Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITORS' REPORT

To The Members of GMP Technical Solutions Private Limited
Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **GMP Technical Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

    f) With respect to the adequacy of the internal financial 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 Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   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.

For DELOITTE HASKINS AND SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
(Partner)
(Membership No. 38019)

Place: Pune
Date: June 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' 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 **GMP Technical Solutions Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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") issued by the Institute of 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. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 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, 2018, based on the criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
(Membership No. 38019)

Place: Pune
Date: June 25, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventor y, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie,* not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

(c) There is no overdue amount remaining outstanding as at the year-end.

(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 Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause 3(v) of the Oder is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) There were delays by the Company in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except for below.

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Employee State Insurance Act, 1948	Employees' State Insurance	82,113	April 2016 to August 2017	15th of the following month
Profession Tax Act, 1975	Professional tax	20,499	April 2017 to August 2017	20th of the following month
Finance Act, 1994	Service Tax	1,033,970	May 2017 to June 2017	6th of the following month
Goods and Services Tax Act, 2017	Goods and Services Tax	48,621	July to August 2017	20th of the following month
Sales Tax Act	Sales Tax	463,199	April 2011 to March 2012	20th of the following month
Income Tax Act, 1961	Tax Deducted at Source (TDS)	1,610,870	April 2016 to August 2017	7th of the following month

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax - Appeals	Financial Year 2008-09	75,470,191	75,470,191
			Financial Year 2009-10	40,122,250	40,122,250
			Financial Year 2011-12	1,454,760	1,454,760
Finance Act, 1994	Service Tax	Commissioner of Service Tax	April 2009 to September 2013	3,604,393	3,604,393
Sales Tax Act, 1956	Value Added Tax / Central Sales Tax	Deputy Commissioner of Sales Tax, Mumbai	Financial Year 2011-12	4,447,943	4,447,943
			Financial Year 2013-14	27,181,883	27,181,883

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks and there are no borrowings from government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer of further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.

(xiii) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi
Partner
(Membership No. 38019)

Place: Pune
Date: June 25, 2018

GMP Technical Solutions Private Limited

Balance Sheet as at March 31, 2018 (Rs. in Lakhs)

		Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
A		**ASSETS**			
	(1)	**Non-current assets**			
		(a) Property, Plant and Equipment	3	3,347.63	4,241.15
		(b) Intangible assets	4	9.84	17.83
		(c) Financial Assets			
		(i) Investments	5	24.51	50.52
		(ii) Loans	7	825.04	217.38
		(iii) Others Financial Assets	8	342.36	243.48
		(d) Income Tax Assets (net)		890.12	775.91
		(e) Deferred tax assets (net)	9	707.26	758.88
		(f) Other non-current assets	10	57.86	57.86
		Total Non - Current Assets		**6,204.62**	**6,363.01**
	(2)	**Current assets**			
		(a) Inventories	11	1,561.73	3,025.54
		(b) Financial Assets			
		(i) Trade receivables	6	8,086.27	10,896.72
		(ii) Cash and cash equivalents	12	501.31	270.38
		(iii) Bank balances other than (ii) above	12	1,173.22	1,824.85
		(iv) Loans	7	103.51	44.57
		(v) Others Financial Assets	8	198.94	488.88
		(c) Other current assets	10	832.60	640.62
		Total Current Assets		**12,457.58**	**17,191.56**
		Total Assets (1+2)		**18,662.20**	**23,554.57**
B		**EQUITY AND LIABILITIES**			
	(1)	**Equity**			
		(a) Equity Share capital	13	1.49	1.49
		(b) Other Equity	13.1	7,249.74	7,791.58
		Total Equity		**7,251.23**	**7,793.07**
		LIABILITIES			
	(2)	**Non-current liabilities**			
		(a) Financial Liabilities - Borrowings	14	1,066.76	1,088.77
		(b) Other non Current liabilities	18	15.17	19.17
		Total Non - Current Liabilities		**1,081.93**	**1,107.94**
	(3)	**Current liabilities**			
		(a) Financial Liabilities			
		(i) Borrowings	19	3,088.40	3,552.73
		(ii) Trade payables	15	4,442.92	7,769.77
		(iii) Other financial liabilities	16	194.80	175.96
		(b) Provisions	17	364.57	422.83
		(c) Other current liabilities	18	2,238.35	2,732.27
		Total Current Liabilities		**10,329.04**	**14,653.56**
		Total Equity and Liabilities (1+2+3)		**18,662.20**	**23,554.57**
		Summary of significant accounting polices	2		
		See accompanying notes forming part of the financial statements.			

