

INDEPENDENT AUDITOR'S REPORT

To
The Members of Brace Iron & Steel Private Limited
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Brace Iron & Steel Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

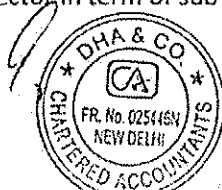
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on 31st March, 2017, and its losses 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, to the extent applicable.
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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in term of sub-section (2) of Section 164 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.

i The Company does not have any pending litigations which would impact its financial position.

ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

iv The Company has provided requisite disclosures in the 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.

For D H A & Co.
CHARTERED ACCOUNTANTS
(Registration No.: 025446N)

(CA MOHAN KUMAR)
PARTNER
M.NO. 530106



PLACE: DELHI
DATED: 6th September, 2017

ANNEXURE

(Referred to in paragraph 1 of our report of even date)

i) In Respect of its Fixed Assets :

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information;
- (b) The fixed assets covering significant value were physically verified during the year by the Management at such intervals which in our opinion, provides for the physical verification of all Fixed Assets at reasonable intervals having regard to the size of the Company and nature of its business. According to the information & explanations given to us, no material discrepancies were noticed on such verification;
- (c) According to the information & explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are held in the name of company.

ii) In Respect of its Inventory :

As the company has not purchased/sold goods during the year ended 31st March, 2017 and there are no stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records does not arise.

iii) In our opinion and according to information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.

iv) In our opinion and according to information and explanations given to us, the company has not given any loan, guarantee, security and made any investment under the provisions of section 185 and 186 of the Act during the year.

v) To the best of our knowledge, the company has not accepted any deposits covered under section 73 or any other provisions of the Companies Act, 2013.

vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records for the company under sub-section (1) of Section 148 of the Companies Act, 2013.



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

- a) The Company has generally been regular in depositing undisputed dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax., Duty of Custom, Duty of Excise, Cess, Service Tax and any other statutory dues applicable to it with the appropriate authorities and there were no undisputed dues in arrears as at 31st March, 2017 for a period of more than six months from the date they become payable except TDS of Rs. 7500 which has been deducted but not deposited.
- b) There are no dues of Income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.

viii) According to the information & explanations given to us and on the examination of books of account, we are of the opinion that the Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.

ix) According to information & explanations given to us as the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, the said clause is not applicable.

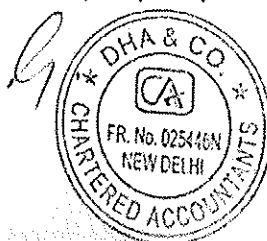
x) Based upon the audit procedure performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid any managerial remuneration and also it is Private Limited Company. Accordingly, paragraph 3(xi) of the Order is not applicable.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company has not entered any transactions with the related parties during the year. Accordingly, paragraph 3(xiii) of the Order is not applicable.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For D H A & Co.

CHARTERED ACCOUNTANTS

(Registration No.: 025446N)

(CA MOHAN KUMAR)

PARTNER

M.NO. 530106



PLACE: DELHI

DATED: 6th September, 2017

Annexure - B to the 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 **Brace Iron & Steel Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

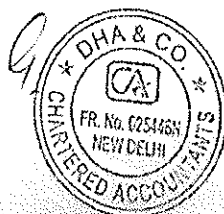
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

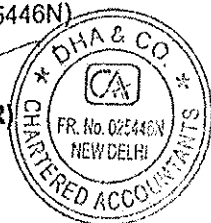
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

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

For D H A & Co.
CHARTERED ACCOUNTANTS
(Registration No.: 025446N)

(CA MOHAN KUMAR)
PARTNER
M.NO. 530106



PLACE: DELHI

DATED: 6th September, 2017

BRACE IRON & STEEL PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in Rupees)

