

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED
(GUJSAIL)
(CIN: U62200GJ2010SGC061479)

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NOTICE TO THE MEMBERS **GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED**(GUJSAIL)
(CIN: U62200GJ2010SGC061479)**CORPORATE INFORMATION** **BOARD OF DIRECTORS :**

1. **Shri S. J. Haider, IAS** : Chairman & Managing Director
2. **Shri Ajay Bhadoo, IAS** : Director
3. **Shri Hurbert Christian** : Director
4. **Captain Ajay Chauhan** : CEO & Director
5. **Group Captain Charlie J Weir** : Director
6. **Captain Jahangir Vakil** : Director

AUDITORS:

M/s Kedia & Kedia Associates
Chartered Accountants
Ahmedabad- 380 009.

**BANKERS:**

Dena Bank, Ahmedabad
Axis Bank, Ahmedabad

REGISTERED OFFICE:

MRO Complex, Government of Gujarat,
Nr. Torrent Sub Station, S.V.P.I. Airport,
Ahmedabad - 380 004
Tele: (079) 22882000

**WEBSITE:**

www.gujsail.gujarat.gov.in

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED(GUJSAIL)
(CIN: U62200GJ2010SGC061479)
MRO Complex, Government of Gujarat, Nr. Torrent Sub Station, S.V.P.I. Airport, Ahmedabad-380 004**NOTICE TO THE MEMBERS**

NOTICE is hereby given that, 6th Adjourned Annual General Meeting of the Members of Gujarat State Aviation Infrastructure Company Ltd. will be held on Friday, the 16th day of February, 2018 at 17:00 Hrs. at GUJSAIL Complex, Nr. Torrent Sub Station, S.V.P.I. Airport, Ahmedabad - 380004, the Registered office of the Company to transact the following business:

1. To receive, consider, and adopt the Audited (Standalone) Financial Statements of the Company for the Year ended 31st March 2016, including the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement as on that date together with the Report of the Board of Directors, and Auditors and C & AG thereon.
2. To fix up the remuneration of Statutory Auditors for the year 2016-17 appointed by Comptroller & Auditor General of India.

**For & on behalf of the Board of Directors of
Gujarat State Aviation Infrastructure Company Limited**

Date: 15-02-2018
Place: Ahmedabad

CEO & Director

NOTES: -

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty-eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. Members are requested to bring their attendance slips duly completed and signed mentioning therein details.
3. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.

EXPLANATION REGARDING THE ORDINARY BUSINESS

ITEM NO. 1: TO RECEIVE, CONSIDER, AND ADOPT THE AUDITED (STANDALONE) FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016, INCLUDING THE BALANCE SHEET, PROFIT AND LOSS STATEMENT, AND CASH FLOW STATEMENT AS ON THAT DATE TOGETHER WITH THE REPORT OF THE BOARD OF DIRECTORS, AND AUDITORS AND C & AG THEREON.

INTRODUCTION:

The Financial Statements for the period from 01/04/2015 to 31/03/2016 were audited by Statutory Auditors M/s. Kedia & Kedia Associates, Chartered Accountants, Ahmedabad, and were approved by the Board of Directors at the Board meeting held on 1st July, 2017 and the same was submitted to the office of Accountant General for their Audit.

The Company has received Comments received from the Comptroller & Auditor General of India for the Financial Year 2015-16 vide letter No. ES-I/A/cs/GSAICL/2015-16/1611 dated 23/10/2017 and vide letter No. ES-I/HQ-II/A/cs/Guj Sail/2015-16/629 dated 01/12/2017.

The above Accounts are to be approved by the members along with Boards' Report, Statutory Auditors' report & report of C & AG. The Accounts shall also be filed with the Registrar of Companies and to be placed before the floor of assembly.

PROPOSAL:

The members are requested, after considering above information, to pass, with or without modifications, the following resolution.

RESOLUTION:

"RESOLVED THAT Audited (Standalone) Financial Statements i.e. Audited Balance Sheet as on 31st March 2016, the Profit and Loss Account, Schedules, Notes to the Account, Significant Accounting Policy, Cash Flow Statement for the year ended on that date together with the Boards' Reports, Auditors' Report, and C & AG Report thereon from the period 1st April, 2015 to 31st March, 2016, is hereby received, considered and adopted."

ITEM NO.2: TO CONSIDER & FIX REMUNERATION OF STATUTORY AUDITORS FOR THE YEAR 2016-2017.

As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors in Government Company is made by the Comptroller & Auditor General of India. The C & AG vide their letter No. CA. V/ COY/GUJARAT,GSAICL(0)/1091 dated 22/08/2016, appointed the Statutory Auditors for the year 2016-17. As per the provision of Section 142 (1) of the Companies Act, 2013, the remuneration of Statutory Auditor has to be decided by the members at the Annual General Meeting. The Shareholders are requested to take suitable decision for fixation of remuneration of Statutory Auditors for the year 2016-17, as and when appointed and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

RESOLUTION:

"RESOLVED THAT approval is accorded for the remuneration of Statutory Auditors appointed by C&AG, New-Delhi for the F.Y. 2016-17 amounting to Rs. _____/- plus taxes and out of pocket expenses."

For & on behalf of the Board of Directors of
Gujarat State Aviation Infrastructure Company Limited

Date: 15-02-2018
Place: Ahmedabad

CEO & Director

To

The Members,

Your Directors have pleasure in presenting their 6th Board's Report on the business and operations of the Company along with audited financial statements for the Financial Year ended on March 31st, 2016.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY (STANDALONE):

The Company's financial performance, for the year ended on March 31, 2016, is summarized below:

(Amount in Lakhs)

| Particulars | 2015-16 | 2014-15 |
|--|-------------------------------------|-----------------------------------|
| Revenue from Operations | (+) 5.85 | (+) 32.07 |
| Other Income | (+) 407.91 | (+) 416.87 |
| Total Income | (+) 413.76 | (+) 448.94 |
| Expenses: | | |
| Other Operative and Administrative Expenses | (-) 280.18 | (-) 321.49 |
| Depreciation | (-) 133.56 | (-) 127.45 |
| Total Expenses | (-) 413.76 | (-) 448.94 |
| Profit/Loss Before Tax | | - |
| Tax Expenses: | | |
| 1. Current Tax | | - |
| 2. MAT Credit | (-) 0.87 | (-) 0.66 |
| 3. Deferred Tax | (-) 0.69 | (+) 0.95 |
| Extraordinary items | | - |
| Exceptional Items | | - |
| Prior Period Expense (Net) | | - |
| Profit/(Loss) for the Year | (-) 1.56 | (+) 0.29 |
| Basic and Diluted Earnings/(Loss) per Share | (3.13) (per share) | 0.58 (per share) |

2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR:

The company has completed its seventh Financial Year and it has carried out its operations successfully. During the year under review, the company has carried out the following activities.

1. A company has provided its Maintenance, Repairs and Overhaul (MRO) facility at Ahmedabad Airport to various organizations for repair and maintenance of aircrafts;
2. A company has constructed the Close Circuit Rooms (CCR) at Amreli, Mandvi and Mehsana Airstrips for the purpose of operations of the Runway Lights and Air Traffic Advisory System.
3. A company has successfully installed the All Weather Observatory System (AWOS) at Amreli and Mandvi Airstrips.
4. A company has participated in the India Aviation 2016 (Airshow) held at Hyderabad as Partner State on behalf of the State Government and showcased the development in the aviation and aviation infrastructure in the State.
5. A company has successfully organized the Air Show at Ahmedabad on Sabarmati Riverfront.
6. A company has successfully organized the Aero Sports Events at Mehsana.
7. A company has appointed the agency for ISO certification for the Quality Management System (QMS) based on Quality Management System and Aerospace Standard.
8. A company has participated in the Vibrant Gujarat Travel Mart organised at Gandhinagar to showcase the air travel facilities and air infrastructure in the State.

3. DIVIDEND:

Your Directors do not recommend any Dividend for the year ended on 31st March, 2016.

4. RESERVES:

During the Financial Year, Company has incurred loss of Rs. 1,56,255. The amount of loss is adjusted towards Reserve and Surplus account.

5. SHARE CAPITAL:

Authorized Share Capital of the Company is Rs 100,000,000/- (Rupees Ten Crores) divided into 1,00,00,000 Equity shares of Rs. 10/- each and Issued, Subscribed & Paid up share Capital of the Company is Rs. 5,00,000/- (Rupees Five Lac) divided into 50,000 Equity shares of Rs. 10/- each as on 31st March, 2016.

There was no change in capital structure of Company during the F.Y. 2015-16.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

From 01st April, 2015, to till date of report the changes that have occurred in Board of Directors and Key Managerial Personnel as per order of State Government from time to time are as per **Annexure: A**.

7. PARTICULARS OF EMPLOYEES:

As GUJSAIL is not a Listed Company therefore as per section 197(12) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is not applicable to the Company.

8. MEETINGS:

Notice of Meetings is prepared and circulated in advance to the Directors. During the year, Three Board Meetings were convened and held on 13th August, 2015, 21st January, 2016 and 10th March, 2016. The intervening gap between the Meetings was not within the period prescribed under the Companies Act, 2013.

9. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, GUJSAIL is a State Government Company. Appointments of Board of Directors are made by the State Government. As per the Ministry notification dated 05th June, 2015, Government Company is exempted from the proviso (p) of the section 134(3) of the Act.

10. STATUTORY AUDITORS:

The Auditors, **M/s Kedia & Kedia Associates**, Chartered Accountant, Ahmedabad was appointed as Statutory Auditors of the Company for the year 2015-16 by the Comptroller and Auditor General of India, vide letter No./CA.V/COY/GUJARAT,GSAICL(0)/842 dated 24th July, 2015 for the F.Y. 2015-16.

11. REPLY TO QUALIFICATION OF STATUTORY AUDITORS' REPORT:

The Auditors' Report contains qualifications as stated in the "Independent Auditors' Report". A statement containing replies of the Board of

Directors on the observations of statutory auditors is attached as **Annexure-B** as a part of this Annual Report.

12. REPLY TO COMMENTS OF THE C & AG

The C&AG has issued comments on the accounts of the Company and reply of the same are as per **Annexure-C**.

13. EXTRACT OF ANNUAL RETURN:

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

14. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments affecting the financial position of the Company.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF COMPANY:

During the year, no significant and material orders passed by the regulators or courts or tribunals, impacting the going concern status, and Company's operations in future.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans: - NIL

Details of Investments: - NIL

Details of Guarantee / Security Provided: - NIL

* As per Audited Financial Statements

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the F.Y. 2015-16 is NIL.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Companies (Disclosure of Particulars under Report of Directors) Rule, 1988, regarding the conservation of energy, technology absorption is not applicable to the Company since it is not engaged in any manufacturing or processing activities.

There is no inflow and outflow of foreign exchange during the year under review.

Therefore, information pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 regarding Conservation of Energy, Technology Absorption, and Foreign exchange earnings and outgo is NIL.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The disclosure as required under rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to Gujarat State Aviation Infrastructure Company Limited.

20. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' Responsibility Statement referred to: in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors have prepared the annual accounts on a going concern basis; and
- e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. The necessary steps have been taken to improve the deficiency.

21. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

No funds were required to be transferred to Investor Education and Protection Fund (IEPF).

22. ACKNOWLEDGEMENTS:

Your Directors express their warm wish to place on record their sincere appreciation to the co-operation extended by the Government of Gujarat, Civil Aviation Department, Airport Authority of India, Bankers, and others for their co-operation and look forward for their continued support. The Directors are also grateful to the Comptroller & Auditor General of India and Statutory Auditors, Banker, Officers and staff of the Company for their co-operation and look forward for their continued support.

