

GIPCL Projects & Consultancy Company Limited

Annual Accounts

For the year ended 31st March 2017

AUDITORS

K C Mehta & Co.

Chartered Accountants

2nd Floor, Meghdhanush,
Race Course,
Vadodara - 390 007

Phone: +91 265 2341626 / 2440400

Fax: +91 265 2440445

E-Mail: office@kemehta.com

INDEPENDENT AUDITORS' REPORT

To the Members of GIPCL Projects and Consultancy Company Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **GIPCL Projects and Consultancy Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rule issued thereunder;
 - e. on the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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Chartered Accountants

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 17 to the Ind AS financial statements.
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer note no. 6 to the Ind AS financial statements.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Chhaya M. Dave

Chhaya M. Dave

Partner

Membership No. 100434

Place: Vadodara

Date: 6th May, 2017



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditor's Report to the members of GIPCL Projects and Consultancy Company Limited ("the Company") on the Ind AS financial statements for the year ended 31st March, 2017, we report that:

- i. The Company does not have fixed assets (Property, Plant & Equipment) and therefore, reporting under clause (i) of the Order is not applicable to the Company.
- ii. The Company does not have any inventory and therefore, reporting under clause (ii) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us, 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 and therefore, reporting under clause (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company does not have any loans, investments, guarantees, and security which are subject to provisions of section 185 and 186 of the Act and therefore, the reporting under clause (iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, the reporting under clause (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, in view of Rule 3 of the Companies (Cost Records and Audit) Amendments Rules 2014 the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company and therefore, the reporting under clause (vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March, 2017 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.



K C Mehta & Co.

Chartered Accountants

- viii. In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year and therefore, reporting under clause (viii) of the Order is not applicable to the Company.
- ix. In our opinion, the Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. In our opinion and according to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid or provided any managerial remuneration and therefore, reporting under clause (xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- 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 directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K. C. Mehta & Co.

Chartered Accountants

Firm's Registration No.106237W



Chhaya M. Dave

Partner

Membership No. 100434

Place: Vadodara

Date: 6th May, 2017



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of GIPCL Projects and Consultancy Company Limited ("the Company") as at 31st March, 2017 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

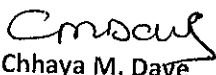
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No.106237W


Chhaya M. Dave
Partner
Membership No. 100434
Place: Vadodara
Date: 6th May, 2017



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I ASSETS				
1 Current assets				
(a) Financial Assets				
(i) Trade receivables	5	-	-	3,371
(ii) Cash and cash equivalents	6	37,73,098	41,67,709	38,57,844
(iii) Others	7	80,289	97,183	1,30,941
Total Assets		38,53,387	42,64,892	39,92,156
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	8	25,00,000	25,00,000	25,00,000
(b) Other Equity	9	12,78,780	11,39,248	9,03,044
Total Equity		37,78,780	36,39,248	34,03,044
LIABILITIES				
1 Current liabilities				
(a) Other financial liabilities	10	28,750	6,10,918	4,33,463
(b) Current Tax Liabilities (Net)		45,857	14,726	1,55,649
Total Liabilities		74,607	6,25,644	5,89,112
Total Equity and Liabilities		38,53,387	42,64,892	39,92,156
See accompanying notes to the Financial Statements	1 to 24			


As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants


Chhaya M. Dave
Partner
Membership No. 100434
Place : Vadodara
Date : 6th May, 2017



For GIPCL Projects and Consultancy Company Limited


N. K. Purohit
Director
DIN: 05341321
Place : Vadodara
Date : 6th May, 2017


S.N. Purohit
Director
DIN: 07545882



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

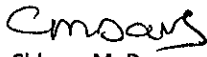
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

	<u>Particulars</u>	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Other Income	11	3,03,763	3,28,568
	TOTAL (I)		3,03,763	3,28,568
II	EXPENDITURE :			
	Other Expenses	12	49,247	62,897
	TOTAL (II)		49,247	62,897
III	Profit before Tax (I-II)		2,54,516	2,65,671
IV	Tax Expenses	13	1,14,984	29,467
V	Profit For the year (III-IV)		1,39,532	2,36,204
VI	Other Comprehensive Income		-	-
VII	Total Comprehensive Income for the year (V+VI) (Comprising Profit and Other Comprehensive Income for the year)		1,39,532	2,36,204
VIII	Earning per share (Basic and Diluted)	14	0.56	0.94
	See accompanying notes to the Financial Statements	1 to 24		