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

GMP TECHNICAL SOLUTIONS PVT. LTD.

Hemant M. Joshi
Partner

Siddharth V. Moorthy
Director
(DIN : 02504124)

M Krishnamurthi
Director
(DIN : 00037763)

Place : Pune
Date : 25th June, 2018

Place : Pune
Date : 25th June, 2018

GMP Technical Solutions Private Limited

Statement of Profit and Loss for the year ended March 31, 2018 **(Rs. in Lakhs)**

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
(I)	Revenue from operations	20	20,327.08	24,360.93
(II)	Other Income	21	1,703.60	1,596.82
(III)	**Total Income (I + II)**		**22,030.68**	**25,957.75**
	EXPENSES			
	(a) Cost of materials consumed	22.a	12,148.93	18,405.02
	(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	22.b	1,158.10	(595.93)
	(c) Excise duty on sale of goods		151.29	619.56
	(d) Employee benefit expense	23	3,042.67	3,422.28
	(e) Finance costs	24	643.40	743.09
	(f) Depreciation & amortization expense	3 & 4	660.70	803.47
	(g) Other expenses	25	4,767.24	3,099.63
	Total Expenses (IV)		**22,572.33**	**26,497.12**
(V)	**Loss before tax (III - IV)**		**(541.65)**	**(539.37)**
(VI)	**Tax Expense**			
	(1) Current tax	9 & 9.1	-	10.00
	(2) (Excess)/Short Provision for earlier years		-	197.15
	(3) Deferred tax	9 & 9.1	34.45	(248.60)
	Total tax expense (VI)		**34.45**	**(41.45)**
(VII)	**Profit/(loss) for the period (V-VI)**		**(576.10)**	**(497.92)**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be recycled to profit or loss		**51.43**	**2.90**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(17.17)**	**(0.96)**
			34.26	**1.94**
(IX)	**Total comprehensive income for the year (VII + VIII)**		**(541.84)**	**(495.98)**
(X)	**Basic & Diluted earnings per equity share (Rs.)**	26	**(3,859)**	**(3,335)**

Summary of significant accounting polices 2

See accompanying notes forming part of the financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

GMP TECHNICAL SOLUTIONS PVT. LTD. *

Hemant M. Joshi
Partner

Place : Pune
Date : 25th June, 2018

Siddharth V. Moorthy
Director
(DIN : 02504124)

M Krishnamurthi
Director
(DIN : 00037763)

Place : Pune
Date : 25th June, 2018

GMP Technical Solutions Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2018 **(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. Cash flow from operating activities				
Profit before tax		(541.65)		(539.37)
Adjustments for:				
Depreciation and amortisation expenses	660.70		803.46	
Finance costs	643.40		743.09	
Liabilities no longer required written back	(1,226.95)		(1,391.08)	
Provision for bad and doubtful debts and advances	251.27		70.00	
Bad Debts	1,729.95		337.36	
Loss on transfer of assets	11.14		-	
Net gain/(Loss) arising on financials Assets designated as at FVTPL	900.00		-	
Interest Income	(150.17)		(171.45)	
Profit on Sale of Fixed Assets	(162.26)		(2.04)	
Deferred Revenue	(4.00)		(4.00)	
		2,653.08		385.34
Operating profit / (loss) before working capital changes		2,111.43		(154.03)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	780.54		(1,105.88)	
Loans	196.19		31.22	
Other Financial Assets	173.87		13.70	
Other non - current assets	-		10.69	
Other Current Assets	(187.62)		55.12	
Trade receivables	(997.12)		(480.87)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade and other payables	(1,309.38)		2,395.77	
Current provisions	(6.83)		42.05	
Other Financial Liabilities	18.84		76.12	
Other Liabilities	(493.93)		(368.84)	
		(1,825.44)		669.08
Cash generated from operations		286.01		515.05
Net income tax (paid) / refunds		(114.22)		(170.04)
Net cash flow from / (used in) operating activities (A)		**171.79**		**345.01**
B. Cash flow from / (used in) investing activities				
Payments for property, plant & equipment, other intangible assets and capital work in progress	(115.97)		(1,232.07)	
Proceeds on sale of Property, Plant and Equipments	519.05		20.34	
Proceeds from Sale of Investment	-		-	
Deposit with banks	568.71		395.07	
Interest from bank on Fixed deposit	217.10		89.85	
		1,188.89		(726.81)
Net cash flow from / (used in) investing activities (B)		**1,188.89**		**(726.81)**
C. Cash flow from / (used in) financing activities				
(Re-Payment)/Availment of non-current borrowings	(117.29)		60.67	
(Re-Payment)/Availment of current borrowings	(494.18)		154.28	
Finance cost	(548.13)		(567.51)	
		(1,159.60)		(352.56)
Net cash flow from / (used in) financing activities (C)		**(1,159.60)**		**(352.56)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**201.08**		**(734.36)**
Cash and cash equivalents at the beginning of the year		181.40		915.76
Cash and cash equivalents at the end of the year		**382.48**		**181.40**
Cash and cash equivalents at the end of the period comprises of:				
(a) Balances with Current accounts (Net of Bank Overdraft)		376.65		167.84
(b) Cash on hand		5.83		13.56
		382.48		**181.40**