**For & on behalf of the Board of Directors of
Gujarat State Aviation Infrastructure Company Limited**

Chief Executive Officer Chairman & Managing Director

**Place: Ahmedabad
Date: 15-02-2018**

ANNEXURE - A**The Details of Board of Directors and Key Managerial Personnel as on report date is:**

| Sr. no | Name & Address | Designation | Date of Appointment | Date of Cessation |
|--------|---|---------------------------------|---------------------|-------------------|
| 1. | Shri S. J. Haider, IAS Address: Bungalow No. K-10, Sector- 19, Gandhinagar 382019, Gujarat, India | Chairman & Managing Director | 27/07/2015 | Continue |
| 2. | Captain Ajay Chauhan Address: A/112 Riveria Elegance B/H Campus Corner-2, Opp. Auda Garden Prahladnagar. Ahmedabad 380015, Gujarat, India | Director | 28/02/2013 | Continue |
| 3. | Shri Hurbert W. Christian Address: 523/2 Sector-4b, Sector- 4, Gandhinagar 382006 Gujarat, India | Director | 04/03/2014 | Continue |
| 4. | Group Captain Charles Weir Address: Bng No- 6 Vraj Gopi Ville-2 Palodia Taluka, Kalol Gandhinagar 380058, Gujarat, India | Director | 28/02/2013 | Continue |
| 5. | Captain Jehangir Vakil Address: May Flower, Shahibaug Ahmedabad 380004, Gujarat, India | Director | 28/02/2013 | Continue |
| 6. | Shri Ajay Bhadoo, IAS Address: K-512, Sector-20, Gandhinagar 382020, Gujarat, India | Director | 26/09/2014 | 30/09/2016 |
| 7. | Smt. Sonal Mishra, IAS Address: House No-3/4, G-1, Sector-20, Gandhinagar 382020 Gujarat, India | Chairperson & Managing Director | 26/09/2014 | 23/04/2015 |
| 8. | Shri Saket Loomba Address: 270C1, 118-Kaushalpuri, Nagar Nigam Kanpur Sardar Uttar Pradesh 208012, India | Director | 28/02/2013 | 10/05/2015 |
| 9. | Shri Arvind Agarwal, IAS Address: Lane-16, Bunglow - 302 Satyagrah Chhavni. Satellite Road, Ahmedabad 380015 | Chairman & Managing Director | 25/05/2015 | 12/06/2015 |

ANNEXURE - B **I. Reply/compliance of Management on the qualification of Statutory Auditor**

- (a) The Company has passed necessary rectification entries in the Books of Accounts and the necessary amount has been received from GAIC Limited during the year towards the respective grants.
- (b) The Company has received funds from the GAIC Limited during the year towards payment made by the Company on behalf of the GAIC.
- (c) The Company has obtained the approval of the Government for extra work carried out during the Aero Conclave and Air Show and the company has also received the necessary amount from GAIC Limited during the year towards respective grants.
- (d) The Company believes that it has maintained the documentary evidences showing the quantity / quality for which the expenses have been incurred or payment have been made during the year. Further, the suggestions to keep on record the evidences of actual quantity / quality of work done in detail by the contractor / supplier / vendor will be implemented.
- (e) Registers are maintained which incorporates the details of the opening and closing of the Gate of Hangar, which are counter verifiable, with the records maintained by the Airport Authority of India, and also with the records maintained by the CISF. Hence, there is an adequate checking system in place for Parking and Housing services, Office Space and Administrative Charges and Facility Charges and income received.
- (f) The Company receives grants from the Government for various schemes and projects. The interest received on grants is to be treated as part of the funds received and the same should be treated as liability in the books of account. As per the directives of the Government, the Company has rightly accounted for the interest income as liability.
- (g) Mehsana Airstrip was constructed by the Government of Gujarat, before the incorporation of the Company. The Director of Civil Aviation, has given the Mehsana Airstrip, on lease to Ahmedabad Aviation Aeronautics (P) Ltd. As per the decision of the Board of Directors in its 17th meeting held on 30th June, 2014, Board has decided that the Company should continue to book lease rent collected on behalf of Director of Aviation as a liability in the Books of Accounts. Thus, the Company has rightly accounted the lease rent as liability.

II. Reply/compliance of Management on the qualification of Statutory Auditor on Internal Financial Control

- (a) The Government has appointed the Director, Civil Aviation as Accountable Manager in the Company vide GR dated 25-11-2016 on a permanent and regular basis w.e.f. 01-01-2006.
- (b) The Company has implemented the Pre Audit system w.e.f. 15-05-2016 to strengthen the internal control system for report to the management on a timely and regular basis, deficiencies if any in internal controls.
- (c) The Company has maintained the Registers which incorporates the details of the opening and closing of the gate of hangar on the basis of which the invoices are raised to the respective parties. The proposal for the fixation of the standard tariff for various services to be provided by the Company has been submitted to the State Government for consideration.
- (d) R&B Divisions has the required monitoring system and the technical manpower required for the work execution. Further, the Company has also set up the Project Division for monitoring the execution of works carried out by the various R&B Divisions.
- (e) The Company has received the information of the total expenditure incurred by R&B Divisions during the year along with balance confirmation. Further, the Company has initiated the efforts to obtain the timely and accurate details / records / documents of the expenditure along with copies of bills from the various R&B Divisions.
- (f) The Company believes that it has maintained the documentary evidences showing the quantity / quality for which the expenses have been incurred or payment have been made during the year. Further, the suggestions to keep on record the evidences of actual quantity / quality of work done in detail by the contractor / supplier / vendor will be implemented.
- (g) The Company has received the necessary amount from GAIC during the financial year for the payment made directly by the Company. The Company has also restricted the system of direct payment up to the statutory dues and remunerations of the personnel as approved by the Board of Directors of the Company.
- (h) The Company undertakes the various projects / schemes / activities as entrusted by the State Government from time to time in which case the vouchers may not be in the name of the Company.
- (i) The Company has received Certificate of physical verification of fixed assets from the agency hired. Hard copy of the other necessary documents is asked from the agency hired for the same.
- (j) There is no indication during the year of asset impairment which requires assessment of impairment of assets.

- (k) The Company has accounted the fixed assets for which the payment is made by the Company during the year. The Company being the State Government Undertaking, carries out the developmental work for the aviation sector in the State due to which the ownership of the fixed assets or land on which fixed assets is created may not be in the name of the Company.
- (l) The Company has asked for the item wise break up / details / components of the capital work in progress from various R&B Divisions and also made efforts to get the necessary details on timely and accurate manner.

**For & on behalf of the Board of Directors of
Gujarat State Aviation Infrastructure Company Limited**

**Place: Ahmedabad
Date: 15-02-2018**

Chief Executive Officer Chairman & Managing Director

Reply to comments of the C & AG

| Para No | Comments | Replies |
|---------|--|--|
| A | <p>Comments on Disclosure</p> <p>1. Note forming integral part of financial statements</p> <p>Note No. 19 -Accounting Policies</p> <p>Balance Sheet of the Company as at 31 March 2016 shows Capital Work in Progress of Rs.34.51 crore. However, the Company has not formulated accounting policy with regard to treatment of expenditure during construction period.</p> <p>The above Note to the financial statements is deficient to that extent.</p> | Noted. Necessary Disclosure will be made while finalizing account for F.Y 2016-17. |
| B | <p>Comments on Financial Position</p> <p>Balance Sheet – Non Current Assets</p> <p>Long Term Loans and Advances – Rs.222.61 crore</p> <p>The Company has HT connection no. HT-100058415 at Sardar Vallabhbhai Patel International Airport, Ahmedabad from Torrent Power Limited. An amount of Rs.7.88 lakh has been deposited with Torrent Power limited as Security Deposit against the connection. The Company has not recognized the Security Deposit against the HT connection in its books of Accounts. The Company has stated that neither the Company nor its nodal agency (Gujarat Agro Industries Limited) has made any deposit for the said HT connection.</p> <p>In the absence of any reconciliation, audit cannot verify the amount of Rs.7.88 lakh deposited with Torrent Power Limited against the HT connection in the name of the Company.</p> | Noted. Reconciliation will be done as suggested by C&AG. |

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|----|--|--|
| 1. | CIN | U62200GJ2010SGC061479 |
| 2. | Registration Date | 07 July, 2010 |
| 3. | Name of the Company | GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED |
| 4. | Category/Sub-category of the Company | Public Company limited by shares, State Government Company |
| 5. | Address of the Registered office & contact details | MRO Complex, Government of Gujarat, Nr. Torrent Sub Station, S.V.P.I. Airport, Ahmedabad, Gujarat 380004, INDIA. |
| 6. | Whether listed company | NO |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1. | Parking & Housing Services | 99674300 | 83.93% |
| 2. | Office Space & Administrative Charges | 99859400 | 10.26% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary / Associate |
|--------|---------------------------------|---------|---------------------------------|
| Nil | Nil | Nil | Nil |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding:-

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-April-2015] | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | % Change during the year |
|---|---|---------------|---------------|---|---------------|---------------|--------------------------|
| | Demat | Physical | Total | Demat | Physical | Total | |
| | | | | | | | |
| A. Promoters | | | | | | | |
| (1) Indian | | | | | | | |
| a) Individual/ HUF | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Central Govt | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| c) State Govt(s) | NIL | 50,000 | 50,000 | NIL | 50,000 | 50,000 | 100 |
| d) Bodies Corp. | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Banks/ FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| f) Any other | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total shareholding of Promoter (A) | NIL | 50,000 | 50,000 | NIL | 50,000 | 50,000 | 100 |
| B. Public Shareholding | | | | | | | |
| 1. Institutions | | | | | | | |
| a) Mutual Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Banks/ FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| c) Central Govt | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| d) State Govt(s) | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| e) Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| f) Insurance Companies | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| g) FIs | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| h) Foreign Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| i) Others (specify) | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (B)(1):- | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-April-2015] | | | No. of Shares held at the end of the year [As on 31-March-2016] | | | % Change during the year |
|--|---|---------------|---------------|---|---------------|---------------|--------------------------|
| | Demat | Physical | Total | Demat | Physical | Total | |
| | | | | | | | |
| 2. Non-Institutions | | | | | | | |
| a) Bodies Corp. | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| i) Indian | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| ii) Overseas | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| b) Individuals | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| c) Others (specify) | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Non Resident Indians | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Overseas Corporate Bodies | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Foreign Nationals | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Clearing Members | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Trusts | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Foreign Bodies - D R | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Sub-total (B)(2):- | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| C. Shares held by Custodian for GDRs & ADRs | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| Grand Total (A + B + C) | NIL | 50,000 | 50,000 | NIL | 50,000 | 50,000 | 100 |

B) Shareholding of Promoter:-

| S N | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | Hon'ble Governor of Gujarat | 49,992 | 99.98 | NIL | 49,992 | 99.98 | NIL | NIL |
| 2. | Hon'ble Governor of Gujarat along with Shri Ajay Chauhan | 1 | 0.00 | NIL | 1 | 0.00 | NIL | NIL |
| 3. | Hon'ble Governor of Gujarat along with Shri M. J. Patel | 1 | 0.00 | NIL | 1 | 0.00 | NIL | NIL |
| 4. | Hon'ble Governor of Gujarat along with Shri Hubert Christian | 1 | 0.00 | NIL | 1 | 0.00 | NIL | NIL |
| 5. | Hon'ble Governor of Gujarat along with Smt. Sonal Mishra, IAS | 1 | 0.00 | NIL | NIL | NIL | NIL | NIL |
| 6. | Hon'ble Governor of Gujarat along with Shri S. J. Haider, IAS | NIL | NIL | NIL | 1 | 0.00 | NIL | NIL |
| 7. | Hon'ble Governor of Gujarat along with Shri Ajay Bhadoo, IAS | 1 | 0.00 | NIL | NIL | NIL | NIL | NIL |
| 8. | Hon'ble Governor of Gujarat along with Shri Ajit Mavani | NIL | NIL | NIL | 1 | 0.00 | NIL | NIL |
| 9. | Hon'ble Governor of Gujarat along with Shri Sanjay Kaul, IAS | 1 | 0.00 | NIL | NIL | NIL | NIL | NIL |
| 10. | Hon'ble Governor of Gujarat along with Shri N. Shrivastav, IFS | NIL | NIL | NIL | 1 | 0.00 | NIL | NIL |
| 11. | Hon'ble Governor of Gujarat along with Shri Y. S. Dagli | 1 | 0.00 | NIL | NIL | NIL | NIL | NIL |
| 12. | Hon'ble Governor of Gujarat along with Shri A. S. Ayachi | NIL | NIL | NIL | 1 | 0.00 | NIL | NIL |
| 13. | Hon'ble Governor of Gujarat along with Shri Sanjay Joshi | 1 | 0.00 | NIL | NIL | NIL | NIL | NIL |
| 14. | Hon'ble Governor of Gujarat along with Shri J. S. Yadav | NIL | NIL | NIL | 1 | 0.00 | NIL | NIL |
| | TOTAL | 50,000 | 100 | NIL | 50,000 | 100 | NIL | NIL |