As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

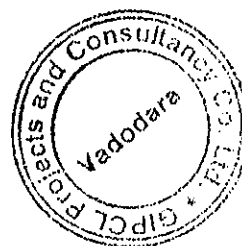

Chhaya M. Dave
Partner
Membership No. 100434
Place : Vadodara
Date : 6th May, 2017



For GIPCL Projects and Consultancy Company Limited


N. K. Purohit
Director
DIN: 05341321
Place : Vadodara
Date : 6th May, 2017


S.N. Purohit
Director
DIN: 07545882



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Sr. No.	Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A	Cash Flow From Operating Activities :				
	Net Profit before Taxes and Extraordinary items		2,54,516		2,65,671
	Adjustment for :				
	Interest Income	(3,03,763)		(3,28,568)	
			(3,03,763)		(3,28,568)
	Operating Profit Before Working Capital Changes		(49,247)		(62,897)
	Adjustment for :				
	Trade Receivables	-		3,371	
	Trade Payable	-		-	
	Other current liabilities and provisions	(5,82,168)		1,77,455	
		(5,82,168)		1,80,826	
Cash Generated from Operations		(6,31,415)		1,17,929	
Payment of Direct Taxes		(83,853)		(1,70,390)	
Net Cash Flow from Operating Activities(Total - A)		(7,15,268)		(52,461)	
B	Cash Flow from Investing Activities :				
	Interest Received	3,20,657		3,62,326	
	Net Cash Flow from Investing Activities (Total - B)		3,20,657		3,62,326
C	Cash Flow from Financing Activities :				
	Net Cash Flow from Financing Activities (Total - C)		-		-
	Net Increase In Cash and Cash Equivalents (Total - A+B+C)		(3,94,611)		3,09,865
	Opening Cash and Cash Equivalents		41,67,709		38,57,844
	Closing Cash and Cash Equivalents		37,73,098		41,67,709

Notes:

1. The Cash flow statement has been prepared by the indirect method as set out in the Indian Accounting Standard (Ind AS-7) on "Statement of Cash Flows".

2. Cash and Cash equivalents includes :

- Cash on hand

With Scheduled Banks :


- Current Accounts

- Deposit Accounts


97,128	1,43,262
36,75,970	40,24,447
<u>37,73,098</u>	<u>41,67,709</u>
TOTAL	41,67,709

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants

For GIPCL Projects and Consultancy Company Limited


Chhaya M. Dave
Partner
Membership No. 100434
Place : Vadodara
Date : 6th May, 2017




N. K. Purohit
Director
DIN: 05341321
Place : Vadodara
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S.N. Purohit
Director
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GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

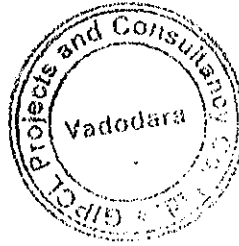
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(i) Equity Share Capital

Particulars	Amount in Rs.
As at 1st April, 2015	25,00,000
Additions/(Reductions)	-
As at 31st March, 2016	25,00,000
As at 1st April, 2016	25,00,000
Additions/(Reductions)	-
As at 31st March, 2017	25,00,000

(ii) Other Equity

Retained Earnings	Amount in Rs.
Balance as at 1st April, 2015 (as previously reported)	9,03,044
Impact of Ind AS adjustment to retained earnings	-
Restated balances as at 1st April, 2015	9,03,044
Add: Profit for the year	2,36,204
Add: Other Comprehensive Income for the year	-
Total Comprehensive income for the year	2,36,204
Balance as at 31st March, 2016	11,39,248
Add: Profit for the year	1,39,532
Add: Other Comprehensive Income for the year	-
Total Comprehensive income for the year	1,39,532
Balance as at 31st March, 2017	12,78,780



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

Accompanying notes to the financial statements

1 Corporate information

GIPCL Projects & Consultancy Company Limited ('GIPCO' or 'the Company') is a company domiciled and incorporated in India having its registered office at 2nd Floor, GIPCL, P.O.: Petrochemicals – 391346, Dist.: Vadodara (CIN: U74999GJ2012PLC071761). The entire Equity of the Company's is held by GIPCL. The Company is engaged in Consultancy Business. The Principal places of business is Vadodara .

