6 001 342)	2 843 961
Total cash movement of the year		5 706 084	(1 680 669)
Cash at the beginning of the year		(20 348 767)	(18 668 098)
Total cash at end of the year	8	(14 642 683)	(20 348 767)

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1. Presentation of Financial Statements

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

Financial assets measured at cost and amortised cost

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

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

Allowance of slowing moving, damaged and obsolete inventory

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

Impairment testing

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

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Taxation

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

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

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

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

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

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

Item	Average useful life
Buildings	10 years
Plant and machinery	10 years
Furniture and fixtures	8 years
Motor vehicles	5 years
Office equipment	8 years
Laboratory equipment	8 years
Other property, plant and equipment	1 year
Right of use asset – Land and buildings	2 years

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

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

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

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1.3 Financial instruments

Measurement

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

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

Trade and other payables

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

Loans to shareholders

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Cash and cash equivalents

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

Bank overdraft and borrowings

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

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1.4 Tax (continued)

Deferred tax assets and liabilities

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

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

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

Tax expenses

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

1.5 Leases

The company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

Significant accounting policy

Policy applicable from 1 January 2019

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The company has the right to direct the use of the asset. The company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the company has the right to direct the use of the asset if either:
 - The company has the right to operate the asset; or
 - The company designed the asset in a way that predetermines how and for what purpose it will be used.

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1.5 Leases (continued)

As a Lessee

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses. If any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the company's incremental borrowings rate. Generally, the company use its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date
- Amounts expected to be payable under a residual value guarantee and lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1.6 Inventories

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

1.7 Impairment of assets

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

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

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

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

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

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

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

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

1.8 Government grants

Grants from the government are recognized at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the entity has complied with all attached conditions. Grants received where the entity has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1.9 Revenue

Revenue from contracts with customers

The company is in the business of providing railway concrete sleepers. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Sale of railway concrete sleepers

Revenue from sale of railway concrete sleepers is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the railway concrete sleepers. The normal credit term is 30 to 60 days upon delivery.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of railway concrete sleepers, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Significant financing component

The company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

1.10 Borrowing costs

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

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

The capitalisation of borrowing costs commences when:

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

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

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

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

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Accounting Policies

1.11 Translations of foreign currencies

Foreign currency translations

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

At the end of each reporting period:

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

1.12 Cost of sales

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

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand

2. New Standards and Interpretations

IFRS 15 Revenue from Contracts from Customers

This standard is effective for annual periods beginning on or after 1 January 2018.

IFRS 16 Leases

This standard is effective for annual periods beginning on or after 1 January 2019.

3. Property, plant and equipment

	2019			2018		
	Cost / Valuation	Accumulated Depreciation	Carrying Value	Cost / Valuation	Accumulated Depreciation	Carrying Value
Building	25 280 500	(15 854 452)	9 426 048	25 280 500	(14 355 514)	10 924 986
Leasehold Improvements	13 611 177	(2 722 236)	10 888 941	13 611 177	(1 361 118)	12 250 059
Plant and machinery	129 823 707	(71 162 579)	58 661 128	120 444 017	(63 120 525)	57 323 492
Furniture and fixtures	201 158	(169 702)	31 456	185 138	(166 817)	18 321
Motor vehicles	1 025 390	(527 792)	497 598	845 890	(765 641)	80 249
Office equipment	238 311	(217 856)	20 455	238 311	(214 735)	23 576
IT equipment	90 372	(59 598)	30 774	58 187	(56,814)	1,373
Laboratory Equipment	306 869	(253 729)	53 140	306 869	(242 715)	64 153
Other property, plant and equipment	2 369 902	(2 327 088)	42 814	2 063 140	(2 035 664)	27 476
Total	172 947 386	(93 295 032)	79 652 354	163 033 229	(82 319 543)	80 713 685

Reconciliation of property, plant & equipment - 2019

	Opening Balance	Additions / (Disposal)	Depreciation	Total
Building	10 924 986	-	(1 498 938)	9 426 048
Leasehold Improvements	12 250 059	-	(1 361 118)	10 888 941
Plant and machinery	57 323 492	9 379 690	(8 042 054)	58 661 128
Furniture and fixtures	18 321	16 020	(2 885)	31 456
Motor vehicles	80 249	528 150	(110 801)	497 598
Office equipment	23 576	-	(3 121)	20 455
IT equipment	1 373	32 185	(2 784)	30 774
Laboratory equipment	64 153	-	(11 013)	53 140
Other property, plant and equipment	27 476	306 761	(291 423)	42 814
	80 713 685	10 262 809	(11 324 137)	79 652 354

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

3. Property, plant and equipment (continued)

Reconciliation of property, plant & equipment - 2018

	Opening Balance	Additions / (Disposal)	Depreciation	Total
Building	12 423 923	-	(1 498 938)	10 924 986
Leasehold Improvements	13 611 177	-	(1 361 118)	12 250 059
Plant and machinery	60 461 600	4 128 011	(7 266 120)	57 323 492
Furniture and fixtures	28 773	-	(10 452)	18 321
Motor vehicles	159 358	-	(79 109)	80 249
Office equipment	37 298	-	(13 722)	23 576
IT equipment	1 373	-	-	1,373
Laboratory Equipment	85 873	-	(21 720)	64 153
Other property, plant and equipment	44 226	142 971	(159 722)	27 476
	86 853 602	4 270 982	(10 410 901)	80 713 685

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

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

4. Loans from shareholders

1. GPT Investments Private Limited (35 510 307) (33 507 504)

The loan is unsecured and interest bearing. Interest on this loan is charged at the prime lending rate as applicable in South Africa amounting to R 2 225 336 (2018: R 2 336 603). The loan is repayable once the loan from State Bank of India has been repaid.