C) Change in Promoters' Shareholding (please specify, if there is no change) :-

| S N | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | 50,000 | 100 | 50,000 | 100 |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | Nil | Nil | Nil | Nil |
| | At the end of the year | 50,000 | 100 | 50,000 | 100 |

D) Shareholding Pattern of top ten Shareholders :-**(Other than Directors, Promoters and Holders of GDRs and ADRs):-**

| S N | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |

E) Shareholding of Directors and Key Managerial Personnel:

| S N | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | At the beginning of the year | NIL | NIL | NIL | NIL |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | NIL | NIL | NIL | NIL |
| | At the end of the year | NIL | NIL | NIL | NIL |

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

(Amount in Rupees)

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

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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

B. Remuneration to other Directors:

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD:

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

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For & on behalf of the Board of Directors of
Gujarat State Aviation Infrastructure Company Limited

Place: Ahmedabad
Date: 15-02-2018

Director & Chief Executive Officer Director

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF****GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed or specified under Section 133 of the Act read with Rule 7 of 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 the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

BASIS FOR QUALIFIED OPINION

- (a) The deviation in utilizing the funds amounting to Rs. 142.10 Lakhs was noticed having been used towards payment/ expenditure to be charged to the grants not placed at the disposal of the company - "Aircraft Maintenance Grant", "Director of Civil Aviation Grant" and "Air Show, Road Show, Aviation Adventure and Sports Promotion Grant". On being pointed out, necessary rectification entries have been passed in the books of accounts and the necessary amount has been received from GAIC Limited ("GAICL") towards the respective specific grant. The payment proposal ought to bear the description of the grant utilized for the payment.
- (b) Generally, payments were made through GAICL (being the Standard Operating Procedure) except the instances aggregating to Rs. 194.66 Lakhs. On being pointed out, necessary amount has since been received from GAICL.
- (c) The company has accounted for a bill dated 12/05/2015 towards extra work for Rs. 42.47 Lakhs for the Aero Conclave and Air Show (held during 01/04/2015 to 04/04/2015) over and above the actual tender cost of Rs. 82.50 Lakhs. The letter of intent dated 27/03/2015, Work Order dated 31/03/2015, proposal for extra work dated 31/03/2015, approval for extra work dated 31/03/2015 and the invoices raised by the party are on record. The extra work amounting to 51.48% of the tender cost has not been subjected to competitive quotation / tendering process. Except for the invoices raised by the party, the evidence for the actual works costing Rs. 1,24.97 Lakhs usual documentary evidences

in the nature of entry in the measurement book / sheet / other evidences evidencing actual quantity and quality of work done by the contractor / supplier / vendor is not on records / not made available to us for our verification. Towards the actual tender cost and the extra work, amount of Rs. 36.60 Lakhs was paid on 07/04/2015 and Rs. 49.87 Lakhs was paid on 19/05/2015 [included in Rs. 194.66 Lakhs mentioned in Para 4(b) above] to the party deviating from the standard operating procedure. For the extra work, ratification by the BOD is not available. We have been informed that the approval of the Industries & Mines Department, Government of Gujarat has been obtained on the file. As mentioned in Para 4(b) above, on being pointed out, the amount disbursed directly has since been received from GAICL.

- (d) It has come to our notice that expenses are incurred and payment / final payment are released for which documentary evidences in the nature of entry in the measurement book / sheet / other evidences evidencing actual quantity and quality of work done by the contractor / supplier / vendor is not kept on records. In absence of the same it is not possible for us to verify whether the quantity/ quality for which expense has been incurred or payment has been released is as per the approvals of the competent authority.
- (e) In absence of proper log book or any other scientific / systematic procedure in place for raising invoice with regards to (a) Parking and Housing Services, (b) Office Space & Administrative Charges, and (c) Facility Charges, the possibility for income leakages cannot be ruled out. It is noticed that Revenue from Operations for the year under audit has substantially reduced to Rs. 5.85 Lakhs as compared to Rs. 32.07 Lakhs in FY: 2014-15. Satisfactory explanation is not available for the substantial reduction in the revenue. We have been informed by the management that there is an adequate checking system in view of records maintained by AAI & CISF and register maintained for opening and closing of the gate of the hanger.
- (f) As noted at Note No: 33, in view of Accounting Policy stated at 19.09, interest earned during the year amounting to Rs. 359.11 Lakhs on Bank FD/Flexi Deposit is not recognized in Profit and Loss Statement but added to the Liability.
- (g) As noted at Note No: 34, in view of Accounting Policy stated at 19.10, Rent collected amounting to Rs. 12.00 Lakhs towards Mehsana Airstrip is not recognized in Profit and Loss Statement but added to the Liability.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the basis for Qualified Opinion paragraph, the aforesaid 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, 2016, and its loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

- (a) As noted at Note No: 32(d), the amount of addition during the year to capital work in progress in respect of Development of Airstrips at Mehsana (Rs. 74.45 Lakhs out of Rs. 422.83 Lakhs) have been recorded on the basis of the communications received from the respective R & B Departments which do not give any itemized break up / detail / components of the respective amount. On being pointed out, the management of the company has requested respective R&B Departments to submit the copies of the bills and measurement sheets of the work executed. We could not conduct the audit of the records for the above stated amount.
- (b) As noted at Note No: 37, Confirmation Letters though sent by the management have not been responded back in respect of trade receivables, trade payables, receivable from / payable to parties, amount payable to Civil Aviation Department, advances to / receivables from GAICL and R&B Divisions, and other loans/advances given. Accordingly, such balances are subject to confirmation, reconciliation and consequent adjustments, if any.
- (c) As noted at Note No: 38, Grant released by the government of Gujarat is received by GAICL on behalf of the company. Payments to be made by the company are usually made by the GAICL on behalf of the company retaining the original invoices. Under the circumstances, the company is in possession of the copy / photocopy of the original documents, which are made available to us for audit.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit & 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 financial statements comply with the Accounting Standards prescribed / specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- e. The conditions specified in section 164(2) of the Act in respect of qualifications of directors are not applicable to the Company being a Government company.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 litigation 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 by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a Statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by the directions and sub-directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013, based on the verification of the books of accounts of the company and according to information and explanations given to us, we give in "Annexure C" a statement on the matters referred to in those directions and sub-directions.

PRAMOD KEDIA

(M. No.: 042309), Partner

for and on behalf of

KEDIA & KEDIA ASSOCIATES

Chartered Accountants

FRN: 104954W

AHMEDABAD

01 AUG 2017

"ANNEXURE A"**TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS
OF GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS 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 **GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 (the "Guidance Note") 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 Act.

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 and the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

ADVERSE OPINION

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2016:

- a) Complete reliance on contracted / outsourced employees and complete absence of regular permanent employees may lead to no accountability being fixed where warranted,
- b) Absence of internal process to report deficiency in internal control to management on timely basis,
- c) Absence of scientific / systematic procedure for raising invoices and absence of standard tariff for various charges to be collected for various services rendered leading to a possibility of income leakage,
- d) Absence of system of monitoring the execution of works vis-a-vis the milestones stipulated, if any, for the works carried out through R&B Departments/ Divisions,
- e) Failure to obtain timely and accurate consolidating information from remote locations that is needed to prepare the financial statements,
- f) Non-maintenance of measurement book/records as an evidence for verification of the quantity and quality of the work actually executed by the contractor/ supplier/ vendor before releasing the final payment,
- g) Management override of controls over non-routine transactions in the nature of payments directly made deviating from the laid down policy of making payment through GAIC Limited -the nodal agency,
- h) Management override of controls in using the funds in making the payments for the purpose other than the purpose for which the grants were received,
- i) Payments being made / released for which the vouchers are not in the name of the company but are in the name of Directorate of Civil Aviation / GAIC Limited
- j) Insufficient documentation of physical verification of the assets and non-reconciliation of physically verified fixed assets with the financial books of accounts
- k) Non determination of impairment of assets, if any,
- l) Accounting of assets not owned by the company as Fixed Assets in the books of accounts and in the financial statements
- m) Accounting for the amount of addition during the year to capital work in progress in respect of Development of Airstrips only on the basis of the communications received from the respective R & B Departments which do not give any itemized break up/ detail /components of the respective amount.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.'

In our opinion, the company's internal financial controls over financial reporting as of March 31, 2016, 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, in view of the above material weaknesses, is not adequate and because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were not operating effectively as of March 31, 2016.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements of the company.

PRAMOD KEDIA

(M. No.: 042309), Partner

for and on behalf of

KEDIA & KEDIA ASSOCIATES

Chartered Accountants

FRN: 104954W

AHMEDABAD;

01 AUG 2017

"ANNEXURE B"

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS

OF

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

REPORT ON THE MATTERS SPECIFIED PARAGRAPHS 3 AND 4 OF THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016 ("THE ORDER") ISSUED BY THE CENTRAL GOVERNMENT IN TERMS OF SECTION 143(11) OF THE COMPANIES ACT, 2013 ("THE ACT")

- (i) (a) The management has compiled the information on the basis of available details / documents so far as maintenance of records showing particulars including quantity and situation of the fixed assets is concerned. However, it requires updation. Further, proper records in respect of Hanger - Building and capital work in progress are not maintained.
- (i) (b) As informed to us, the company has the system of physical verification of the fixed assets of the company every year for which the company has hired external agency. As further informed to us, the external agency has conducted the physical verification of the fixed assets but is yet to submit the report of physical verification. Pending receipt of the report, discrepancies, if any, is yet to be ascertained.
- (i) (c) As per the information and explanations provided to us, the company does not own the immovable properties in its possession included in Fixed Assets. Accordingly, the title deeds of immovable properties are not held in the name of the company.
- (ii) The company does not hold any inventory. Therefore, we have nothing further to report with regards to matters contained in Para 3(ii) of the Order.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, we have nothing further to report with regards to matters contained in Para 3(iii)(a), Para 3(iii)(b) and Para 3(iii)(c) of the Order.
- (iv) According to the information and explanations given to us, the company has not granted any loans or made any investments or provided any guarantees or securities to the parties covered under Section 185 and Section 186 of the Act. Therefore, we have nothing further to report with regards to matters contained in Para 3(iv) of the Order.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the rules framed thereunder to the extent notified. Therefore, we have nothing further to report with regards to matters contained in Para 3(v) of the Order.
- (vi) According to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act for the operations carried out by the Company. Therefore, we have nothing further to report with regards to matters contained in Para 3(vf) of the Order.
- (vii) (a) According to the records of the Company and information given to us, during the year, there have been intermittent significant delays in depositing undisputed statutory dues to the appropriate authorities in the nature of Tax Deducted at Source under Income-tax Act, 1961, and Service Tax. The company is not having details of TDS deducted / deposited by GAICL for and on behalf of the company and hence we are unable to comment whether there is any defaults pertaining to such dues. It has been informed to us that, during the year, the Company was not required to deposit any statutory dues in the nature of Provident Fund, Employees' State Insurance, duty of Customs, Value Added Tax, Cess and other statutory dues to the appropriate authorities. Except for Rs. 28,024 towards TDS under Income-tax Act, 1961 and for Rs. 15,710 towards service tax, there are no arrears of outstanding undisputed statutory dues in respect of above taxes / dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
- (vii) (b) According to the records of the Company examined by us and information and explanations given to us, there were 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 on account of dispute.
- (viii) According to the records of the Company and information and explanations given to us, the Company has not borrowed money from financial institutions, banks and government and it has not issued any debentures till the balance sheet date. Therefore, we have nothing further to report with regards to matters contained in Para 3(viii) of the order.
- (ix) According to the records of the Company and information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loan. Therefore, we have nothing further to report with regards to matters contained in Para 3(ix) of the order.
- (x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the

information and explanations given to us by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. As regards matter disclosed in Paragraph c, d, and e under 'Basis for Qualified Opinion' in Independent Auditors' Report of even date, the management needs to rule out the possibility of any fraud.