	YEAR ENDED 31-Mar-17	YEAR ENDED 31-Mar-16
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	(162,320,928)	(183,229,331)
ADJUSTED FOR :		
FINANCE COST	1,078,739,436	961,753,068
DEPRECIATION	602,809,591	1,467,885,565
OPERATING PROFITS BEFORE WORKING CAPITAL CHANGES	1,519,228,099	1,284,656,234
(INCREASE)/DECREASE IN LOANS AND ADVANCES	71,159,626	61,918,104
(INCREASE)/DECREASE TRADE RECEIVABLES	63,567,715	(246,210,600)
INCREASE/(DECREASE) TRADE PAYABLES & OTHER LIABILITIES	(3,205,951)	(6,137,273,528)
CASH FLOW FROM OPERATING ACTIVITIES	1,650,749,489	(5,036,909,790)
LESS:- DIRECT TAXES PAID	(32,004,000)	(26,600,510)
NET CASH FLOW/(USED) FROM/IN OPERATING ACTIVITIES (A)	1,618,745,489	(5,063,510,300)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	-	-
SALE OF INVESTMENT	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-	-
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
FINANCE COST	(1,128,869,408)	(776,770,505)
PROCEEDS FROM SHARE CAPITAL	-	9,900,000
PROCEEDS FROM BORROWINGS	(458,211,738)	5,804,140,577
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(1,587,081,146)	5,037,270,072
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	31,664,343	(26,240,228)
Opening Balances of Cash and Cash Equivalents	7,687	26,247,915
Closing Balances of Cash and Cash Equivalents	31,672,030	7,687

As per our Report of even date attached

For D H A & Co.
CHARTERED ACCOUNTANTS
(Registration No.: 025446N)

(CA MOHAN KUMAR)
PARTNER
M.NO-530106



(Signature)
(RATIRANJAN MANDAL)
DIRECTOR

(Signature)
(P.K. BHATTACHARJEE)
DIRECTOR

PLACE: NEW DELHI
DATED: 6th September, 2017

BRACE IRON & STEEL PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

(Figures in Rupees)

	NOTE NO.	As at 31.03.2017	As at 31.03.2016
EQUITY & LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	10,000,000	10,000,000
b) Reserves and Surplus	3	(329,503,669)	(223,322,235)
		(319,503,669)	(213,322,235)
2 Non Current Liabilities			
a) Long Term Borrowings	4	8,497,595,294	9,036,489,667
3 Current Liabilities			
a) Other Current Liabilities	5	876,455,448	849,108,736
Total		9,054,547,073	9,672,276,168
ASSETS			
1 Non Current Assets			
a) Fixed Assets			
Tangible Assets	6	8,264,880,225	8,867,689,816
b) Deferred Tax Assets	15	174,165,153	118,025,659
c) Long Term Loans and Advances	7	393,639,510	437,835,510
		8,832,684,888	9,423,550,985
2 Current Assets			
a) Trade Receivables	8	182,667,885	246,235,600
b) Cash and Bank Balances	9	31,672,030	7,687
c) Short Term Loans and Advances	10	7,522,270	2,481,896
		221,862,185	248,725,183
Total		9,054,547,073	9,672,276,168

Significant Accounting Policies
Other Notes on Financial Statements

1
15-23

AUDITORS REPORT

As per our Report of even date attached

For DHA & Co.
CHARTERED ACCOUNTANTS
(Registration No.: 025446N)

(CA) MOHAN KUMAR
PARTNER
M.NO-530106



PLACE: NEW DELHI
DATED: 6th September, 2017

(RATIRANJAN MANDAL)
DIRECTOR

(P.K. BHATTACHARJEE)
DIRECTOR

BRACE IRON & STEEL PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	NOTE NO.	Year Ended 31.03.2017	(Figures in Rupees) Year Ended 31.03.2016
INCOME			
Revenue from Operations	11	1,524,000,000	1,288,000,000
Other Income	12	-	98,353,237
TOTAL REVENUE		<u>1,524,000,000</u>	<u>1,386,353,237</u>
EXPENSES			
Finance Costs	13	1,078,739,436	961,753,068
Depreciation & Amortisation Expenses		602,809,591	604,461,124
Other Expenses	14	4,771,901	3,368,376
TOTAL EXPENSES		<u>1,686,320,928</u>	<u>1,569,582,568</u>
Profit/(Loss) Before Tax		(162,320,928)	(183,229,331)
Less:-Tax Expense			
-Current Tax		-	-
-Deferred Tax		(56,139,494)	(63,394,805)
Profit/(Loss) After Tax		<u>(106,181,434)</u>	<u>(119,834,526)</u>
Basic Earning Per Share (Rs.)	18	(106.18)	(144.92)
Diluted Earning Per Share (Rs.)	19	(1.50)	(2.38)
Significant Accounting Policies	1		
Other Notes on Financial Statements	15-23		