(35 510 307) (33 507 504)

5. Deferred tax

Accelerated capital allowances for tax purposes	(13 991 964)	(12 678 606)
Bonus provision current year	46 916	23 164
Lease liability	319 523	-
	(13 625 525)	(12 655 442)

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
5. Deferred Tax (continued)		
Reconciliation of deferred tax asset (liability)		
At beginning of the year	(12 655 442)	(10 514 419)
Originating temporary difference on tangible fixed assets	(1 313 358)	(2 164 188)
Lease liability	319 523	-
Originating temporary difference on bonus provision	23 752	23 165
	(13 625 525)	(12 655 442)
6. Inventories		
Raw material, components	2 633 795	5 697 075
Finished goods	47 179 190	14 941 509
Direct consumables	898 416	651 487
	50 711 401	21 290 071
7. Trade and other receivables		
Trade receivables	-	43 876 819
Deposits	712 539	1 136 447
Cost in advance	1 054 577	892 937
South African Revenue Services	-	152 498
VAT Payable	928 190	-
Other receivables	1 044 190	450 000
	3 739 496	46 508 701

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2019 R Nil (2018: R 12 556) were past due but not impaired.

The ageing of the trade receivables is as follows:

	-	43 876 819
Neither past due nor impaired	-	43 864 263
30-60 days but not impaired	-	-
61-90 days but not impaired	-	-
91-120 days but not impaired	-	-
More than 120 days but not impaired	-	12 556

Trade and other receivables impaired:

As of 31 March 2019, no trade and other receivables were impaired and provided for.

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
8. Cash and cash equivalents		
Cash & cash equivalents consist of:		
Cash on hand	865	1,116
Bank balance	1 579 882	820,560
Bank overdraft	(16 223 430)	(21 170 443)
	(14 642 683)	(20 348 767)
Current assets	1 580 747	821 676
Current liabilities	(16 223 430)	(21 170 443)
	(14 642 683)	(20 348 767)

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

- A first charge on fixed assets (held by State Bank of India) which is secured by a General Notarial Bond.
- AN unrestricted first cession on all present and future book-debts due to or to become due to the Company in favour of the State Bank of India.
- Corporate guarantee of GPT Infraprojects Limited and personal guarantee of DP Tania, Atul Tania, Shree Gopal Tania and Vaibhav Tania.
- Cash margin of 25% on bank guarantees issued (100% for amounts in excess of R2 million).

9. Share Capital

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

10. Other financial liabilities

At amortised cost		
Bank of Baroda	-	12 439 545
State Bank of India	8 846 745	-

This loan is repayable in 40 equal instalments, with the 40th payment being the balance, commencing on the 1st of May 2018. Interest is charged at the prime lending rate as applicable in South Africa.

Non-current liabilities		
Bank of Baroda	-	8 689 545
State Bank of India	5 096 745	-
Current liabilities		
Bank of Baroda	-	3 750 000
State Bank of India	3 750 000	-
	8 846 745	12 439 455

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand

	2019	2018
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11. Provisions

Reconciliation of provisions - 2019

	Opening balance	Additions	Unutilised during the year	Total
Bonus Provision	57 909	148 550	(57 909)	148 550
SARS PAYE Provision	82 426	-	(82 426)	-
Leave Pay Provision	24 818	19 006	(24 818)	19 006
	165 153	167 556	(165 153)	167 556

Reconciliation of provisions - 2018

	Opening balance	Additions	Unutilised during the year	Total
Bonus Provision	69 425	57 909	(69 425)	57 909
SARS PAYE Provision	-	82 426	-	82 426
Leave Pay Provision	27 838	24 818	(27 838)	24 818
	97 263	165 153	(97 263)	165 153

12. Financial liabilities by category

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

Loan from shareholders	35 510 307	33 507 504
Other financial liabilities	8 846 745	12 439 455
Trade and other payables	33 026 370	42 167 652
Bank overdraft	16 223 430	21 170 443
Provisions	167 556	165 153
	93 774 408	109 450 207

13. Trade and other payables

Trade payables	31 843 280	39 423 773
VAT payables	-	2 618 221
Accrued expense	199 107	125 658
South African Revenue Services	761 449	-
Withholding Tax	222 534	-
	33 026 370	42 167 652

14. Revenue

Sale of goods	109 488 026	134 600 453
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GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
15. Cost of sales		
Cost of goods sold	64 800 142	77 736 672
Write down of inventories to net realisable value	(17 724 091)	1 485 062
Employee costs	6 434 588	5 868 085
Water & electricity	1 119 863	1 126 201
Rent	-	2 427 995
Repairs and maintenance	3 411 970	2 494 144
Consumables & sundries	1 178 150	928 212
Motor vehicle fuel & oil	449 592	290 406
Depreciation	12 278 751	10 270 320
Insurance	169 029	163 287
Rental equipment	127 990	405 791
	72 245 984	103 196 174
16. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
Contractual amounts	428 572	615 147
Loss/(profit) on exchange difference	2 624 911	(1 311 578)
Depreciation on property, plant and equipment	12 409 356	10 410 901
Employee cost	7 463 630	4 355 687
17. Interest received		
Bank	80 358	41 622
SARS	7 398	-
	87 756	41 622
18. Finance costs		
Bank of Baroda	508 652	3 298 901
GPT Investments Private Limited	2 225 336	2 336 603
GPT Infraprojects Limited	-	560 565
Trade and other payables	48 608	412 632
State Bank of India	2 496 092	-
Other Interest	170 716	-
	5 449 404	6 608 701