- (xi) In view of MCA Notification No: GSR 463(E) dated 05/06/2015, the provisions of Section 197 of the Act are not applicable to the company being a government company. Therefore, we have nothing further to report with regards to matters contained in Para 3(xi) of the order.
- (xii) The Company is not a Nidhi Company. Therefore, we have nothing further to report with regards to matters contained in Para 3{xii} of the order.
- (xiii) The provisions of Section 177 of the Act are not applicable to the company. Considering the relaxation provided by MCA Notification No: GSR 463{E} dated 05/06/2015 so far as applicability of the provisions of Section 188 of the Act to the company being a government company, according to the records of the Company and information and explanations given to us, where applicable, the transactions with related parties are in compliance with Section 188 of the Act and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standard.
- (xiv) During the year under review, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, we have nothing further to report with regards to matters contained in Para 3(xiv) of the order.
- (xv) According to the records of the Company and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, we have nothing further to report with regards to matters contained in Para 3(xiv) of the order.
- (xvi) According to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

PRAMOD KEDIA

(M. No.: 042309), Partner

for and on behalf of

KEDIA & KEDIA ASSOCIATES

Chartered Accountants

FRN: 104954W

AHMEDABAD;

01 AUG 2017

"ANNEXURE C"

TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS

OF

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED

(Referred to in Paragraph 3 under "Report on other Legal and Regulatory Requirements" of our report of even date)

Directions issued u/s 143(5) of the Companies Act, 2013

| Sr. No. | Directions issued u/s 143(5) of the Companies Act, 2013 | Action Taken | Impact on Financial Statement |
|---------|--|---|-------------------------------|
| (1) | (2) | (3) | (4) |
| 1 | Whether the Company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold ad leasehold land for which title / lease deeds are not available? | The land at various locations, on which development of airstrips are in progress, are not owned by the company. The land and the superstructure (Hangar - building) erected on it are not owned by the company. | Nil |
| 2 | Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons therefore and the amount involved. | The details of write off of debts aggregating Rs.39,604 are as under – (a) Kestrel Aviation Private Limited (Rs.15), (b)India Infrastructure Publishing Private Limited (Rs.800), (c) Vinayak Engineering (Rs.5189) and (d) R&B Department – Ahmedabad Division (Rs.33,600) | As indicated in Column (3) |
| 3 | Whether proper records are maintained for the inventories lying with third parties & assets received as gifts / grant(s) from the Govt. or other authorities. | We have been informed that no inventory is lying with the third party and that no asset has been received as gift from the Government or other authorities. | Nil |

Sub-Directions issued u/s 143(5) of the Companies Act, 2013

| Sr. No. | Directions issued u/s 143(5) of the Companies Act, 2013 | Action Taken | Impact on Financial Statement |
|---------|---|--|-------------------------------|
| (1) | (2) | (3) | (4) |
| 1 | Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided | The company does not own any land. | Nil |
| 2 | Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/ policies of the Government? Comment on deviation if any. | We have been informed that no project has yet been identified to be taken up under Public Private Partnership. | Nil |
| 3 | Whether system for monitoring the execution of works vis-a-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any revenues/ losses from contracts, etc., have been properly accounted for in the books. | The company is not having any such Not formal system. We have been Ascertained informed that responsibility for, monitoring and supervision is of the respective R&B Departments. | Not Ascertained |
| 4 | Whether funds received/receivable for specific schemes from central/ State were properly accounted for/utilized? List the cases of deviations | Yes. Please refer to Paragraph 4(a) and As 4(b) of our Independent Auditors' Report of even date with regards to deviation in utilization of grants. | As mentioned therein. |
| 5 | Whether the bank guarantees have been revalidated in time? | As informed to us - Yes. | Nil |
| 6 | Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained. | We have not received any direct confirmation in respect of trade indicated receivable, trade payable, term deposits, and bank accounts. In case of receivables / recoverable, confirmation has not been obtained in respect of Rs. 7,57,23,352/- and in case of liabilities / payables, confirmations have not been obtained for Rs. 47,31,044/-. In those cases, where balance confirmation has been obtained, variation, which is not material, having regards to total amount of outstandings, is noticed in 5 cases. The management has made available the confirmation / bank statement in respect of term deposits and bank balances for which reconciliation has been prepared. The management has given us a cash balance certificate. | As indicated in Column (3) |
| 7 | The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned. | We have been informed that no project has been abandoned. | Nil. |

PRAMOD KEDIA
(M. No.: 042309), Partner
for and on behalf of
KEDIA & KEDIA ASSOCIATES
Chartered Accountants
FRN: 104954W
AHMEDABAD;
01 AUG 2017

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED

Balance Sheet as at 31 March, 2016

(Amount in Rs.)

| Particulars | Note No. | As at 31st March, 2016 | As at 31st March, 2015 |
|--|----------|------------------------|------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share Capital | 1 | 5,00,000 | 5,00,000 |
| (b) Reserves & Surplus | 2 | 6,32,242 | 7,88,497 |
| 2 Deferred Government Grant | 3 | 40,84,12,904 | 28,29,06,406 |
| 3 Non-current liabilities | | | |
| (a) Other Long Term Liabilities | 4 | 3,84,92,84,310 | 2,15,39,82,635 |
| 4 Current liabilities | | | |
| (a) Trade Payables | 5 | 19,34,081 | 56,94,109 |
| (b) Other Current Liabilities | 6 | 7,03,38,311 | 60,92,397 |
| (c) Short-Term Provisions | 7 | 21,67,731 | 27,13,403 |
| TOTAL | | 4,33,32,69,579 | 2,45,26,77,447 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | 8 | | |
| (i) Tangible Assets | | 6,13,37,601 | 6,78,13,174 |
| (ii) Intangible Assets | | 19,78,903 | 2,174 |
| (iii) Capital Work-in-Progress | | 34,50,96,400 | 21,50,91,058 |
| (b) Deferred Tax Assets (Net) | 9 | - | 69,336 |
| (C) Long Term Loans & Advances | 10 | 2,22,61,35,254 | 78,45,91,389 |
| 2 Current assets | | | |
| (a) Trade Receivables | 11 | 2,35,722 | 6,26,767 |
| (b) Cash & Bank Balances | 12 | 60,24,73,526 | 42,05,07,220 |
| (c) Short-Term Loans & Advances | 13 | 1,07,65,51,658 | 94,55,23,344 |
| (d) Other Current Assets | 14 | 1,94,60,515 | 1,84,52,985 |
| TOTAL | | 4,33,32,69,579 | 2,45,26,77,447 |
| Significant Accounting Policies | 1 to | | |
| Refer Accompanying Notes to Financial Statements | 44 | | |

This is the Balance Sheet referred to in our Report of even date.

Pramod Kedia
Partner (M.No.:42309)
For & On Behalf of
Kedia & Kedia Associates
Chartered Accountants
FRN: 104954W

Date: 01-08-2017
Place: Ahmedabad

For & On Behalf of the Board
S. J. Haider, IAS

Chairman & Managing Director
DIN: 02879522

Hurbert Christian
Director
DIN: 06852871

Ajay Chauhan
Director
DIN: 02893968

Date: 01-07-2017
Place: Ahmedabad

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED

Statement of Profit and Loss for the year ended on 31 March, 2016

(Amount in Rs.)

| | Particulars | Note No. | 2015-16 | 2014-15 |
|---|--|----------|--------------------|--------------------|
| 1 | Revenue From Operations | 15 | 5,84,855 | 32,06,925 |
| 2 | Other income | 16 | 4,07,90,807 | 4,16,87,180 |
| | Total Revenue | | 4,13,75,662 | 4,48,94,105 |
| 3 | Expenses: | | | |
| | (a) Depreciation and amortization expense | | 1,33,55,900 | 1,27,45,460 |
| | (b) Other expenses | 17 | 2,80,19,762 | 3,21,48,645 |
| | Total Expenses | | 4,13,75,662 | 4,48,94,105 |
| 4 | Profit Before Extraordinary Items and Tax | | - | - |
| 5 | Extraordinary Items | | - | - |
| 6 | Profit Before Tax | | - | - |
| 7 | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) MAT Credit of earlier year written off | | 86,919 | 66,181 |
| | (3) Deferred tax | | 69,336 | (95,122) |
| 8 | Profit (Loss) for the period | | (1,56,255) | 28,941 |
| 9 | Earnings per equity share (Face Value Rs.10): | | | |
| | Basic & Diluted | 30 | (3.13) | 0.58 |
| | Significant Accounting Policies | 1 to | | |
| | Refer Accompanying Notes to Financial Statements | 44 | | |

This is the Balance Sheet referred to in our Report of even date.

Pramod Kedia
Partner (M.No.:42309)
For & On Behalf of
Kedia & Kedia Associates
Chartered Accountants
FRN: 104954W

Date: 01-08-2017
Place: Ahmedabad

For & On Behalf of the Board
S. J. Haider, IAS

Chairman & Managing Director
DIN: 02879522

Hurbert Christian Ajay Chauhan
Director Director
DIN: 06852871 DIN: 02893968

Date: 01-07-2017
Place: Ahmedabad

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED

Cash Flow Statement for the year ended on 31 March, 2016

(Amount in Rs.)

| | Particulars | 2015-16 | 2014-15 |
|----------|---|-------------------------|-----------------------|
| A | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| | Profit Before Tax | - | - |
| | Depreciation / Amortisation | 1,33,55,900 | 1,27,45,460 |
| | Grant recognised in P&L Statement | (4,03,02,512) | (4,14,50,506) |
| | Interest | (66,989) | (1,99,354) |
| | Operating Profit | (2,70,13,601) | (2,89,04,400) |
| | Changes in Trade Payable | (37,60,028) | 55,78,679 |
| | Changes in Current Liabilities | 6,42,45,914 | 54,48,331 |
| | Changes in Short Term Provision | (5,45,672) | 19,97,556 |
| | Changes in Trade Receivable | 3,91,045 | (2,34,420) |
| | Changes in STLA/Other Current Assets | (13,16,60,393) | (62,02,35,549) |
| | Changes in Security Deposits Given | - | (2,30,000) |
| | Rent Receipts - Treated as Liability | 12,00,000 | 16,00,000 |
| | Interest receipts - Treated as Liability | 3,55,72,869 | 3,97,78,781 |
| | Cash generated from operations | (6,15,69,866) | (59,52,01,022) |
| | Refund of Tax | - | 55,43,235 |
| | Tax Paid / TDS deducted by parties | (2,88,462) | (2,86,633) |
| | CASH FLOWS FROM OPERATING ACTIVITIES (A) | (6,18,58,328) | (58,99,44,420) |
| B | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| | Acquisition of Assets including CWIP | (13,88,62,398) | (8,03,90,240) |
| | Changes in Capital advances | (1,44,13,12,968) | (68,28,01,799) |
| | changes in bank balances other than Cash Equivalent | (17,93,69,976) | 4,78,67,183 |
| | CASH FLOWS FROM INVESTING ACTIVITIES (B) | (1,75,95,45,342) | (71,53,24,856) |
| C | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| | Grant Received | 1,82,40,00,000 | 1,29,00,00,000 |
| | CASH FLOWS FROM FINANCING ACTIVITIES (C) | 1,82,40,00,000 | 1,29,00,00,000 |
| D | Net Cash Flows (A+B+C) | 25,96,330 | (1,52,69,276) |
| E | Opening Cash and Cash Equivalent | 30,74,403 | 1,83,43,679 |
| F | Closing Cash and Cash Equivalent | 56,70,733 | 30,74,403 |

- The cash flow statement has been prepared under the "Indirect Method" as set out in 'Accounting Standard-3 Cash Flow Statement' prescribed/specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014
- Figures in bracket indicates cash out flow.
- Previous year figures have been casted to conform to the current year's classification

This is the Balance Sheet referred to in our Report of even date.