AUDITORS REPORT

As per our Report of even date attached

For D H A & Co.
CHARTERED ACCOUNTANTS
(Registration No.: 025446N)

(CA MOHAN KUMAR)
PARTNER
M.NO-530106



PLACE: NEW DELHI
DATED: 6th September, 2017

(RATIRANJAN MANDAL)
DIRECTOR

(P.K. BHATTACHARJEE)
DIRECTOR

BRACE IRON & STEEL PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017

1 SIGNIFICANT ACCOUNTING POLICIES

a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared under historical cost convention on accrual basis in accordance with generally accepted accounting principles and applicable Accounting Standards in India and relevant presentational requirements of Companies Act, 2013.

b) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

c) FIXED ASSETS

The initial cost of Fixed Assets comprises its purchase price, including import duties, net of modvat / cenvat, less accumulated depreciation and includes directly attributable costs of bringing an asset to working condition and location for its intended use, including borrowing costs relating to the qualified asset over the period upto the date the asset is ready to commence commercial production. Adjustments arising from exchange rate variations relating to long term monetary items attributable to the depreciable fixed assets are capitalized.

Machine spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. The replacement of such spares is charged to revenue.

Capital expenditure on assets not owned by the company with exclusive right to use is reflected in capital work-in-progress till the period of completion and thereafter in Fixed Assets.

d) DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line method from financial year 2015-16 which has been changed from Written Down Value used in the previous year, at the rates and in the manner prescribed in Schedule-II to the Companies Act, 2013 except the economics use full life of Oxygen Plant has been determine as per technical assessment mention below ;

Oxygen Plant -15 Years

e) REVENUE RECOGNITION

(i) Interest income is recognized on accrual basis.

(iii) Dividend on investments is accounted for as and when the right to receive the same is established.

(iv) Rental income is recognized on accrual basis.

f) BORROWING COST

Borrowing cost relating to acquisition or construction of qualifying assets are included in the cost of those assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost are charged to revenue.

g) INVESTMENTS

Current investments are stated at the lower of cost and the fair/quoted value. Long term investments are stated at cost less any provision for permanent diminution in value.

h) RETIREMENT BENEFITS

Provision of retirement benefits is made as and when the employees become entitled to such benefits.



BRACE IRON & STEEL PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017

i) PROVISIONS AND CONTINGENT LIABILITY

Show cause notices issued by various government authorities are not considered as obligation. Where the demand notices are raised, the show cause notice, disputed by the company, is classified as possible obligation.

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

j) TAXATION

- i. The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.
- ii. Deferred tax is recognised, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- iii. Deferred tax assets are not recognised on unabsorbed depreciation & carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date to reassure the realization.
- iv. Deferred tax assets & liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.
- v. 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 the company intends to settle the assets and liabilities on the net basis.

k) PRELIMINARY EXPENSES

Preliminary Expenses has been written off in the year of incorporation of the Company.



BRACE IRON & STEEL PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2 SHARE CAPITAL	As at	(Figures in Rupees)
Authorised	31.03.2017	As at 31.03.2016
10,00,000 (Previous Year 10,00,000) Equity Shares of Rs.10/-each		
	10,000,000	10,000,000
Issued, Subscribed & Paid Up	10,000,000	10,000,000
10,00,000 (Previous Year 10,00,000) Equity shares of Rs.10/-each fully paid up		
	10,000,000	10,000,000
	10,000,000	10,000,000

a) The Reconciliation of the number of shares outstanding and the amount of share capital;

	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning of the year	1000000	10,000,000	1000000	10,000,000
Add: Addition during the year	-	-	990000	9,900,000
Number of shares at the end of the year	1000000	10,000,000	1000000	10,000,000

b) Shares in the company held by each shareholder holding more than 5 percent shares:

Name of Shareholder	No. of Shares	% of Shares	No. of Shares	% of Shares
Srei Alternative Invtt.Trust Bharat Nirman fund*	1,000,000	100.00%	1,000,000	100.00%

* Includes 100 Equity Shares issued to the nominee of Srei Alternative Investment Trust- Bharat Nirman fund.

c) The company has one class of equity share having a par value of Rs.10 each. Each shareholder is eligible for one vote for every share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.