2 Application of new Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

3 Significant Accounting Policies

i) Statement of compliance

In accordance with the notification dated 16th February, 2015 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 (as amended) with effect from 1st April, 2016.

The financial statements have been prepared in accordance with Ind AS prescribed under the Companies (Indian Accounting Standards) Rules, 2015, (as amended). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. The mandatory exceptions and optional exemption availed by the Company on first time adoption have been detailed in note no. 3.xvi

Previous period figures in the Financial Statements have been restated in compliance to IND AS.

Upto the year ended 31st March, 2016, the Company had prepared the financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 .

In accordance with Ind AS 101 "First Time adoption of Indian Accounting Standards", the Company has presented a reconciliation of Shareholders' equity under Previous GAAP to Shareholders' equity under Ind AS as at 31st March, 2016 and 1st April, 2015 and of the Net Profit as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2016.

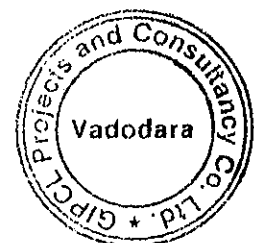
ii) Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that 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.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees.



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

Accompanying notes to the financial statements

Fair value Measurement

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 under current market conditions. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or company's assumptions about pricing by market participants.

viii) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, service tax and sales tax etc.

- a. Revenue from operations is recognized when no significant uncertainty as to the measurability or ultimate collection exists.
- b. Revenues from contracts are recognized on pro-rata over the period of the contract.
- c. Interest on investment is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
- d. Other income is recognized on accrual basis except when realization of such income is uncertain.

x) Taxes on Income

Income tax expense represents the sum of the current tax expense and deferred tax.

Current 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 and 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.

Deferred tax

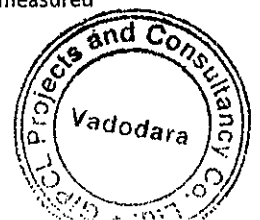
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

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

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

Deferred tax assets include Minimum Alternative 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 assets 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.



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

Accompanying notes to the financial statements

Current and deferred tax for the year

Current and deferred tax are recognized in Statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

xii Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

xiii) Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

xiv) Financial assets

a. Cash and cash equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

b. Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

Accompanying notes to the financial statements

c. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

d. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

e. Impairment of Financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

f. Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

xv) Financial liabilities and equity instruments

a. Financial liabilities are measured at amortized cost using the effective interest method.

b. Effective interest method

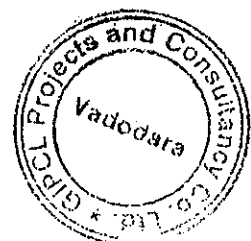
The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

c. Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

d. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

Accompanying notes to the financial statements

xvi) First-time adoption – mandatory exceptions and optional exemptions

a. Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

b. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

c. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through other comprehensive income (FVOCI) criteria based on the facts and circumstances that existed as of the transition date.

d. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

4 i) Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for GIPCO Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

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.

Key source of judgments and estimation of uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, provision, impairment, employee benefit obligations, provisions, provision of income tax, valuation of deferred tax assets and contingent assets & liabilities.

ii) Critical judgments in applying accounting policies

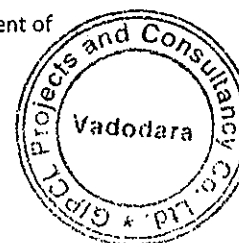
The following are the critical judgements, apart from those involving estimations (Refer note 4.iii), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

a. Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

iii) Assumption and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 Trade Receivables

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(Unsecured - Considered Good)			
Others	-	-	3,371
Total	-	-	3,371

Generally, the Company provide industrial services to its customers. The credit period is normally 30 to 60 days. Interest is charged at agreed rate as per contract terms on the overdue balance.

Of the trade receivables balance as at 31st March, 2017 of Rs. Nil (as at 31st March, 2016 Rs. Nil ; as at 1st April, 2015 of Rs. 3,371) is due from Vocational Industrial Training Center, the Company's customer. There are no other customers who represent more than 5% of the total balance of trade receivables.

Accordingly, the Company assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.