Pramod Kedia
Partner (M.No.:42309)
For & On Behalf of
Kedia & Kedia Associates
Chartered Accountants
FRN: 104954W

Date: 01-08-2017
Place: Ahmedabad

For & On Behalf of the Board
S. J. Haider, IAS

Chairman & Managing Director
DIN: 02879522

Hurbert Christian Ajay Chauhan
Director Director
DIN: 06852871 DIN: 02893968

Date: 01-07-2017
Place: Ahmedabad

GUJARAT STATE AVIATION INFRASTRUCTURE COMPANY LIMITED (GUJSAIL)

Notes forming Integral part of Financial Statement for the year ended on 31st March, 2016

(All amounts are in Rupees unless otherwise stated)

Note - 1 : Share capital

| Share Capital | As at 31 March, 2016 | | As at 31 March, 2015 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Number | Rs. | Number | Rs. |
| Authorised | | | | |
| Equity Shares of Rs. 10 each | 1,00,00,000 | 10,00,00,000 | 1,00,00,000 | 10,00,00,000 |
| Issued, Subscribed & Paid up | | | | |
| Equity Shares of Rs. 10 each fully paid up | 50,000 | 5,00,000 | 50,000 | 5,00,000 |
| Total | 50,000 | 5,00,000 | 50,000 | 5,00,000 |

Note - 1.1 : Reconciliation of Shares outstanding at the beginning and at the end of the Reporting Period

| Particulars | Equity Shares | | | |
|---|----------------------|----------|----------------------|----------|
| | As at 31 March, 2016 | | As at 31 March, 2015 | |
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the beginning and end of the year | 50,000 | 5,00,000 | 50,000 | 5,00,000 |

Note: There is no movement in the Numbers of shares outstanding at beginning and at the end of the reporting period.

Note - 1.2 : Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled for one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note - 1.3 : Shares held by each Shareholders holding more than 5% Shares

| Name of Shareholder | Equity Shares | |
|--|----------------------|----------------|
| | As at 31 March, 2016 | |
| | No. of Shares held | % of Holding |
| On Behalf of Government of Gujarat - S. J. Haider, IAS | 49,993 | 99.99% |
| Other less than 5% | 7 | 0.01% |
| Total | 50,000 | 100.00% |

| Name of Shareholder | Equity Shares | |
|--|----------------------|----------------|
| | As at 31 March, 2015 | |
| | No. of Shares held | % of Holding |
| On Behalf of Government of Gujarat- Smt. Sonal Mishra, IAS | 49,993 | 99.99% |
| Other less than 5% | 7 | 0.01% |
| Total | 50,000 | 100.00% |

Note - 2 : Reserves & Surplus

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| Surplus in Statement of Profit & Loss | | |
| Opening Balance | 7,88,497 | 7,59,556 |
| Add/(Less):- Net Profit/(Loss) for the current year | (156,255) | 28,941 |
| Closing Balance | 6,32,242 | 7,88,497 |

Note - 3 : Deferred Government Grant

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|----------------------|----------------------|
| | Rs. | Rs. |
| (a) Development of Airstrip, Airport & Hangar Grant | | |
| Opening Balance | 21,50,91,058 | 15,57,51,495 |
| Add: Amount Transferred from Grant Liability during the year | 13,00,05,342 | 5,93,39,563 |
| Less:- Transferred to Capital Work in Progress to match with the associated costs for which it is intended to compensate | - | - |
| (a) | 34,50,96,400 | 21,50,91,058 |
| (b) GUJSAIL (Capital) - Grant | | |
| Opening Balance | 6,78,15,348 | 5,76,36,857 |
| Add: Amount Transferred from Grant Liability during the year | | |
| (See note: 3.1) | 88,57,056 | 2,29,23,951 |
| Less:- Grant recognised in the profit and loss statement | (1,33,55,900) | (1,27,45,460) |
| (b) | 6,33,16,504 | 6,78,15,348 |
| Total (a+b) | 40,84,12,904 | 28,29,06,406 |

Note - 3.1: Rs.2,29,23,951/- includes Rs.18,73,274/- representing written down value of the assets as at 31-03-2014 acquired out of the Admin Grant, which was not so adjusted in the preceding respective financial year.

Note - 4 : Other Long term liabilities

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|---------------------------|-------------------------|
| | Rs. | Rs. |
| (A) GUJSAIL (Admin) - Grant (See Note:4.1) | | |
| Opening Balance | 6,92,15,203 | 7,97,93,523 |
| Add:- Grant from Government of Gujarat received During the Year | 2,20,00,000 | 2,00,00,000 |
| Less:- Grant recognized as Income to match with the associated costs for which it is intended to compensate | (2,69,46,612) | (2,87,05,046) |
| Less:- Transferred to Deferred Government Grant (See Note:3.1) | - | (18,73,274) |
| Closing Balance | (A) 6,42,68,591 | 6,92,15,203 |
| (B) GUJSAIL (Capital) - Grant (See Note:4.1) | | |
| Opening Balance | 6,45,95,039 | 4,56,45,716 |
| Add:- Grant from Government of Gujarat received During the Year | 2,20,00,000 | 4,00,00,000 |
| Less:- Transferred to Deferred Government Grant | (88,57,056) | (2,10,50,677) |
| Closing Balance | (B) 7,77,37,983 | 6,45,95,039 |
| (C) Development of Airstrip, Airport & Hangar Grant (See Note:4.1) | | |
| Opening Balance | 1,91,18,14,354 | 74,11,53,917 |
| Add:- Grant from Government of Gujarat received During the Year | 1,78,00,00,000 | 1,23,00,00,000 |
| Less:- Transferred to Deferred Government Grant - Development of Airstrip, Airport & Hangar Grant | (13,00,05,342) | (5,93,39,563) |
| Closing Balance | (C) 3,56,18,09,012 | 1,91,18,14,354 |
| (D) Interest On Money Deposited From Grants (See Note:4.2) | | |
| Payable to Government of Gujarat | 13,93,68,724 | 10,34,58,039 |
| | (D) 13,93,68,724 | 10,34,58,039 |
| (E) Rent in respect of Mehsana Airstrip (See Note:4.3) | | |
| Payable to Directorate of Civil Aviation | 61,00,000 | 49,00,000 |
| | (E) 61,00,000 | 49,00,000 |
| Total (A+B+C+D+E) | 3,84,92,84,310 | 2,15,39,82,635 |

Note - 4.1 : The Unutilized portion of the Government Grant is to be repaid to Government of Gujarat, therefore the same is considered as Long Term Liability.

Note - 4.2 : Represents interest on Bank Deposits which belongs to Govt. of Gujarat as per Govt. of Gujarat (Industries & Mines Department) letter dated 09-08-2012.

Note - 4.3 : The Company is receiving Rent in respect of Mehsana Airstrip from Ahmedabad Aviation & Aeronautics Ltd. (AAA) for and on behalf of Directorate of Civil Aviation, therefore, the same is being disclosed as liability in books of accounts.

Note - 5 : Trade payables

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| Due to Micro & Small Enterprises (Refer to Note:26) | - | - |
| Due to Others | 19,34,081 | 56,94,109 |
| Total | 19,34,081 | 56,94,109 |

Note - 6 : Other current liabilities

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| Duties & Taxes Payable | 15,87,340 | 4,74,742 |
| Unclaimed/Unpaid Security Deposits/EMD | 27,02,891 | 16,98,673 |
| Book Overdraft | - | 39,18,982 |
| Payables for Fixed Assets | 6,28,38,668 | - |
| Others | | |
| - R&B Department - Ahmedabad Division | 31,73,420 | - |
| - Gujarat Agro Industries Corporation Ltd. (GAICL) | 35,992 | - |
| Total | 7,03,38,311 | 60,92,397 |

Note - 7 : Short-term provisions

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|------------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Others: | | |
| Provision for Expenses | 21,67,731 | 27,13,403 |
| Total | 21,67,731 | 27,13,403 |

(All amounts are in Rupees unless otherwise stated)

Note: 8 : Fixed Assets

| S N | Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | |
|--------|--|----------------------------------|---------------------------------|------------|---------------------------------|-----------------------------------|-----------------|----------------------------------|-----------------|---|-----------------------------------|-----------------------------------|
| | | Balance as at 1 April 2015 | Additions during the year | Adjustment | Deduction during the year | Balance as at 31 March 2016 | Rs. | Balance as at 1 April 2015 | Adjustment | Depreciation charged for the year | Balance as at 31 March 2016 | Balance as at 31 March 2015 |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| | Tangible Assets (Owned) Out of GUJSAIL Admin Grant | | | | | | | | | | | |
| 1 | Office Equipment | 708844 | - | - | - | 708844 | 456451 | - | 138696 | 595147 | 113697 | 252393 |
| 2 | Printer | 97215 | - | - | - | 97215 | 83550 | - | 7643 | 91193 | 6022 | 13665 |
| 3 | Computer | 574997 | - | - | - | 574997 | 482183 | - | 55854 | 538037 | 36960 | 92814 |
| 4 | Furniture & Fixture | 933550 | - | - | - | 933550 | 316842 | - | 162578 | 479420 | 454130 | 616708 |
| 5 | Vehicle | 62457 | - | - | - | 62457 | 17861 | - | 11559 | 29420 | 33037 | 44596 |
| | Out of GUJSAIL Capital Grant | | | | | | | | | | | |
| 6 | Porta Cabin - Tempatary Structure | 2127840 | 941410 | (111440) | - | 2957810 | 1515944 | (18336) | 624144 | 2121752 | 836058 | 611896 |
| 7 | Computer | 930336 | 182150 | - | - | 1112486 | 206356 | - | 455442 | 661798 | 450688 | 723980 |
| 8 | Office Equipment | 8112837 | 1342271 | - | - | 9455108 | 3240807 | - | 2552358 | 5793165 | 3661943 | 4872030 |
| 9 | Furniture & Fixture | 26274604 | 1960060 | 111440 | - | 28346104 | 5427730 | 18336 | 5860041 | 11306107 | 17039997 | 20846874 |
| 10 | Hanger - Building | 38230201 | 473268 | - | - | 38703469 | 2018640 | - | 1898160 | 3916800 | 34786669 | 36211561 |
| 11 | Electric Installation & Fittings | 4729143 | 1665509 | - | - | 6394652 | 1202486 | - | 1273766 | 2476252 | 3918400 | 3526657 |
| | Total (A) | 82782024 | 6564668 | 0 | - | 89346692 | 14968850 | | 13040241 | 28009091 | 61337601 | 67813174 |