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
19. Taxation		
Major components of the tax expense		
Current		
Current year taxation	1 363 449	501 909
Deferred		
Originating and reversing temporary differences	970 083	2 141 023
	2 333 532	2 642 932
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	8 457 197	10 403 054
Tax on accounting profit at the applicable tax rate of 28% (2018: 28%)	2 368 015	2 912 855
Tax effect of adjustments on taxable income		
Over-provision prior year	-	(270 593)
Non-deductible expense	(34 483)	670
	2 333 532	2 642 932
20. Auditors' remuneration		
Fees	766 500	16 912
21. Cash generated from operations		
Profit before taxation	8 457 197	10 403 054
Adjustments for:		
Depreciation and amortisation	12 409 356	10 410 901
Interest received	(87 756)	(41 622)
Finance costs	5 449 404	6 608 701
Profit on asset disposal	(81 650)	-
Movements in provisions	2 403	67 890
Changes in working capital:		
Inventories	(29 421 330)	10 065 587
Trade and other receivables	42 616 707	(18 571 252)
Operating lease	428 572	428 571
Trade and other payables	(9 902 731)	(12 403 989)
	29 870 172	6 967 841
22. Dividends paid		
Dividends	(732 500)	(100 000)
Dividends declared	(5 000 000)	(5 000 000)
Balance at end of the year	180 000	732 500
	(5 552 500)	(4 367 500)

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
23. Related parties		
Relationships		
Holding company	GPT Infraprojects Limited	
Shareholder with significant influence	GPT Investments Private Limited	
	RA Mthethwa	
Shareholder	GPT Umnambithi Community Trust	
	DE Peter	
	A Tantia	
Member of key management	DP Tantia	
	A Tantia	
	LT Mthethwa	
Fellow Associate of holding company	GPT Castings Limited	
	GPT TransNamib Concrete (Pty) Limited	
Related party balances		
Loan accounts - Owing (to) by related parties		
GPT Investments Private Limited	35 510 307	33 507 504
Amounts included in Trade receivables (Trade payable) regarding related parties		
GPT Investments Private Limited	(11 551 320)	(11 440 388)
GPT Castings Limited	(70 236)	(22 183)
GPT TransNamib Concrete Sleepers (Pty) Limited	-	590 751
GPT TransNamib Concrete Sleepers (Pty) Limited	-	(82 250)
Dividends paid to related parties		
GPT Infraprojects Limited	2 700 000	2 700 000
GPT Investments Private Limited	750 000	750 000
RA Mthethwa	1 000 000	1 000 000
A Tantia	250 000	250 000
DE Peter	250 000	250 000
GPT Umnambithi Community Trust	50 000	50 000
Related party transactions		
Interest paid to (received from) related parties		
GPT Investments Private Limited	2 225 336	2 336 603
GPT Infraprojects Limited	-	560 565
Consulting fees paid to related parties		
GPT Investments Private Limited	8 105 800	7 179 065
Salaries paid to related parties		
DCP Mazibuko	30 000	-
RA Mthethwa	1 898 000	1 401 000
LT Mthethwa	377 000	325 000
All the above transactions are at arms length and comparable market rates.		

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
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24. Directors' emoluments

Non-Executive

2019	Emoluments
LT Mthethwa	377 000
DCP Mazibuko	30 000

2018	Emoluments
LT Mthethwa	325 000

Prescribed Officers

2019	Emoluments
RA Mthethwa	1 898 000

2018	Emoluments
RA Mthethwa	1 401 000

25. Leases

Right of use asset - 2019	Opening balance	Additions	Depreciation	Closing balance
Land and Buildings	-	2 170 437	(1 085 218)	1 085 219
	-	2 170 437	(1 085 218)	1 085 219

Lease Liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	1 199 000	-
Total undiscounted lease liabilities at 31 March	1 199 000	-

Current	1 141 153	-
Lease liabilities included in the statement of financial position as at 31 March	1 141 153	-

Amounts recognised in profit or loss

Interest on lease liabilities	170 716	-
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GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
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26. Risk management

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

Interest rate risk - The company's interest rate risk arises from long term borrowings. Borrowing issued at variable rates expose the company to cash flow interest rate risk. During 2019 and 2018 the company's borrowings at variable rates were denominated in the Rand. The company analyses its interest rate exposure on a dynamic basis. The company calculates the impact on profit and loss of a defined interest rate shift.

At 31 March 2019, if interest rates on Rand-denominated borrowings had been 1% higher with all other variables held constant, post tax profit for the year would have been lower, mainly as a result of a higher interest expense on floating rate borrowings.

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

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

Exchange rates used for converting of foreign items were USD 1:R 14.59 (2018: R11.81). The source of these rates is the interbank rate of Nedbank Limited.

Foreign currency exposure at the end of the reporting period.

Liabilities

GPT Castings Limited 2019: \$ 4,816 (2018: \$1,878)	70 236	22 183
GPT Investments (Pvt) Limited 2019: \$ 792 000 (2018: \$968 704)	11 555 280	11 440 388
	11 621 556	11 462 571

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

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

At 31 March 2019	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	33 230 374	33 230 374	-
Trade and other payables	33 026 370	-	-
	66 256 744	33 230 374	-
At 31 March 2018	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	37 371 517	29 745 976	-
Trade and other payables	42 167 652	-	-
	79 539 169	29 745 976	-

27. Contingencies

The following guarantees have been issued:

Scaw South Africa (Pty) Limited against a fixed deposit of R100,000 held at Bank of Baroda	500 000
Pandrol South Africa (Pty) Limited against a fixed deposit of R100,000 held at Bank of Baroda	500 000
Transnet Limited against a fixed deposit of R376,010 held at Bank of Baroda	1 174 979
Transnet Limited against a fixed deposit of R196 400 held at State Bank of India	571 400
Afrisam South Africa Limited against a fixed deposit of R 375 000 held at State Bank of India	1 500 000
	2 071 400
	2 174 979