6 Cash And Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and balance with banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(Amount in Rs.)

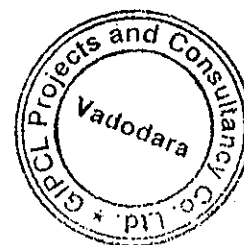
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with Banks:			
- In current account	97,128	1,43,262	22,844
- In deposit account	36,75,970	40,24,447	38,35,000
Total	37,73,098	41,67,709	38,57,844

The deposits maintained by the Company with banks comprise time deposit, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

The details of Specified Bank Notes(SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as under:

(Amount in Rs.)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-



7 Other current assets

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest Accrued but not due	80,289	97,183	130,941
Total	80,289	97,183	130,941

8 Equity Share Capital

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised 50,00,000 Equity Shares of Rs.10/-each	50,000,000	50,000,000	50,000,000
Total	50,000,000	50,000,000	50,000,000
Issued, Subscribed And Paid Up 2,50,000 Equity Shares of Rs.10/-each fully paid	2,500,000	2,500,000	2,500,000
Total	2,500,000	2,500,000	2,500,000

a) A reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:-

Particulars	No. of shares	Amount (Rs.)
As at 1st April, 2015	250,000	2,500,000
Additions/(Reductions)	-	-
As at 31st March, 2016	250,000	2,500,000
As at 1st April, 2016	250,000	2,500,000
Additions/(Reductions)	-	-
As at 31st March, 2017	250,000	2,500,000

b) Equity Shares held by Holding Company is as under:

Name of Share Holder	As at 31st March, 2017		As at 31st March, 2016	
	%	No. of shares	%	No. of shares
Gujarat Industries Power Company Limited	100	250,000	100	250,000
Name of Share Holder	As at 1st April, 2015			
	%	No. of shares		
Gujarat Industries Power Company Limited	100	250,000		

c) List of share holders holding more than 5% shares

Name of Share Holder	As at 31st March, 2017		As at 31st March, 2016	
	%	No. of shares	%	No. of shares
Gujarat Industries Power Company Limited	100	250,000	100	250,000
Name of Share Holder	As at 1st April, 2015			
	%	No. of shares		
Gujarat Industries Power Company Limited	100	250,000		

d) Right, preferences and restrictions attached to Equity shares :

For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.



9 Other Equity

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Retained earnings		
Balance at the beginning of the year	11,39,248	9,03,044
Add : Profit for the year	1,39,532	2,36,204
Total	12,78,780	11,39,248

10 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance from Related Party	28,750	6,10,918	3,86,991
Others	-	-	46,472
Total	28,750	6,10,918	4,33,463

11 Other Income

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Deposits	3,03,763	3,28,568
Total	3,03,763	3,28,568

12 Other Expenses

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Legal, Professional and Consultancy Fees	20,126	28,181
Audit Fees*	28,750	28,750
Office Expenses	-	5,966
Miscellaneous Expenses	371	-
Total	49,247	62,897

Payment to Auditors (Fees excluding service tax)

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Statutory Auditors		
- As Auditor	25,000	25,000
- For Taxation Service	-	7,500
- Other Services	-	10,000
Total	25,000	*42,500

* Includes amount paid to previous auditors Rs. 17,500/-.

13 The income tax expense for the year can be reconciled to the accounting profit as follows:-

(Amount in Rs.)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit before tax	2,54,516	2,65,671
Income tax expense calculated	76,000	50,000
Tax Adjustment of earlier years	38,984	(20,533)
Income tax expense in recognized in profit or loss	1,14,984	29,467



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 In accordance with Accounting Standard 20 - Earnings Per Share, the Basic and Diluted Earnings Per Share (EPS) has been calculated as under :

Particulars	(Amount in Rs.)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net Profit after Tax	1,39,532	2,36,204
Weighted Average number of Equity Shares (Nos.)	2,50,000	2,50,000
Earning Per Share of Rs. 10/- each (Rs.)		
Basic and diluted	0.56	0.94

15 The value of realizations of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

16 No deferred tax assets/liabilities are arising out of significant timing differences as on 31.03.2017.

17 Contingent liability of the company not accounted for as on 31.03.2017 is Rs. Nil (P.Y. Rs. Nil).

18 Estimated amount of contracts remaining to be executed and not provided for (Net of Advances) is Rs. Nil (P. Y. Rs. Nil)

19 Related Party Disclosures:

In accordance with the Accounting Standard 18 – Related Party Disclosures the transactions with related party are given below:

Name of the Related Party	Nature of Relationship
Gujarat Industries Power Company Ltd	Parent Company
Shri S. N. Purohit (w.e.f. 17th June, 2016)	Key Management Personnel
Shri S. P. Desai (upto 20th June, 2016)	
Shri N. M. Purohit	
Shri Nagendra Singh	

Details of Transactions with Parent Company

(Amount in Rs.)