(All amounts are in Rupees unless otherwise stated)

| S N | Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | |
|--------|--|----------------------------------|---------------------------------|------------|---------------------------------|-----------------------------------|--------------|----------------------------------|---------------|---|-----------------------------------|-----------------------------------|
| | | Balance as at 1 April 2015 | Additions during the year | Adjustment | Deduction during the year | Balance as at 31 March 2016 | Rs. | Balance as at 1 April 2015 | Adjustment | Depreciation charged for the year | Balance as at 31 March 2016 | Balance as at 31 March 2015 |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| | Intangible Assets (Owned) Out of GUJSAIL Admin Grant | | | | | | | | | | | |
| 1 | Softwares | 43478 | 2292388 | - | - | 2335866 | 41304 | - | 315659 | 356963 | 1978903 | 2174 |
| | Total (B) | 43478 | 2292388 | - | - | 2335866 | 41304 | | 315659 | 356963 | 1978903 | 2174 |

| S N | Capital Work- in-Progress Out of Development of Airstrip Grant | Gross Block | | | | Accumulated Depreciation | | | | Net Block | | |
|--------|---|----------------------------------|---------------------------------|------------|---------------------------------|-----------------------------------|-----------------|----------------------------------|-----------------|---|-----------------------------------|-----------------------------------|
| | | Balance as at 1 April 2015 | Additions during the year | Adjustment | Deduction during the year | Balance as at 31 March 2016 | Rs. | Balance as at 1 April 2015 | Adjustment | Depreciation charged for the year | Balance as at 31 March 2016 | Balance as at 31 March 2015 |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1 | Capital WIP- Amreli Airstrip | 1168234 | 42561533 | - | - | 43729767 | - | - | - | - | 43729767 | 1168234 |
| 2 | Capital WIP- Ankleshwar Airstrip | 144322797 | 3199908 | - | - | 147522705 | - | - | - | - | 147522705 | 144322797 |
| 3 | Capital WIP - Mandvi Airstrip | 24728742 | 41961219 | - | - | 66689961 | - | - | - | - | 66689961 | 24728742 |
| 4 | Capital WIP - Mehsana Airstrip | 44871285 | 42282682 | - | - | 87153967 | - | - | - | - | 87153967 | 44871285 |
| | Total (C) | 215091058 | 130005342 | - | - | 345096400 | - | - | - | - | 345096400 | 215091058 |
| | Total (A+B+C) | 297916560 | 138862398 | - | - | 436778958 | 15010154 | - | 13355900 | 28366054 | 408412904 | 282906406 |
| | Previous Year | 217526320 | 80390240 | - | - | 297916560 | 2264694 | - | 12745460 | 15010154 | 282906406 | 215261626 |

Note: 8.1 : Land at various locations on which development of airstrips are in progress, are not owned by the Company.

Note: 8.2 : Land and super structure (Hanger - Building) at Sardar Vallabhbhai International Airport, Ahmedabad, are not owned by the Company.

Note: 8.3 : The super structure including furniture, fixtures, equipments, etc. in possession of the Company is not fully/completely accounted for in the books of accounts of the Company. The amount recognised in the books of accounts towards "Hanger - Building" represent the amounts apportioned by the Company on the said super structure.

Note: 8.4 : The addition to "Furniture & Fixtures" and "Hanger - Building" includes Rs. 10,85,657/- and Rs. 4,73,268/- respectively, which represent the balance amounts of the bills/invoices not fully booked in the preceding accounting year(s). But were accounted for in the year under audit."

Note - 9 : Deferred tax assets (Net)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|-----------------------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| Relating to Amortisation u/s. 35D | - | 69,336 |
| Total | - | 69,336 |

Note - 10 : Long Term Loans & Advances

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| (a) Loans & Advances to Government Departments (Unsecured; Considered good) | | |
| R & B Department - Ahmedabad Division | 20,00,00,000 | - |
| R & B Department - Amreli Division | 13,62,78,500 | - |
| R & B Department - Bharuch (Ankleshwar) Division | 1,30,44,76,245 | 75,44,76,245 |
| R & B Department - Bhavnagar Division | 40,30,01,600 | - |
| R & B Department - Bhuj (Mandvi) Division | 16,65,17,500 | 70,40,000 |
| R & B Department - Mehsana Division | 1,34,22,267 | 2,08,66,899 |
| (b) Security Deposits (Unsecured; Considered good) | | |
| Deposit for Indane Gas Connection | 3,400 | 3,400 |
| Security Deposit - BSNL | 4,00,000 | 4,00,000 |
| Security Deposit - Torrent Power | 2,30,000 | 2,30,000 |
| Water Supply Connection Deposit - AMC | 11,49,000 | 11,49,000 |
| (c) Others (Unsecured; Considered good) | | |
| Income Tax Refund / TDS Receivable - F.Y. 2013-14 | 46,472 | 52,293 |
| Income Tax Refund / TDS Receivable - F.Y. 2014-15 | 2,86,633 | 2,86,633 |
| Income Tax Refund / TDS Receivable - F.Y. 2015-16 | 3,23,637 | - |
| MAT Credit Entitlement | - | 86,919 |
| Total | 2,22,61,35,254 | 78,45,91,389 |

Note - 11 : Trade Receivables

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|-------------------------------------|-------------------------|-------------------------|
| | Rs. | Rs. |
| (Unsecured; Considered good) | | |
| Outstanding less than six Months | 91,755 | 4,90,340 |
| Others | 1,43,967 | 1,36,427 |
| Total | 2,35,722 | 6,26,767 |

Note - 12 : Cash & Bank Balance

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|-------------------------|-------------------------|
| | Rs. | Rs. |
| A. Cash and Cash Equivalents | | |
| (a) Cash on hand | 67,333 | 23,965 |
| (b) Balances with Banks In Current Accounts | 56,03,400 | 30,50,438 |
| (A) | 56,70,733 | 30,74,403 |
| B. Other Bank Balances | | |
| (a) In other Deposits Accounts (Original maturity more than 3 months) | | |
| (i) F.D. with Dena Bank | 21,87,27,793 | 20,00,57,817 |
| (ii) Flexi Deposit with Dena Bank | 37,80,75,000 | 21,73,75,000 |
| (B) | 59,68,02,793 | 41,74,32,817 |
| Total (A+B) | 60,24,73,526 | 42,05,07,220 |

Note - 12.1 : Balance with banks in Deposit account includes deposit amounting to Rs.59,68,02,793/- (as at 31-03-2015 Rs.:41,74,32,817/-) which have original maturity of 12 months or less.

Note - 12.2 : Balance with banks in Deposit account includes deposit amounting to Rs.59,68,02,793/- (as at 31-03-2015 Rs.:41,74,32,817/-) which have residual maturity of 12 months or less.

Note - 13 : Short-Term Loans & Advances

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| (a) Loans and advances to Government Companies (Unsecured; Considered good) | | |
| Gujarat Agro Industries Corporation Ltd. (GAICL) - Development of Airstrip Grant | 1,00,04,70,162 | 72,85,85,581 |
| Gujarat Agro Industries Corporation Ltd. (GAICL) - GUJSAIL Grant | 7,37,94,221 | 11,85,68,050 |
| Gujarat Agro Industries Corporation Ltd. (GAICL) | - | 9,65,52,848 |
| Tourism Corporation of Gujarat Ltd. | 13,34,275 | 13,34,275 |
| (b) Other Unsecured, considered good | | |
| Ahmedabad Aviation & Aeronautics Ltd. | 7,30,000 | 3,70,000 |
| Advance to Vendors | 50,380 | - |
| TDS Recoverable from vendors | 1,517 | 98,840 |
| Prepaid Expenses | 1,45,790 | 13,750 |
| Excess TDS deposited | 25,313 | - |
| Total | 1,07,65,51,658 | 94,55,23,344 |

Note - 14 : Other current assets

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|-------------------------|-------------------------|
| | Rs. | Rs. |
| Interest accrued | 1,87,87,255 | 1,84,52,985 |
| Others | | |
| - Federation of Indian Chambers of Commerce and Industries | 6,73,260 | - |
| Total | 1,94,60,515 | 1,84,52,985 |

Note - 15 : Revenue From Operations

| Particulars | 2015-16 | 2014-15 |
|---------------------------------------|-----------------|------------------|
| | Rs. | Rs. |
| Parking & Housing Services | 4,90,855 | 12,72,925 |
| Facility Charges | 34,000 | 9,000 |
| Office Space & Administrative Charges | 60,000 | 19,25,000 |
| Total | 5,84,855 | 32,06,925 |

Note - 16 : Other Income

| Particulars | 2015-16 | 2014-15 |
|---|--------------------|--------------------|
| | Rs. | Rs. |
| Grant recognised as income to match with the associated cost for which it is intended to compensate [Includes (a) towards prior period expense Rs.5,90,639/-, (P.Y.:Rs.2,60,361/-), (b) towards depreciation & amortisation Rs.1,33,55,900/-, (P.Y.:Rs.1,27,45,460/-)] | | |
| - Amount Transfer From GUJSAIL (Admin) Grant | 2,69,46,612 | 2,87,05,046 |
| - Amount Transfer From Gujsail (Capital) Grant | 1,33,55,900 | 1,27,45,460 |
| Tender Form Fees | 1,17,000 | 36,000 |
| Interest Earned | | |
| - Interest on Income Tax Refund | - | 1,28,425 |
| - Interest From Torrent Power | 66,989 | 70,929 |
| Miscellaneous Income | 52,090 | 1,320 |
| Provision Written Back | 2,52,216 | - |
| Total | 4,07,90,807 | 4,16,87,180 |

Note - 17 : Other expenses

| Particulars | 2015-16 | 2014-15 |
|--|-----------|-----------|
| | Rs. | Rs. |
| Advertisement Expenses | 26,18,835 | 24,45,936 |
| Bank Charges | 66 | 570 |
| Building Maintenance Exp. | 7,00,184 | 36,20,195 |
| Computer Repairing & Maintenance | 4,48,828 | 54,971 |
| Conveyance Expense | 63,019 | 61,498 |
| Courier Charges | 8,016 | 29,934 |
| Director's Stay Expenses | 13,512 | 94,326 |
| Director's Travelling and Visa Exp. | 38,910 | 1,21,203 |
| Director's Medical Exp. | 1,500 | 9,019 |
| Electrical Maintenance Exp. | 12,11,019 | 7,70,705 |
| Electric Expenses for Old Hanger | - | 36,182 |
| Electricity Exp.-New Hanger | 35,18,157 | 32,85,004 |
| Equipment Maintenance Exp. | 1,08,730 | 1,89,600 |
| Fire Fighting Expense | 6,60,474 | 2,63,795 |
| Furniture & Fixtures Maintenance Exp. | 4,36,947 | 5,04,487 |
| Hired Vehicle Expense | 3,96,519 | 7,52,130 |
| Housekeeping Exp. | - | 27,07,183 |
| Insurance Expenses | 84,279 | - |
| Interest on TDS | 28,558 | 4,081 |
| Internal Audit Fees | 62,100 | 68,235 |
| Internet Exp. | - | 3,08,602 |
| Kasar & Vatav Expenses | 297 | - |
| Labour Charges | 23,961 | 2,69,814 |
| Landscaping & Garden Maintenance Expense | 38,97,023 | 15,74,406 |
| Legal Expenses | - | 10,000 |
| Licence Fees | 60,420 | 58,835 |
| Maintenance of Porta Cabin | 3,91,651 | 4,39,750 |
| Membership Fees | - | 1,12,360 |
| Misc. Expenses | 4,920 | 82,199 |
| NSOP Charges | - | 11,70,912 |
| Office Expenses | 2,99,269 | 4,64,828 |
| Outsourced Manpower Expense | 63,75,982 | 39,19,413 |
| Petrol Expenses | - | 27,460 |
| Printing and Stationary Expenses | 46,039 | 9,78,427 |
| Prior Period Expenses | 5,90,639 | 2,60,361 |
| Professional Fees | 3,38,458 | 6,32,230 |
| Refreshment & Entertainment Expenses | 1,29,179 | 4,04,486 |
| Refreshment Expenses | - | 530 |
| Rent of Office Space Exp. | - | 7,48,060 |
| Rent of Parking Space Exp. | - | 22,44,180 |

| Particulars | 2015-16 | 2014-15 |
|--|--------------------|--------------------|
| | Rs. | Rs. |
| Rent of Publicity Space | 12,20,400 | 3,05,100 |
| Secretarial / ROC Exp. | 2,05,952 | 1,70,923 |
| Security Expenses | 22,90,285 | 19,86,455 |
| Signages Expense | 44,835 | - |
| Service Tax Expense | - | 1,96,007 |
| Sitting Fees | 22,850 | 15,000 |
| Sponsorship Expenses | - | 2,00,000 |
| Statutory Audit Fees | 92,000 | 85,500 |
| Subscription & Periodicals Expenses | - | 25,572 |
| Tax Audit Fees | 34,500 | 57,000 |
| Telephone & Mobile Exp. | - | 1,08,119 |
| Training Expense | 2,23,568 | 1,00,000 |
| Travelling, Accommodation & Staying Expenses | 26,784 | 1,55,362 |
| Uniform Expenses | 95,150 | 12,000 |
| Vehicle Expenses | - | 5,700 |
| Website Maintenance | 12,05,947 | - |
| Total | 2,80,19,762 | 3,21,48,645 |