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Sales of goods	14	109 488 026	134 600 453
Cost of sales			
Opening stock		(21 290 071)	(28 398 802)
Purchases		(101 667 314)	(96 087 443)
Closing Stock		50 711 401	21 290 071
	15	(72 245 984)	(103 196 174)
Gross profit		37 242 042	31 404 279
Other income			
Discount received		1 814	59 024
Miscellaneous Income		11 048	47 500
Profit on asset disposal		81 650	-
Interest received	17	87 756	41 622
SETA grant		19 865	-
		202 133	148 146
Expenses (Refer to page 34)		(23 537 574)	(14 540 670)
Operating profit		13 906 601	17 011 755
Finance costs	18	(5 449 404)	(6 608 701)
Profit before taxation		8 457 197	10 403 054
Taxation	19	(2 333 532)	(2 642 932)
Profit for the year		6 123 665	7 760 122

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

GPT Concrete Products South Africa Proprietary Limited

(Registration number 2007/031165/07)

Financial Statement for the year ended March 31, 2019

Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Operating expenses			
Accounting fees		83 032	45 900
Advertising		441	24 169
Auditors' remuneration	20	766 500	16 912
Bank charges		319 086	87 325
Cleaning		296 796	222 998
Computer expenses		27 962	17 927
Consulting fees		8 329 498	7 782 909
Depreciation, amortisation and impairments		130 605	140 581
Discount given		3 300	-
Donations		192 237	145 957
Directors' fees		2 275 000	1 726 000
Entertainment		69 459	63 980
Employee Costs		5 228 295	2 662 048
Business promotions		22 520	96 397
General expense		215 728	91 299
Fines and penalties		700	300
Gifts		1115	1 329
Insurance		29 872	100 368
Lease rentals on operating lease		428 572	615 147
Legal expenses		143 440	7 500
Loss on exchange differences		2 624 911	(1 311 578)
Motor vehicle expenses		218 944	180 948
Postage		5 940	9 092
Printing and stationery		52 490	39 145
Repairs and maintenance		64 628	30 998
Secretarial fees		27 983	22 200
Staff welfare		499 313	295 349
Security		505 196	640 107
Subscriptions		159 101	11 751
Telephone and fax		125 641	112 431
Travelling		564 938	444 778
Transport and freight		124 331	197 465
Utilities		-	18 938
		23 537 574	14 540 670

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

GPT - TRANSNAMIB CONCRETE SLEEPERS (PTY) LTD
(Registration number 2010/0427)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

GPT - Transnamib Concrete Sleepers (Pty) Ltd

(Registration number 2010/0427)

Annual Financial Statements for the year ended 31 March 2019

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 Jonny Mitchell smith Webster Gonzo Vincent Mberema Atul Tania Niraj K. Sinha Shafa M. Kaulinge
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
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia) 344 Independence Avenue Windhoek Namibia PO Box 1571 Windhoek Namibia
Company registration number	2010/0427

GPT - Transnamib Concrete Sleepers (Pty) Ltd

(Registration number 2010/0427)

Annual Financial Statements for the year ended 31 March 2019

Contents

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

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Statement of changes in equity	11
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GPT - Transnamib Concrete Sleepers (Pty) Ltd

(Registration number 2010/0427)

Annual Financial Statements for the year ended 31 March 2019

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.

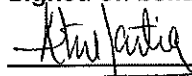
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2020 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 the report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 40, 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 2019



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 2019, and its financial performance and cash flows for the year 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 37 comprise:

- the directors' report for the year ended 31 March 2019;
- the statement of financial position as at 31 March 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 'financial statements'* section of our report.

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

Independence

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

PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia 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 Esterhuysen, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Trofim Shapange, Nelson Lucas



Independent auditor's report

Material uncertainty related to going concern

We draw attention to note 9 in the directors' report which indicates that the contract with the sole customer, the Ministry of Works and Transport have been extended only for six months ending 30 September 2019. These events or conditions, amongst others, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Annual Financial Statements for the year ended 31 March 2019. 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 scepticism throughout the audit. We also:

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

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

Report on other legal and regulatory requirements

In accordance with our responsibilities in terms of section 283(3) of the Companies Act, we report that PricewaterhouseCoopers Tax and Advisory Services (Pty) Ltd has performed certain secretarial and accounting duties for the company.



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

Date: 08/05/2019

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GPT - Transnamib Concrete Sleepers (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2019

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 2019.

1. Incorporation

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

2. Nature of business

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

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

3. Review of financial results and activities

The 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\$ 9,000,000 (2018: N\$ 24,000,000) 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:

Directors	Nationality
Mbingee W. Hindjou	Namibian
Jonny Mitchell smith	Namibian
Webster Gonzo	Namibian
Vincent Mberema	Namibian
Atul Tantia	Indian
Niraj K. Sinha	Indian
Shafa M. Kaulinge	Namibian

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 2019 the company's investment in property, plant and equipment amounted to N\$20,912,107 (2018: N\$ 24,089,523), of which N\$- (2018: N\$ 4,800,000) was added in the current year through additions.

There were no commitments during the year under review (2018: N\$ Nil).

GPT - Transnamib Concrete Sleepers (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2019

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 contract with the sole customer, the Ministry of Works and Transport have been extended only for six months ending 30 September 2019. This indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a 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 is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements and that there is still demand in the foreseeable future for the P2 concrete sleepers that are being manufactured by the company due to the following:

- Africa Development Bank have put out a tender for the rehabilitation of Kranzberg - Walvis Bay railway line covering approximately 210 Kilometers and will require approximately 300 000 P2 concrete sleepers. The tender is closing in June 2019 and for a period of two years (from the awarding date) and 5 out of the 8 companies that have tendered have approached the company for the quotations to supply them with P2 concrete sleepers required for the project.
- The Ministry of Works and Transport have a number of railway projects covering about 250 Kilometers in the pipeline for the next 3 years, in line with the budget allocated to them in the medium term expenditure framework.
- The company is the sole manufacturer of railway concrete sleepers in Namibia in a joint venture with Transnamib Holdings Limited which in the logistics business and ultimately owned by the Government of the Republic of Namibia.

