GANNON DUNKERLEY & CO., LTD.

Annual Report 2018-2019

GANNON DUNKERLEY & CO., LTD.

ANNUAL REPORT 2018-19

BOARD OF DIRECTORS:	KAMAL M. MORARKA PARAG C. MEHTA KIMAYA C. SANCHETI MANOJ KUMAR SINGH, *Managing Director* H.L. PANDEY, *Executive Director*
BANKERS:	STATE BANK OF INDIA CORPORATION BANK ORIENTAL BANK OF COMMERCE SYNDICATE BANK UCO BANK LTD IDBI BANK LTD THE FEDERAL BANK LTD INDUSIND BANK LTD YES BANK LTD
AUDITORS:	PARK & COMPANY
REGISTERED OFFICE:	NEW EXCELSIOR BUILDING 3RD FLOOR, A.K. NAYAK MARG, FORT, MUMBAI – 400 001

GANNON DUNKERLEY & CO., LTD.

MANAGEMENT

Manoj Kumar Singh
Managing Director

Uttam N. Isaac
Chief Operating Officer, Hyderabad

Ashis Kumar Pal
Chief Operating Officer, Kolkata

B.N. Nagaraj
Chief Operating Officer, Mumbai

Pravin Jain
Dy. Chief Operating Officer, Water Management Division, New Delhi

Ravindra Kumar
Dy. Chief Operating Officer, New Delhi

Sunil Kumar Pandey
Vice President, Hyderabad

H.L. Pandey
Executive Director

R.P. Agarwal
Vice President (Finance) & Company Secretary

Avinash Sunil J. D'Sa
GM (Co-ordination)

DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS:

(₹ in lacs)

	2018-2019	2017-2018
Revenue from operations & Other Income	**1,73,550.41**	2,20,421.73
Profit / (Loss) before Depreciation and Taxation	**(17,623.84)**	3,424.55
Depreciation	**3,974.22**	3,286.50
Profit / (Loss) before Tax	**(21,598.06)**	138.05
Provision for Taxation (Net)	**-**	2,350.00
Earlier years Tax	**-**	(2,213.59)
Deferred Tax	**(6,771.35)**	(959.57)
Profit / (Loss) after Taxation	**(14,826.71)**	961.21
Other Comprehensive Income for the year	**(299.88)**	2.77
Total Comprehensive Income for the year	**(15,126.59)**	963.98

DIVIDEND:

Your Directors do not recommend any dividend due to operating losses in the Company during this year under consideration.

UNCLAIMED DIVIDEND :

As per section 124 of the Companies Act, 2013, your Company has transferred unpaid/unclaimed dividend for the financial year 2010-2011 to the Investors Education & Protection Fund (IEPF).

REVIEW OF OPERATIONS:

During the year under review the Company has been able to procure fresh orders to the tune of ₹ 1150 crore. Procurement of jobs has not been satisfactory due to constraints in obtaining Bank Guarantees required for tendering. Capex cycle in the Private Sector continues to remain tepid. Execution of jobs has been slow mainly due to inadequate working capital, reluctance of bankers to issue fresh bank guarantees even for existing projects. The working capital cycle of the Company continues to remain elongated due to delay in collection of receivables and non-achievement of milestones. The deadlock regarding the reimbursement of additional liability being incurred by the Company due to the levy of GST in ongoing Government Contracts since 01/07/2017 continues in more than 60% of the cases. Profitability continues to remain under pressure mainly due to slow execution leading sub optimal recovery of fixed costs and also due to the additional GST liability.

The Company is continuing its efforts to arrive at a closure of the contract for the Housing Project in Libya. The law and order situation in Libya is tense, due to which meeting with ODAC officials is getting delayed. The meeting is likely to be held in December 2019 wherein the Company expects some closure in the matter. The Bank Guarantee invocation matter continues to be stayed as per direction of Bombay High Court.

SUBSIDIARIES AND JOINT VENTURES:

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing financial statements of subsidiaries and of joint venture companies in Form AOC 1 is annexed.

AUDITORS' REPORT:

As regards the observations and qualifications of the Auditors, while many of them are informative and the same as earlier years and for the others the Company is taking necessary steps to get the same addressed and their Report also contains comments offered by the Company. The note forming part of the annual accounts also adequately deal with their remarks and provide the required explanations.