3 RESERVES AND SURPLUS

Surplus		
Opening Balance	(223,322,235)	(103,487,709)
Net Profit/(Loss) For the Current Year	(106,181,434)	(119,834,526)
Net Surplus	(329,503,669)	(223,322,235)

4 LONG-TERM BORROWINGS

SECURED		
Loan from Bank	7,642,223,174	8,100,434,912
Total (A)	7,642,223,174	8,100,434,912
UN-SECURED		
Compulsory Convertible Debenture	1,490,000,000	1,490,000,000
Total (B)	1,490,000,000	1,490,000,000
Total (A+B)	9,132,223,174	9,590,434,912
Less Current Maturities of Long Term Borrowings	572,634,939	553,945,245
Less Repayment Overdue on Long Term Borrowings	61,992,941	-
	8,497,595,294	9,036,489,667

Notes:- Security Clause

- 1 First pari passu charge by way of hypothecation of all the current assets and movable fixed assets of the Company;
- 2 First pari passu charge by way of mortgage on immovable fixed assets of the Company, if applicable;
- 3 A first pari passu charge/assignment of all revenues, receivables, Escrow Account, Trust and Retention Account, Debt Service Reserve Account and other reserves and any other bank accounts of the borrower wherever maintained, present and future;
- 4 Assignment/ Agreement to assign by way of charge in favour of lenders, all the rights, titles, benefits and interest of the borrower from all contracts, insurances, licenses in to, and under all assets of the project and all project documents (including but not limited to the lease agreement, O&M and related agreements, etc.)
- 5 Compulsory Convertible Debentures (CCDs) shall be convertible into equity shares in tranches of 20% each starting from the end of 72nd, 84th, 96th, 108th and 120th month from the date of issue in the such number of equity shares the fair value of which is equal to the face value of CCDs.
- 6 Repayment default on Long Term Borrowings

	Principal Amount	Interest Amount
SECURED		
Loan from Bank	61,992,941	109,342,463
Total (A)	61,992,941	109,342,463
UN-SECURED		
Compulsory Convertible Debenture	-	28,993,953
Total (B)	-	28,993,953
Total (A+B)	61,992,941	138,336,416



GRACE IRON & STEEL PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017	(Figures in Rupees) As at 31.03.2016
5 OTHER CURRENT LIABILITIES		
Interest Accrued & Due-Banks	109,342,463	-
Interest Accrued & Due-CCD	20,993,953	188,172,746
Interest Accrued but not Due	1,303,394	1,597,036
Current Maturities of Long Term Borrowings	572,634,939	553,945,245
Repayment Overdue on Long Term Borrowings	61,992,941	-
Bank Credit Balance (book overdraft)	-	2,299,115
Creditors for purchase of fixed assets	101,991,600	101,991,600
Rent Payable	1,500	7,500
Other Payables	194,658	1,095,494
	876,455,448	849,108,736



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

6 FIXED ASSETS

S.NO.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As On 01-04-2018	Addition during the Year	As On 30-09-2018	As On 01-04-2018	During the Year	As On 31-03-2017	As On 31-03-2016	
1	Tangible Assets								
	Plant & Machinery	9,525,000,000	-	9,525,000,000	657,310,184	602,809,591	1,260,119,775	8,867,689,816	
	Total	9,525,000,000	-	9,525,000,000	657,310,184	602,809,591	1,260,119,775	8,867,689,816	
	Previous Year	9,525,000,000	-	9,525,000,000	151,177,687	604,461,124	657,310,184	8,867,689,816	
						(98,328,627)			



BRACE IRON & STEEL PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in Rupees)

	As at 31.03.2017	As at 31.03.2016
7 LONG TERM LOANS AND ADVANCES		
<i>(Unsecured, considered good)</i>		
Security Deposit	3,000	3,000
Advance Tax (Net)	59,052,010	27,048,010
Other Advances	334,584,500	410,784,500
	<u>393,639,510</u>	<u>437,835,510</u>
8 TRADE RECEIVABLES		
<i>(Unsecured)</i>		
Others-considered good	182,667,885	246,235,600
	<u>182,667,885</u>	<u>246,235,600</u>
9 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
a) Balances with Banks		
- In Current Account	31,664,343	-
b) Cash-on-Hand	7,687	7,687
	<u>31,672,030</u>	<u>7,687</u>

Details of Specified Bank Notes (SBNs)