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. Secretary

The company had no secretary during the year under review.

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

11. Auditor

PricewaterhouseCoopers continued in office as the auditors for the company for 2019.

GPT - Transnamib Concrete Sleepers (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2019

Statement of financial position

as at 31 March 2019

	Note(s)	2019 N\$	2018 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	4	20,912,107	24,089,523
Current Assets			
Inventories	5	636,007	1,438,282
Trade and other receivables	6	777,464	509,385
Prepayments		398,624	1,225,726
Cash and cash equivalents	8	7,843,892	11,434,810
		9,655,987	14,608,203
Total Assets		30,568,094	38,697,726
Equity and Liabilities			
Equity			
Share capital	9	12,500,000	12,500,000
Reserves		3,750,000	3,750,000
Retained income		6,747,925	2,694,576
		22,997,925	18,944,576
Liabilities			
Non-Current Liabilities			
Deferred tax	11	2,630,075	3,175,072
Current Liabilities			
Trade and other payables	12	4,671,832	11,275,499
Current tax payable	7	268,262	302,579
Dividend payable		-	5,000,000
		4,940,094	16,578,078
Total Liabilities		7,570,169	19,753,150
Total Equity and Liabilities		30,568,094	38,697,726

GPT - Transnamib Concrete Sleepers (Pty) Ltd

(Registration number 2010/0427)

Annual Financial Statements for the year ended 31 March 2019

Statement of comprehensive income

	Note(s)	2019 N\$	2018 N\$
Revenue	14	64,850,276	57,528,286
Cost of sales	15	(29,811,376)	(25,110,677)
Gross profit		35,038,900	32,417,609
Other operating income	16	602,093	260,330
Other operating gains (losses)	22	(435,682)	(108,975)
Selling and distribution expenses		(1,506,494)	(717,635)
Marketing expenses		(66,617)	(20,264)
General and administrative expenses		(12,135,418)	(12,431,642)
Maintenance expenses		(1,441,207)	(922,348)
Other operating expenses		(4,378,500)	(5,748,973)
Operating profit	20	15,677,075	12,728,102
Investment income	18	-	424
Finance costs	19	(41,819)	(45,542)
Profit before taxation		15,635,256	12,682,984
Taxation	21	(2,582,613)	(1,969,784)
Profit for the year		13,052,643	10,713,200
Other comprehensive income		-	-
Total comprehensive income for the year		13,052,643	10,713,200

GPT - Transnamib Concrete Sleepers (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2019

Statement of changes in equity

	Share capital	Reserves for own shares / Share repurchase reserve	Retained income	Total equity
	N\$	N\$	N\$	N\$
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 01 April 2018	12,500,000	3,750,000	2,695,282	18,945,282
Profit for the year	-	-	13,052,643	13,052,643
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	13,052,643	13,052,643
Dividends	-	-	(9,000,000)	(9,000,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(9,000,000)	(9,000,000)
Balance at 31 March 2019	12,500,000	3,750,000	6,747,925	22,997,925
Note	9			

GPT - Transnamib Concrete Sleepers (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2019

Statement of cash flows

	Note(s)	2019 N\$	2018 N\$
Cash flows from operating activities			
Cash generated from operations	23	13,612,826	40,810,097
Interest income	18	-	424
Finance costs	19	(41,819)	(45,542)
Tax paid	24	(3,161,927)	(2,421,640)
Net cash from operating activities		10,409,080	38,343,339
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-	(1,200,000)
Cash flows from financing activities			
Dividends paid	13	(14,000,000)	(19,000,000)
Total cash movement for the year		(3,590,920)	18,143,339
Cash at the beginning of the year		11,434,810	(6,708,529)
Total cash at end of the year	8	7,843,890	11,434,810

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Annual Financial Statements for the year ended 31 March 2019

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

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Annual Financial Statements for the year ended 31 March 2019

Accounting policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

A valuation committee was established in order to determine the appropriate valuation techniques and inputs for each valuation. The committee reports to the CFO. Significant valuation issues are reported to the audit committee.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note and note .

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. 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.

Useful lives and residual values of property, plant and equipment

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

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

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.

1.3 Property, plant and equipment

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

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

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

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

Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

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Annual Financial Statements for the year ended 31 March 2019

Accounting policies

1.3 Property, plant and equipment (continued)

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

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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

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

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

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.

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Accounting policies

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 3 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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Annual Financial Statements for the year ended 31 March 2019

Accounting policies

Financial instruments (continued)

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 19).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

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(Registration number 2010/0427)

Annual Financial Statements for the year ended 31 March 2019

Accounting policies

1.5 Financial instruments: IAS 39 comparatives

Classification

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

- Loans and receivables
- Financial liabilities measured at amortised cost

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

Initial recognition and measurement

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

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

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.

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Annual Financial Statements for the year ended 31 March 2019

Accounting policies

1.4 Financial instruments (continued)

Impairment of financial assets

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

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

Impairment losses are recognised in profit or loss.

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

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

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

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

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

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.

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1.4 Financial instruments (continued)

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.

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.

1.6 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

Tax expenses

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

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

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

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

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Accounting policies

1.7 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.

1.8 Inventories

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

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

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

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

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

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.

1.9 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 or amortisation 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 other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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Accounting policies

1.9 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill 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 or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.10 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.

1.11 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.

1.12 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.