Nature of Transactions	For the year ended 31st March, 2017	For the year ended 31st March, 2016	
Transaction made during the year			
Reimbursement of Expenses	-	3,371	
Payment made by parent company	28,750	1,97,000	
Balances	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Payable	28,750	6,11,289	4,10,918

20 First-time Ind AS adoption reconciliations with previous GAPP is not required as there is no difference between previous GAAP & Ind AS.



NOTES TO THE FINANCIAL STATEMENTS

21 Financial instruments disclosure:

Capital management

The Company's objective when managing capital is to:

1. Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
2. Maintain an optimal capital structure to reduce the cost of capital.

The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity (Refer Note: 8 & 9). The Company is not subject to any externally imposed capital requirements.

The Company's financial management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

Gearing Ratio

The Company has no outstanding debt as at the end of reporting period. Accordingly, the Company has NIL gearing ratio as at March 31, 2017, March 31, 2016. and April, 1 2015.

Categories of financial instruments		(Amount in Rs.)		
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	
Financial assets				
Measured at amortised cost				
(a) Trade and other receivables	-	-	3,371	
(b) Cash and cash equivalents	37,73,098	41,67,709	38,57,844	
(c) Other financial assets	80,289	97,183	1,30,941	
Financial liabilities				
Measured at amortised cost				
(a) Other financial liabilities	28,750	6,10,918	4,33,463	

Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.



NOTES TO THE FINANCIAL STATEMENTS

Interest rate risk management

The Company invests the surplus fund generated from operations in bank deposits . Bank deposits are made for a period of upto 12 months and carry interest rate of 7%-7.5% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. Considering these Deposits are short term in nature, there is no significant interest rate risk.

Credit risk management

Credit risk arises from cash and cash equivalents, and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

Fair value measurement

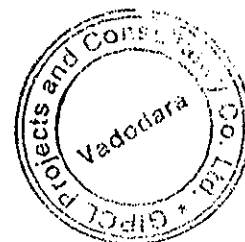
This note provides information about how the Company determines fair values of various financial assets.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

- 22 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 23 Some balances of Trade and other receivables, Trade and other payables and Loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which
- 24 The Board of Directors of GIPCL Projects & Consultancy Services Co. Ltd. (GIPCO or the Transferor Company) in their meeting held on 26th August, 2016 has approved the scheme Arrangement in the nature of Merger (the Scheme) which provides for the Merger of Gujarat Industries Power Co. Ltd, (GIPCL or the Transferee Company), a 100% Holding as a going concern, under Sections 232 and 233 and other relevant provisions of the Companies Act, 2013. The appointed date of the Scheme is 1st April, 2016.

Being a 100% subsidiary, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and all assets, liabilities, including reserves, of the Transferor Company, if any, shall be recorded in the books of the Transferee Company at their existing carrying amounts and in the same form as they appear in the financial statements of the Transferor Company.



GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED


NOTES TO THE FINANCIAL STATEMENTS

Approvals are awaited from BSE Ltd. and NSE Ltd. pursuant to which the Scheme shall be filed before the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench.

The merger would be effective only once the order is received from the NCLT and filed with the Registrar of Companies (ROC), Gujarat.

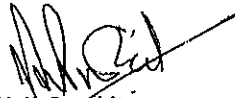
As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants


Chhaya M. Dave
Partner
Membership No. 100434
Place : Vadodara
Date : 6th May, 2017



For GIPCL PROJECTS AND CONSULTANCY COMPANY LIMITED


N. K. Purohit
Director
DIN: 05341321
Place : Vadodara
Date : 6th May, 2017


S.N. Purohit
Director
DIN: 07545882