Notes:
Figures in brackets represent outflows
See accompanying notes forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M Joshi
Partner

Place: Pune
Date: 25th June, 2018

GMP TECHNICAL SOLUTIONS PVT. LTD.

For and on behalf of the Board of Directors

Siddharth V. Moorthy
Director
(DIN : 02504124)

M Krishnamurthi
Director
(DIN : 00037763)

Place : Pune
Date : 25th June, 2018

GMP Technical Solutions Private Limited
Notes forming part of the Financial Statements

A: Changes in Equity

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Equity		
Balance at the beginning of the year	1.49	1.49
Add: Additional shares issued during the year		
Less: Shares forfeited/Bought back during the year		
Balance outstanding at the end of the year	**1.49**	**1.49**

GMP Technical Solutions Private Limited
Statement of changes in equity for the year ended March 31, 2018

A: Changes in Equity (Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Equity		
No of shares outstanding at the beginning of the year	1.49	1.49
Add: Additional shares issued during the year year		
No of shares outstanding at the end of the year	**1.49**	**1.49**

B . Changes in Other Equity (Rs. in Lakhs)

Particulars	General reserve	Capital Redemption Reserve	Retained earnings	Total
Balance as at April 1, 2017	**134.57**	**73.38**	**7,507.01**	**7,791.58**
Other Comprehensive income for the year, net of income tax			**34.26**	34.26
Profit for the year			**(576.10)**	(576.10)
Subtotal			**(541.84)**	(541.84)
Balance at the end of March 2018	**134.57**	**73.38**	**6,965.17**	**7,249.74**

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place : Pune
Date : 25th June, 2018

For and on behalf of the Board of Directors

GMP TECHNICAL SOLUTIONS PVT. LTD.

Siddharth V. Moorthy
Director
(DIN : 02504124)

M Krishnamurthi
Director
(DIN : 00037763)

Place : Pune
Date : 25th June, 2018

GMP Technical Solutions Private Limited
Notes forming part of the financial statements

1. CORPORATE INFORMATION

The Company was incorporated on September 22, 2003. The Company is engaged in Manufacturing of Clean Room Partition, Doors, Pharma certifications, Turnkey Projects and trading business. The Company is a subsidiary of Vascon Engineers Limited, Pune. The Company's Head office is located at Mumbai, Manufacturing facility is located at Baddi and having various branches in India.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.01 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.02 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.03 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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 future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax liabilities and provisions and contingent liabilities.

Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.10.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

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A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report the management of the Company findings every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes no 29.

2.04 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

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

Revenue from sales and operation includes Excise Duty but excludes Sales Tax and Value Added Tax.

2. Income from services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

3. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

4. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.05 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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Finance Lease

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

2.06 Foreign Currency

The functional currency of the Company is Indian rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.08 Government grants

(i) Government grants in respect to manufacturing unites located in developing regions :

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.

(ii) Government grants in respect of additional Capital Expenditures :

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Incentives

Government grants that are receivable as compensation for expenses already incurred are netted off against relevant expenditure in statement of profit and loss.

2.9 Employee benefits

(1) Defined Contribution Plan:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(i) Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Bajaj Allianz for future payment of gratuity to the eligible employees.

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(ii) Compensated Absences: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset 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. The carrying amount of deferred income 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 income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

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