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Accounting policies

1.13 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Sales of sleepers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised at the date the invoice issued and goods are ready for despatch.

1.14 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.

1.15 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.

1.16 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

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	2019 N\$	2018 N\$
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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:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	The impact of the standard is not material.
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	The adoption of this standard has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements

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 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Uncertainty over Income Tax Treatments	01 January 2019	Unlikely there will be a material impact
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact

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	2019 N\$	2018 N\$
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3. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	509,385	509,385	509,385
Cash and cash equivalents	8	11,434,810	11,434,810	-
		11,944,195	11,944,195	509,385

Categories of financial liabilities

2018

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	10,517,213	10,517,213	-
Dividend payable		5,000,000	5,000,000	-
		15,517,213	15,517,213	-

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2018

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	18	424	424

Gains and losses on financial liabilities

2018

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	19	(45,542)	(45,542)

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	2019 N\$	2018 N\$
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3. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Trade and other payables	12	4,671,832	11,275,499
Cash and cash equivalents	8	(7,843,892)	(11,434,810)
Net borrowings		(3,172,060)	(159,311)
Equity		22,997,925	18,944,576
Gearing ratio		(14)%	(1)%

Financial risk management

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 its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2019			2018		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	531,228	-	531,228	509,385	-	509,385
Cash and cash equivalents	8	7,843,892	-	7,843,892	11,434,810	-	11,434,810
		8,375,120	-	8,375,120	11,944,195	-	11,944,195

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	2019 N\$	2018 N\$
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3. Financial instruments and risk management (continued)

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2018

		Carrying amount
Current liabilities		
Trade and other payables	12	10,517,213
Dividend payable		5,000,000

Foreign currency risk

Details of foreign currency risk exposure are contained in the relevant notes throughout these financial statements.

Interest rate risk

Details of interest rate risk exposure are contained in the relevant notes throughout these financial statements.

Price risk

The company is not exposed to commodity price risk.

4. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	7,636,195	(6,451,353)	1,184,842	7,636,195	(6,250,595)	1,385,600
Plant and machinery	61,951,628	(42,834,608)	19,117,020	61,951,628	(40,222,623)	21,729,005
Furniture and fixtures	143,290	(135,436)	7,854	143,290	(136,407)	6,883
Motor vehicles	3,122,121	(2,528,689)	593,432	3,122,121	(2,166,433)	955,688
Office equipment	54,886	(51,914)	2,972	54,886	(47,518)	7,368
IT equipment	119,730	(113,743)	5,987	119,730	(114,751)	4,979
Total	73,027,850	(52,115,743)	20,912,107	73,027,850	(48,938,327)	24,089,523

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	2019 N\$	2018 N\$
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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Total
Buildings	1,385,600	(200,758)	1,184,842
Plant and machinery	21,729,005	(2,611,985)	19,117,020
Furniture and fixtures	6,883	971	7,854
Motor vehicles	955,688	(362,256)	593,432
Office equipment	7,368	(4,396)	2,972
IT equipment	4,979	1,008	5,987
	24,089,523	(3,177,416)	20,912,107

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Buildings	1,636,548	-	(250,948)	1,385,600
Plant and machinery	20,201,296	4,800,000	(3,272,291)	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
	23,165,663	4,800,000	(3,876,140)	24,089,523

5. Inventories

Raw materials, components	636,007	1,438,282
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6. Trade and other receivables

Financial instruments:

Trade receivables	144,987	81,900
Other receivables (Receiver of Revenue)	346,687	346,687
Other debtors	39,554	80,798

Non-financial instruments:

VAT	241,236	-
Employee costs in advance	5,000	-
Total trade and other receivables	777,464	509,385

Split between non-current and current portions

Current assets	777,464	509,385
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6. Trade and other receivables (continued)		
<i>Categorisation of trade and other receivables</i>		
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:		
At amortised cost	531,228	509,385
Non-financial instruments	246,236	-
	<u>777,464</u>	<u>509,385</u>

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

Credit risk disclosures for comparatives under IAS 39

The following sections provide comparative information for trade and other receivables which have not been restated. The information is provided in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2018, N\$ 82,250 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due and over	82,250
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Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

Namibia Dollar Amount

Namibia Dollar	<u>531,228</u>	<u>509,385</u>
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Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

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	2019 N\$	2018 N\$
7. Current tax receivable / (payable)		
The current tax balance is made up as follows:		
Current tax payable		
Current tax payable	(268,262)	(302,579)
Provision for taxation		
Opening balance	(302,579)	529,652
Provision for the year	(3,068,262)	(2,682,231)
Provisional tax payment/(refunds)	2,800,000	1,850,000
Tax payment (opening balance)	344,567	-
Adjustments	(41,988)	-
	<u>(268,262)</u>	<u>(302,579)</u>
Current taxation balance consists of:		
2018	-	(302,579)
2019	(268,262)	-
	<u>(268,262)</u>	<u>(302,579)</u>
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	13,154	14,312
Bank balances	7,830,738	11,420,498
	<u>7,843,892</u>	<u>11,434,810</u>
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 of Namibia P-2 (zaf)	7,830,738	11,420,498
Exposure to currency risk		
The net carrying amounts, in Namibia Dollar, of cash and cash equivalents, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.		
Namibia Dollar amount		
Namibia Dollar	7,843,892	11,434,810