18. CORPORATE INFORMATION:

Gujarat State Aviation Infrastructure Company Limited (GUJSAIL) is a public Limited company (promoted by the Gujarat State Government and 100% shares owned by the Gujarat Government) domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of providing services for aviation infrastructure and other allied services.

19. ACCOUNTING POLICIES:**19.01 ACCOUNTING CONVENTION:**

The accounts are prepared on historical cost basis, and on the accounting principles of going concern and in accordance with applicable accounting standards on accrual basis.

19.02 BASIS OF ACCOUNTING:

The financial statements of the company have been prepared in accordance with generally accepted Accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting standards prescribed / specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014 and the relevant provisions of the act. The financial statements have been prepared on an accrual basis and under the historical cost convention, except otherwise specified.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained.

19.03 USE OF ESTIMATES:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statement are prudent and reasonable. Actual result could differ from those estimated.

19.04 TANGIBLE FIXED ASSETS:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable cost of bringing the asset to working condition for intended use.

19.05 DEPRECIATION ON TANGIBLE FIXED ASSETS:

Depreciation is provided in the accounts on 'Written Down Value Method' based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on assets added/deposed off during the year is charged on pro-rata basis with reference to the date of addition/disposal.

19.06 INTANGIBLE ASSETS AND ITS AMORTISATION:

Cost incurred on software purchased resulting in future economic benefits flowing to the Company, are capitalized as an intangible asset in accordance with "Accounting Standard – 26 – Intangible Assets". The same is amortised as under;

- Over the period of agreements of Right to Use – In case where such period reliably measured or identified.
- Over the period of 5 years – In other cases.

19.07 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS:

Impairment Loss, (if any) is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or from its disposal at the end of its useful life. During the current year no impairment of tangible and intangible assets took place.

19.08 ACCOUNTING FOR GOVERNMENT GRANTS:

The company follows principles as laid down in Accounting Standard 12 for recognition of Government Grant, as under: -

- For GUJSAIL (Admin) – Grant
GUJSAIL (Admin) – Grant is recognized on a systematic basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grant is shown under 'other income'.
- For GUJSAIL (Capital) – Grant
GUJSAIL (Capital) – Grant related to depreciable fixed assets is treated as deferred income, which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset purchased out of utilization of said grant, i.e., such grants is allocated to income over the periods and in the proportions in which depreciation on such assets is charged.
- For Development of Airstrip, Airport & Hangar Grant
Development of Airstrip, Airport & Hangar Grants related to depreciable fixed assets is recognized as deferred income (Deferred Government Grant), which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset purchased out of utilization of said grant, i.e., such grants is allocated to income over the periods and in the proportions in which depreciation on such assets is charged. Presently such assets are under construction period, therefore, same is treated as "Capital Work in Progress".
- Unutilized Grant at year end
The unutilized portion of the Funds received as Grant from Gujarat Government shall belong to the Gujarat Government according to the terms of the Budget Resolution 102011-764256 dated 05/04/2012. Accordingly, same is shown as "Other Long Term Liabilities". This treatment is further supported by the official letter from Government of Gujarat (Industries & Mines Department) date 09/08/2012.

19.09 INTEREST ON AMOUNT DEPOSITED IN BANK FD OUT MONEY RECEIVED AS GRANTS:

The money received as Grant from Gujarat Government which is invested in FD's with Banks. Interest earned on such FD's shall belong to Government according to the terms of the Budget Resolution 102011-764256 dated 05/04/2012. Therefore, the Interest Income earned is treated as Other Long Term Liability. This treatment of Interest earned on such FD is further supported by the official letter from Government of Gujarat (Industries & Mines Department) date 09/08/2012.

19.10 RENT IN RESPECT OF MEHSANA AIRSTRIP:

As clarified by the Directorate of Civil Aviation, in writing, the Company is receiving Rent in respect of Mehsana Airstrip from Ahmedabad Aviation & Aeronautics Ltd. (AAA) for and on behalf of Directorate of Civil Aviation. Therefore, it is being disclosed as liability in the financial statements.

19.11 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Liabilities are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

19.12 REVENUE RECOGNITION (SALE OF SERVICES):

Revenue from services is recognised as per contract terms and does not include recoveries in the nature of service tax.

19.13 OPERATING LEASE:

Assets taken on lease under which all significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments made under Operating Leases are recognised as expenditure in accordance with respective Lease Agreements on straight line basis over the lease period.

19.14 INCOME TAX:

- The Provision for income tax (including fringe benefit tax) is made on the basis of estimated taxable income for the current accounting year in accordance with the income Tax Act, 1961. The deferred tax for the timing differences, (which are capable of reversal in subsequent period) between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised subject to consideration of prudence.
- MAT Credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Profit and Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date.

19.15 RELATED PARTY DISCLOSURES:

Disclosure of related party relationships and the transactions with Related Parties, as required by "Accounting Standard 18- Related Party Disclosure" has been set out in the Notes on Accounts. Related Parties have been identified on the basis of representations made by the management and information available with the company.

19.16 CASH FLOW STATEMENT:

Cash Flow Statement has been prepared as per Accounting Standard 3 – "Cash Flow Statement" using "Indirect Method".

- The company is a small and medium sized company (SMC) as defined in the general instruction in respect of Accounting Standards as notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized company.
- In the opinion of the Board, 'Trade Receivables', 'Loans and Advances' and 'Other current Assets' are approximately of the value stated if realised in the ordinary course of business.
- In the opinion of the Board, provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- Payment to Auditors:

| Particulars | 2015-16 | 2014-15 |
|----------------|---------|---------|
| | Rs. | Rs. |
| For Audit Fees | 92,000 | 85,500 |
| Total : | 92,000 | 85,500 |

24. Other Money for which the company is contingently liable:

- Guarantees given by the bankers on behalf of the company Rs. Nil (As at 31st March, 2015 Rs. Nil)
- Other claims against company not acknowledged as debt - amount not ascertained. However, the management of the company does not envisage any contingent liability in this regard.
- Income Tax Scrutiny Assessment proceedings for FY: 2014-15 relevant to AY: 2015-16 has been initiated during the year and is pending.

25. Commitments :

Estimated amount of contracts remaining to be executed on capital accounts (Net of Advances): Rs.11,76,607 (As at 31st March, 2015: Rs. Nil)

- None of the Suppliers of goods and services have confirmed their status as micro, small or medium enterprises under Micro, Small & Medium Enterprise Development (MSMED) Act, 2006. Hence company has no details to disclose under section 22 of the MSMED Act.

27. Additional information pursuant to the provision of Schedule III to the Companies Act, 2013, so for as applicable to the company.

| Particulars | 2015-16 | 2014-15 |
|-------------------------------------|---------|---------|
| | Rs. | Rs. |
| A FOB Value of Export : | - | - |
| B CIF Value of Imports: | - | - |
| C Expenditure of Foreign Currency : | - | - |
| D Earning in Foreign Currency | - | - |
| E Remittance in Foreign Currency | - | - |

- 'Long Term Loans and Advances', 'Trade Receivables', and 'Short Term Loans & Advances' does not include any amount due from (i) Director, (ii) other Officers of the Company, (iii) a firm in which Director is a Partner, and (iv) Private Company in which Director is a Director or Member.

29. OPERATING LEASE :

Assets taken on operating lease:

| Sr. No | Particulars | 2015-16 | 2014-15 |
|--------|---|---------|-----------|
| | | Rs. | Rs. |
| 1 | Rent towards Office Space and Parking Space charged to Profit & Loss Statement. | - | 29,92,240 |

Note: Under lease agreement entered into with Ahmedabad Gliding and Flying Club, during the F.Y. 2014-15, the Company has made payment of Rs.27,40,024/- towards rent for office space and parking space out of GUJSAIL Admin grant and recognized Rs.29,92,240/- (including provision for Rs.2,52,216/- mandated in terms of AS-19) as an expenditure in the Statement of Profit & Loss. However, during the year under audit similar payment amounting to Rs.29,83,200/- was made by the Company but was recovered from GAICL on footing that such rent is to be paid out of Maintenance of Aircraft grant and accordingly neither recognized the payment made as an expenditure of the Company nor subjected the same to the mandates of AS-19. The provision of Rs.2,52,216/- created in F.Y.2014-15 is also written back as the same was not settled.

30. EARNING PER EQUITY SHARE:

| | 2015-16 | 2014-15 |
|---|------------|---------|
| | Rs. | Rs. |
| a) Profit/(Loss) available for equity share holders | (1,56,255) | 28,941 |
| b) Equity shares outstanding at the beginning of the year | 50,000 | 50,000 |
| c) Equity shares outstanding at the end of the year | 50,000 | 50,000 |
| d) Weighted average number of equity shares outstanding | 50,000 | 50,000 |
| e) Basic and Diluted Earning per Share in rupees (Face value of Rs 10/- each) | (3.13) | 0.58 |

31. EMPLOYEE BENEFITS:

The Company does not have any permanent employee on the pay roll of the Company. Entire manpower is on contract basis and the cost for the same is charged to Statement of Profit & Loss. The management is of the view that no other specific accounting treatment / recognition / measurement / disclosure is needed in respect of matters dealt with by the "AS-15(Revised 2005)-Employees Benefit".