As required by MCA notification dated 30 March 2017, the details of Specified Bank Notes (SBN) held and transacted are given below

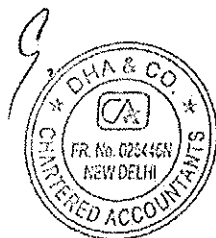
Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8 November 2016	-	7,687.00	7,687.00
Add: Permitted Receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	7,687.00	7,687.00

10 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

Prepaid Expenses

7,522,270	2,481,896
<u>7,522,270</u>	<u>2,481,896</u>



BRACE IRON & STEEL PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	Year Ended 31.03.2017	(Figures in Rupees) Year Ended 31.03.2016
11 REVENUE FROM OPERATIONS		
Lease Rent *	1,524,000,000	1,286,000,000
	<u>1,524,000,000</u>	<u>1,286,000,000</u>
*Tax deducted at sources Rs.3,20,04,000/- (Previous Year Rs.2,70,48,010)		
12 OTHER INCOME		
Interest on Income Tax Refund	-	24,610
Depreciation written back (Refer Note 21)	-	98,328,627
	<u>-</u>	<u>98,353,237</u>
13 FINANCE COST		
Interest Expense	1,076,263,873	954,321,848
Interest on Tax	105,563	48,810
Upfront Fee	-	7,382,410
Other Borrowing Cost	2,350,000	-
	<u>1,078,739,436</u>	<u>961,753,068</u>
14 OTHER EXPENSES		
Rates & Taxes	39,665	28,500
Audit Fees	28,750	2,201,100
Insurance Charges	2,523,341	379,822
Bank Charges	1,473,650	20,295
Office Expenses	-	720,659
Legal & Professional	688,295	18,000
Rent	18,000	3,368,376
	<u>4,771,901</u>	<u>3,368,376</u>



BRACE IRON & STEEL PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2017

- 15 The break up of deferred tax asset and liabilities in major components arising on account of timing differences are as below:

Deferred Tax Assets (Related to Loss)	(Figures In Rupees)	
	As At 31.03.2017	As At 31.03.2016
	17,41,65,153	11,80,25,659

- 16 There is no employee, hence no provision is required for retirement benefits.
- 17 To the extent of information available with the company, no amount is due under Micro, Small and Medium Enterprises Development Act 2006.

18 Earning Per Share

Weighted Average No. of Equity Shares	Current Year	Previous Year
Equity Shares at the beginning of the year (Weighted Average)	10,00,000	10,000
Add: Weighted Average No. of Equity Shares issued dated 04.06.2015	-	8,16,885
Equity Shares at the end of the year (Weighted Average)	10,00,000	8,26,885
Profit / (Loss) After Tax	(10,61,81,434)	(11,98,34,526)
Basic Earning Per Share	(106.18)	(144.92)

19 Diluted Earning Per Share

Particulars	Current year	Previous Year
Adjusted Net Profit/ (Loss)	(2,38,14,234)	(3,74,67,326)
No. of equity shares resulting from conversion of debentures	1,49,00,000	1,49,00,000
No of Equity shares used to compute diluted EPS	1,59,00,000	1,57,26,885
Diluted Earning Per Share	(1.50)	(2.38)

- 20 Other additional information pursuant to the provisions of Para 5 of part II of Schedule-III to the Companies Act, 2013 are not applicable / nil.
- 21 There had been change in depreciation method from Written Down Value Method to Straight line method of accounting in F.Y. 2015-16, due to which excess depreciation of Rs. 98,328,627.00 claimed in previous year is now credited to profit & loss Account of the current year, due to which loss of current year is decreased by Rs 98,328,627, but there is no impact on taxable profit/loss of the company.
- 22 Further due to change in method of depreciation from Written Down Value Method to Straight line method of accounting, total loss of the company has been decreased by Rs. 109.25 crores during the financial year 2015-16 (due to difference in depreciation as per written down value method Rs.169.70 crores & as per Straight Line Method Rs. 60.45 crores).
- 23 Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figures.

For D H A & Co.
CHARTERED ACCOUNTANTS
(Registration No. 025446N)

(CA MOHAN KUMAR)
PARTNER
M.NO.: 530106
PLACE: DELHI
DATED : 6th September, 2017

(RATIRANJAN MANDAL)
DIRECTOR

(P.K. BHATTACHARJEE)
DIRECTOR