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	2019 N\$	2018 N\$
9. Share capital		
Authorised		
12,500,000 Ordinary shares of N\$ 1 each	12,500,000	12,500,000
Issued		
12,500,000 Ordinary shares N\$ 1 each	12,500,000	12,500,000
10. Reserve for own shares / Share repurchase reserve		
Capital redemption reserve fund	3,750,000	3,750,000
11. Deferred tax		
Deferred tax liability		
Property plant and equipment	(2,496,546)	(2,844,071)
Inventory	(67,150)	(119,963)
Prepayments	(71,022)	(220,631)
Total deferred tax liability	(2,634,718)	(3,184,665)
Deferred tax asset		
Provisions	4,643	9,593
Deferred tax liability	(2,634,718)	(3,184,665)
Deferred tax asset	4,643	9,593
Total net deferred tax liability	(2,630,075)	(3,175,072)
Deferred tax liability		
Deferred taxation liability to be recovered after more than 12 months	(2,634,718)	(2,501,884)
Deferred taxation liability to be recovered within 12 months	-	(682,781)
	(2,634,718)	(3,184,665)
Deferred tax asset		
Deferred taxation asset to be recovered after more than 12 months	-	-
Deferred taxation asset to be recovered within 12 months	4,643	9,593
	4,643	9,593
Total net deferred tax liability	(2,630,075)	(3,175,072)

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11. Deferred tax (continued)		
<i>Reconciliation of deferred tax asset / (liability)</i>		
At beginning of year	(3,175,072)	(3,399,855)
Taxable / (deductible) temporary difference movement on tangible fixed assets	347,525	146,430
Taxable / (deductible) temporary difference on inventory	52,813	25,397
Taxable / (deductible) temporary difference on prepayments	149,609	55,193
Taxable / (deductible) temporary difference movement on short term unrealised forex gains	(4,950)	(2,237)
	<u>(2,630,075)</u>	<u>(3,175,072)</u>
Net deferred tax liabilities total	<u>(2,630,075)</u>	<u>(3,175,072)</u>
	<u>(2,630,075)</u>	<u>(3,175,072)</u>
12. Trade and other payables		
<i>Financial instruments:</i>		
Trade payables	4,407,069	10,360,194
Leave pay accruals	114,463	157,019
<i>Non-financial instruments:</i>		
Refund liability	150,300	-
VAT	-	758,286
	<u>4,671,832</u>	<u>11,275,499</u>
<i>Exposure to currency risk</i>		
The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.		
<i>Namibia Dollar Amount</i>		
Namibia Dollar	<u>4,671,832</u>	<u>10,517,213</u>
13. Dividends paid		
Balance at beginning of the year	(5,000,000)	-
Dividends	(9,000,000)	(24,000,000)
Balance at end of the year	<u>-</u>	<u>5,000,000</u>
	<u>(14,000,000)</u>	<u>(19,000,000)</u>
14. Revenue		
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>64,850,276</u>	<u>57,528,286</u>

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14. Revenue (continued)		
<i>Disaggregation of revenue from contracts with customers</i>		
The company disaggregates revenue from customers as follows:		
<i>Sale of goods</i>		
Sale of goods	64,850,276	57,528,286
<i>Timing of revenue recognition</i>		
<i>At a point in time</i>		
Sale of goods	(64,850,276)	(57,528,286)
15. Cost of sales		
Sale of goods	29,811,376	25,110,677
16. Other operating income		
Scrap sales	52,531	51,176
Supplier write off	874	771
Other income	548,688	208,383
	602,093	260,330
17. Other non-operating gains (losses)		
18. Investment income		
<i>Interest income</i>		
<i>Investments in financial assets:</i>		
Bank and other cash	-	424
19. Finance costs		
Trade and other payables	41,819	45,542

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Notes to the annual financial statements

	2019 N\$	2018 N\$
20. 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	334,891	260,679
Tax and secretarial services	-	30,221
	<u>334,891</u>	<u>290,900</u>
<i>Remuneration, other than to employees</i>		
Consulting and professional services	<u>1,974,457</u>	<u>4,046,802</u>
<i>Employee costs</i>		
Salaries, wages, bonuses and other benefits	<u>7,158,047</u>	<u>6,715,149</u>
<i>Leases</i>		
<i>Operating lease charges</i>		
Premises	<u>301,777</u>	<u>141,400</u>
<i>Depreciation and amortisation</i>		
Depreciation of property, plant and equipment	<u>3,177,416</u>	<u>3,876,140</u>
<i>Expenses by nature</i>		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Changes in inventories of finished goods and work in progress	29,811,376	25,110,677
Employee costs	7,158,047	6,715,149
Operating lease charges	301,777	141,400
Depreciation, amortisation and impairment	3,177,416	3,876,140
Other expenses	1,720,238	1,339,763
Water and electricity	705,775	668,300
Consulting and professional fees	1,885,356	3,997,978
Travel overseas	582,167	520,924
Motor vehicle expenses	1,091,183	525,579
Royalties	1,314,529	742,074
Repairs and maintenance	1,441,207	922,348
Bank charges	150,541	391,207
	<u>49,339,612</u>	<u>44,951,539</u>

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Notes to the annual financial statements

	2019 N\$	2018 N\$
21. Taxation		
<i>Major components of the tax expense</i>		
<i>Current</i>		
Local income tax - current period	3,127,610	2,194,567
<i>Deferred</i>		
Originating and reversing temporary differences	(544,997)	(224,783)
	2,582,613	1,969,784
<i>Reconciliation of the tax expense</i>		
Reconciliation between accounting profit and tax expense.		
Accounting profit	15,635,256	12,682,984
Tax at the applicable tax rate of 18% (2018: 18%)	2,814,346	2,282,937
<i>Tax effect of adjustments on taxable income</i>		
Tax effect of permanent differences	(293,733)	(313,153)
Prior year adjustments	62,000	-
	2,582,613	1,969,784
22. Other operating gains (losses)		
<i>Foreign exchange gains (losses)</i>		
Net foreign exchange loss	(435,682)	(108,975)
23. Cash generated from operations		
Profit before taxation	15,635,256	12,682,984
<i>Adjustments for:</i>		
Depreciation and amortisation	3,177,416	3,876,140
Losses on foreign exchange	435,682	108,975
Interest income	-	(424)
Finance costs	41,819	45,542
Other non-cash items	(434,978)	(108,975)
<i>Changes in working capital:</i>		
Inventories	802,275	314,733
Trade and other receivables	(268,079)	29,102,993
Prepayments	827,102	331,753
Trade and other payables	(6,603,667)	(5,543,624)
	13,612,826	40,810,097