32. TRANSACTIONS WITH GOVERNMENT / GOVERNMENT COMPANIES / GOVERNMENT DEPARTMENT OR DIVISION ETC.:

- (i) Payable to Government of Gujarat: The summarized detail is as under:-

Figures in bracket relates to Previous Year.

| Particulars | GUJSAIL Admin Grant | GUJSAIL Capital Grant | Development Of airstrip Grant |
|--|--------------------------------|------------------------------|------------------------------------|
| Unutilized Balance of Grant at the beginning of the year | 6,92,15,203 (7,97,93,523) | 6,45,95,039 (4,56,45,716) | 1,91,18,14,354 (74,11,53,917) |
| Add : Received from Government (*) (* Received by GAICL on behalf of the Company) | 2,20,00,000 (2,00,00,000) | 2,20,00,000 (4,00,00,000) | 1,78,00,00,000 (1,23,00,00,000) |
| Less: Utilization for Revenue Expenses | (2,69,46,612) (2,87,05,046) | (Nil) (Nil) | (Nil) (Nil) |
| Less: Utilization for Capital Expenses | Nil (18,73,274) | (88,57,056) (2,10,50,677) | (13,00,05,342) (5,93,39,563) |
| Unutilized Balance of Grant at the close of the year | 6,42,68,591 (6,92,15,203) | 7,77,37,983 (6,45,95,039) | 3,56,18,09,012 (1,91,18,14,354) |

(a) (ii) Payable to Government of Gujarat: The summarized detail is as under:-

Figures in bracket relates to Previous Year.

| Particulars | As at the beginning of the Year | Interest for the year | As at the close of the Year |
|---|---------------------------------|------------------------------|--------------------------------|
| Interest on Money deposited From Grants | 10,34,58,039 (6,25,68,905) | 3,59,10,685 (4,08,89,134) | 13,93,68,724 (10,34,58,039) |

(b) Payable to Directorate Of Civil Aviation: The summarized detail is as under:-

Figures in bracket relates to Previous Year.

| Particulars | As at the beginning of the Year | Rent for the Year | As at the close of the Year |
|---------------------------|---------------------------------|--------------------------|-----------------------------|
| Rent for Mehsana Airstrip | 49,00,000 (33,00,000) | 12,00,000 (16,00,000) | 61,00,000 (49,00,000) |

(c) (i) Advance to / Receivable from GAICL in Grant A/c: As per the resolution passed, Gujarat

Agro Industries Corp. Ltd. (GAICL) will act as a nodal agency for Gujarat State Aviation Infrastructure Company Ltd. (GUJSAIL) till the company is fully operational. Hence all the grants receivable by GUJSAIL are received by GAICL and the same are transferred to GUJSAIL as and when they are required. Normally, the payment required to be made by the company is made through GAICL for and on behalf of the company. The balance of GAICL shown under 'Short Term Loans and Advances' represents balance held by GAICL on behalf of the company out of the grant received by the GAICL on behalf of the company. The summarized detail is as under:-

Figures in bracket relates to Previous Year.

| Particulars | GAICL (GUJSAIL Grant) (Admin + Capital) | GAICL (Development Of airstrip Grant) |
|--|---|---------------------------------------|
| Balance at the beginning of the year | 11,85,68,050 (8,08,43,346) | 72,85,85,581 (24,26,00,174) |
| Add : GUJSAIL (Admin) received from Government | 2,20,00,000 (2,00,00,000) | Nil (Nil) |
| Add: GUJSAIL (Capital) received from Government | 2,20,00,000 (4,00,00,000) | Nil (Nil) |
| Add: Dev. of Airstrip Grant received from Government | NA (NA) | 1,78,00,00,000 (1,23,00,00,000) |
| Add: Tender Fees Received by GAICL | Nil (Nil) | 45,000 (Nil) |
| Less: Utilization out of GUJSAIL (Admin) Grant | (8,87,73,829) (2,22,75,296) | NA (NA) |
| Less: Utilization out of Dev. Of Airstrip Grant | NA (NA) | (5,93,57,819) (65,47,691) |
| Less: Advances to R&B Divisions, G.o.G. | NA (Nil) | (144,87,57,600) (73,74,66,992) |
| Less: Grant Surrendered | Nil (Nil) | Nil (Nil) |
| Balance at the close of the year | 7,37,94,221 (11,85,68,050) | 100,04,70,162 (72,85,85,581) |

(b) (ii) Advance to / Receivable from GAICL in Other than Grant A/c: The summarized detail is as under:-

(c) Figures in bracket relates to Previous Year.

| Particulars | 2015-16 | 2014-15 |
|---|----------------|-------------|
| | Rs. | Rs. |
| Balance Receivable / (Payable) at the beginning of the year | 9,65,52,848 | Nil |
| Paid / Adjusted during the Year | 5,37,08,506 | 9,91,86,691 |
| Received / Adjusted during the Year | (15,02,97,346) | (26,33,843) |
| Balance Receivable / (Payable) at the close of the year | (35,992) | 9,65,52,848 |

(d) Receivable from R&B Departments: The Company has given advances to R&B Department at Bharuch, Bhuj, Mehsana, Ahmedabad, Amreli and Bhavnagar for Development/ Renovation of various Airstrips. Expenditure incurred till Balance Sheet date as per the confirmation received from R&B Department is treated as Capital Work-in-Progress for the respective projects. The summarized detail is as under:-

| Particulars | As at the beginning of the Year | Advance paid during the year | Expenditure incurred during FY: 2015-16 transferred to Capital WIP | As at the close of the Year |
|----------------|---------------------------------|------------------------------|--|-----------------------------|
| R&B-Bharuch | 75,44,76,245 | 55,00,00,000 | Nil | 130,44,76,245 |
| (Ankleshwar) | (7,80,06,492) | (73,00,00,000) | (5,35,30,247) | (75,44,76,245) |
| R&B-Bhuj | 70,40,000 | 15,94,77,500 | Nil | 16,65,17,500 |
| (Mandvi) | (81,47,000) | (Nil) | (11,07,000) | (70,40,000) |
| R&B-Mehsana | 2,08,66,899 | Nil | 74,44,632 | 1,34,22,267 |
| | (1,34,27,853) | (74,66,902) | (27,856) | (2,08,66,899) |
| R&B- Ahmedabad | Nil | 20,00,00,000 | Nil | 20,00,00,000 |
| | (Nil) | (Nil) | (Nil) | (Nil) |
| R&B-Amreli | Nil | 13,62,78,500 | Nil | 13,62,78,500 |
| | (Nil) | (Nil) | (Nil) | (Nil) |
| R&B- Bhavnagar | Nil | 40,30,01,600 | Nil | 40,30,01,600 |
| | (Nil) | (Nil) | (Nil) | (Nil) |

(e) Receivable from Tourism Corporation of Gujarat Ltd.

| Particulars | As at 31st March 2016 | As at 31st March 2015 |
|---|-----------------------|-----------------------|
| | Rs. | Rs. |
| Included in Trade Receivables | 1,33,427 | 1,33,427 |
| Included in Short Term Loans & Advances | 13,34,275 | 13,34,275 |
| Total | 14,67,702 | 14,67,702 |

(f) Receivable / (Payable) from / to R&B Division – Ahmedabad

| Particulars | As at 31st March 2016 | As at 31st March 2015 |
|---------------------------------------|-----------------------|-----------------------|
| | Rs. | Rs. |
| Included in Trade Receivables | Nil | 33,600 |
| Included in Other Current Liabilities | (31,73,420) | Nil |

33. In view of Accounting Policy stated at 19.09, interest earned during the year amounting to Rs. 3,59,10,685/- (PY: Rs. 4,08,89,134) on Bank FD / Flexi Deposit is not recognized in Profit and Loss Statement but added to the Liability shown at Note No: 4(D).
34. In view of Accounting Policy stated at 19.10, Rent collected amounting to Rs. 12,00,000/- (PY: Rs. 16,00,000/-) towards Mehsana Airstrip is not recognized in Profit and Loss Statement but added to the Liability shown at Note No: 4(E).
35. The company has recognized interest income of Rs. 66,989/- (PY:70,929/-) from Torrent Power Ltd. However, the deposit amount on which the interest is earned is not reflected in the books of the company. Therefore, it is not possible to verify the accuracy of the interest income recognized in the books.
36. There is old un-reconciled difference in respect of following accounts –

| Particulars | Balance as per GUJSAIL | Balance as per GAICL | Unreconciled Difference |
|--------------------------|------------------------|----------------------|-------------------------|
| GAICL ~ Deve of Airstrip | 1,00,04,70,162 | 1,00,06,55,542 | 185380 |
| GAICL ~ GUJSAIL Grant | 7,37,94,221 | 7,42,38,932 | 444711 |

37. Confirmation Letters have not been obtained in respect of trade receivables, trade payables, receivable from / payable to parties, amount payable to Civil Aviation Department, advances to / receivables from GAICL and R&B Divisions, and other loans/advances given. Accordingly such balances are subject to confirmation, reconciliation and consequent adjustments, if any.
38. Grant released by the government of Gujarat is received by GAICL on behalf of the company. Payments to be made by the company are usually made by the GAICL on behalf of the company retaining the original invoices. Under the circumstances, the company is in possession of the copy / photocopy of the original documents, which are made available to the auditors for audit.
39. The Company does not have any permanent employee on the pay roll of the Company. Entire manpower is on contract basis and the cost for the same is charged to Profit and Loss Statement and reported as Outsourced Manpower Expenses (In the preceding year reported as Consultancy Expense).
40. "Subsequent to balance sheet date, vide board agenda item no. 26/04 of the board meeting dated 27th December, 2016, the board took a note of the Government Resolution No. AVN-102011-234622-Y dated 25-11-2016 issued by Industries & Mines Department, Government of Gujarat for appointment of Shri Ajay Chauhan, CEO as "Accountable Manager" with effect from 07-07-2010. The Government resolution provides that the post of Accountable Manager be deemed to have been created in the Company from the date of appointment in the Company and that the difference / arrears between the contractual payment made and the salary now payable as per pay scale needs to be paid with retrospective effect. The Company has quantified the liabilities of Rs.42 lacs on an estimated basis towards its obligation. However, this being non adjusting events as per "AS-4-Contingenci and Events occurring after balance sheet date", the provision is not considered necessary to be made in the books of accounts in the year under audit but the disclosure is considered to be the sufficient compliance of the AS-4."
41. The Company operates and also works for Directorate of Civil Aviation / Civil Aviation Department of Government of Gujarat. Therefore, many of the documents, letters, invoices for expenses / services / fixed assets relating to amount incorporated in the books of accounts of the Company are not in the name of the Company but are in the name of Directorate of Civil Aviation / Civil Aviation Department.
42. RELATED PARTY DISCLOSURE: The company is State controlled enterprise, therefore, as per "AS-18 – Related Party Disclosures", no disclosure is required as regards related party relationship with other State controlled enterprise and transactions with such other enterprise. The Company has not entered into any other transaction requiring the disclosure under AS-18.
43. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amount and other disclosures relating to the current year.
44. The Figures have been rounded off to the nearest rupees.

DATE: 01-07-2017

PLACE: Registered Office: GUJSAIL Complex,
Govt. of Gujarat, Nr. Torrent Sub Station, S.V.P.I. Airport,
Ahmedabad – 380004.

HURBERT CHRISTIAN
DIRECTOR
DIN: 06852871

Note No: 1 to 44
For and On behalf of the Board
S. J. HAIDER, IAS
CHAIRMAN & MANAGING DIRECTOR
DIN: 02879522

AJAY CHAUHAN
DIRECTOR
DIN: 02893968

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | |
|-----------------------|---------------------|-------|
| Name of the Member(s) | | |
| Registered Address | | |
| E-mail Id | Folio No /Client ID | DP ID |

I/We, being the member(s) of _____ shares of the above named company hereby appoint

| | |
|---------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature, or failing him | |

| | |
|---------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature, or failing him | |

| | |
|---------------------------|------------|
| Name : | E-mail Id: |
| Address: | |
| Signature, or failing him | |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the _____ Adjourned Annual General Meeting of the Company, to be held on the ___ day of _____ at ___ a.m. / p.m. at _____ (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

| Sl. No. | Resolution(S) | Vote | |
|---------|---|------|---------|
| | | For | Against |
| 1. | To receive, consider, and adopt the Audited (Standalone) Financial Statements of the Company for the Year ended 31st March 2016, including the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement as on that date together with the Report of the Board of Directors, and Auditors and C & AG thereon. | | |
| 2. | To fix up the remuneration of Statutory Auditors for the year 2016-17 appointed by Comptroller & Auditor General of India. | | |

Affix
Revenue
Stamps

Signed this ___ day of _____ 20__

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder

Across Revenue Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- The proxy need not be a member of the company