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	2019 N\$	2018 N\$
24. Tax paid		
Balance at beginning of the year	(302,579)	(529,652)
Current tax for the year recognised in profit or loss	(3,127,610)	(2,194,567)
Balance at end of the year	268,262	302,579
	<u>(3,161,927)</u>	<u>(2,421,640)</u>
25. 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	
Directors	Refer to the Directors report	
Members of key management	Harsh V. Roongta (Chief Operating Officer) M Kanniyappan (Manager - Engineering Logistics & Management services) DK Jaimani (Factory Manager) Karl Damaseb (Maintenance Superintendent)	
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
GPT Investments (Pty) Ltd	-	(3,600,000)
GPT Concrete Products South Africa (Pty) Ltd	-	508,501
GPT Casting Limited	371,185	-
Dividend payable		
GPT Infraprojects Limited	-	1,850,000
Dorros Investments Number Twenty Two (Pty) Ltd	-	650,000
Transnamib Holdings Limited	-	2,500,000
Related party transactions		
Purchases from (sales to) related parties		
Ministry of Works and Transport	64,791,698	(56,670,536)
GPT Concrete Products South Africa (Pty) Ltd	-	4,706,497
Key management		
Salaries	2,548,718	2,021,222
Dividend declared		
GPT Infraprojects Limited	3,330,000	8,880,000
Dorros Investments Number Twenty Two (Pty) Ltd	1,170,000	3,120,000
Transnamib Holdings Limited	4,500,000	12,000,000

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Notes to the annual financial statements

	2019 N\$	2018 N\$
25. Related parties (continued)		
<i>Compensation to directors and other key management</i>		
Short-term employee benefits	895,849	904,100

26. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting.

The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

There were no aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2018.

Application of IFRS 15 Revenue from contracts with customers

In the current year, the company has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRSs. IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services.

IFRS 15 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the company financial statements are described below. Refer to the revenue accounting policy for additional details.

The company has applied IFRS 15 with an initial date of application of 01 April 2018 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 01 April 2018. The comparative information has therefore not been restated.

There were no aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 31 March 2018.

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Annual Financial Statements for the year ended 31 March 2019

Detailed statement of comprehensive income

	Note(s)	2019 N\$	2018 N\$
Revenue			
Sale of goods		64,850,276	57,528,286
Cost of sales			
Purchases		(29,811,376)	(25,110,677)
Gross profit		35,038,900	32,417,609
Other operating income			
Scrap sales		52,531	51,176
Other income		874	771
Gain on disposal of assets or settlement of liabilities		548,688	208,383
	16	602,093	260,330
Other operating gains (losses)			
Foreign exchange losses		(435,682)	(108,975)
Expenses (Refer to page 39)		(19,528,236)	(19,840,862)
Operating profit	20	15,677,075	12,728,102
Investment income	18	-	424
Finance costs	19	(41,819)	(45,542)
Profit before taxation		15,635,256	12,682,984
Taxation	21	(2,582,613)	(1,969,784)
Profit for the year		13,052,643	10,713,200

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Detailed statement of comprehensive income

	Note(s)	2019 N\$	2018 N\$
Other operating expenses			
Selling and distribution expenses			
Motor vehicle expenses		(1,091,183)	(525,579)
Postage		(8,460)	(7,285)
Transport and freight		(406,851)	(184,771)
		<u>(1,506,494)</u>	<u>(717,635)</u>
Marketing expenses			
Advertising		(66,617)	(20,264)
General and administrative expenses			
Auditors remuneration - external auditors	20	(334,891)	(290,900)
Bank charges		(150,543)	(391,907)
Computer expenses		(27,022)	(23,793)
Depreciation		(3,177,416)	(3,876,140)
Employee costs		(7,158,047)	(6,715,149)
Insurance		(237,225)	(199,766)
Lease rentals on operating lease		(301,777)	(141,400)
Levies		-	(3,680)
Municipal expenses		(705,775)	(668,300)
Printing and stationery		(23,544)	(23,862)
Telephone and fax		(19,178)	(19,214)
		<u>(12,135,418)</u>	<u>(12,354,111)</u>
Maintenance expenses			
Repairs and maintenance		(1,441,207)	(922,348)
Other operating expenses			
Cleaning		(36,520)	(116,377)
Consulting and professional fees - accounting		(36,594)	-
Consulting and professional fees		(1,885,356)	(3,997,978)
Consulting and professional fees - legal fees		(52,507)	(48,824)
Donations		(22,621)	(27,514)
Entertainment		(14,145)	(15,367)
Office expenses		(18,408)	(14,389)
Safety equipment		(632)	(3,113)
GEAN		(4,000)	(3,855)
Training expenses		(46,127)	(6,370)
Miscellaneous expenses		(981)	(855)
Fines and penalties		31,768	25,378
Gifts		(47,193)	(9,885)
Protective clothing		(38,230)	(42,376)
Royalties and license fees		(1,314,529)	(742,074)
Security		(143,021)	(167,010)
Staff welfare		(71,646)	(73,139)
Travel - local		(95,591)	(61,832)
Travel - overseas		(582,167)	(520,924)

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Detailed statement of comprehensive income

	Note(s)	2019 N\$	2018 N\$
		(4,378,500)	(5,826,504)
		<u>(19,528,236)</u>	<u>(19,840,862)</u>