AUDITORS:

M/s. PARK & COMPANY, Chartered Accountants, (FRN No. 116825W), were appointed as auditors of the Company in the 94th Annual General Meeting who hold office upto the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommend their appointment as Auditors of the Company.

EXTRACT OF THE ANNUAL RETURN:

Extract of Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules 2014, is annexed herewith to this report.

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

The particulars of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, are annexed.

DIRECTORS:

Shri Manoj Kumar Singh (DIN 05286106) was appointed as Managing Director of the Company with effect from 18th April, 2018 for a period of 5 years by the Board of Directors in their meeting held on 17th April, 2018.

Shri Ravinder Kumar Manchanda (DIN 01801659) resigned from the Directorship of the Company with effect from 9th October, 2019. The Board places on record its sincere appreciation towards the valuable guidance given by him during his tenure as Director of the Company.

Smt. Kimaya C. Sanchetl (DIN 08064107) retlres by rotatlon at the ensulng Annual General Meeting and being eligible offers herself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year five meetings of the Board of Directors were held on 17th April 2018, 27th June 2018, 5th September 2018, 21st December 2018 and 22nd March 2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors confirm as under:

(a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) that 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 Loss of the Company for that period;

(c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the Directors have prepared the annual accounts on a going concern basis; and

(e) that 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.

PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN OR INVESTMENTS MADE AND ARRANGEMENT WITH RELATED PARTIES:

The details of loans given, guarantees given or investments made and arrangement with related parties are annexed.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on Corporate Social Responsibility during the year annexed separately. The CSR contribution of the Company for the year is lower by ₹ 24.46 lacs due to operating losses in the current year.

PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements of the Company for the year ended 31st March, 2019 have been disclosed as per Division II of Schedule III of the Companies Act, 2013.

INDIAN ACCOUNTING STANDARDS, 2015:

The financial statements comply in all material respects with the Indian Accounting Standard (IND AS) as amended from time to time.

SECRETARIAL AUDIT:

Pursuant to the provision of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed V.N. Deodhar & Company, Practicing Company Secretaries to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as "Annexure" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF EMPLOYEES:

The particulars of employees in accordance with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed.

By Order of the Board

Mumbai, 28th November, 2019

H.L. Pandey
Executive Director

Parag C. Mehta
Director

ANNEXURE TO THE DIRECTORS' REPORT 2018-19

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOIOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

CONSERVATION OF ENERGY:

The Company takes adequate measures for conservation of energy wherever possible to commensurate the nature and kind of the operations of the Company.

TECHNOIOGY ABSORPTION:

There is no separate Research and Development Department in the Company. However, Company adopts modern techniques in its operations, wherever feasible.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned ₹ 45.04 lacs

Foreign Exchange used:
On account of foreign travel and other matter ₹ 76.59 lacs

INFORMATION PURSUANT TO THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDING 31ST MARCH, 2019

Sr. No.	Name	Designation and nature of duties	Remuneration (₹)	Qualification	Experience years	Date of commencement of Employment	Age years	Last employment before joining the Company and period
1.	Singh Manoj Kumar	Managing Direct	1,52,44,453	B.E. (Civil), M.B.A. (Finance)	32	18.04.2018	57	IL&FS Engineering & Construction Co. Ltd.
2.	Pandey H.L.	Executive Director	1,06,96,181	S.S.C., Diploma in Computer	57	01.03.1975	75	Bharat Refractories Ltd.

Notes :

(1) The figures of remuneration include Salary, Allowances, monetary value of perquisites as per Income Tax Rules, Leave Encashment, Bonus, Commission, Company's Contribution to Provident Fund and Superannuation Scheme, Leave Travel Assistance, Reimbursement of Medical Expenses.

(2) The employment of Shri Singh Manoj Kumar and Shri Pandey H.L. is on contractual basis.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Gannon Dunkerley & Co., Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Gannon Dunkerley & Co. Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Hyderabad and Kolkata and unaudited returns of Libya branch of the Company (hereinafter referred to as "the standalone financial statements").

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

Basis for Qualified Opinion

Attention is invited to –

- Note No. 38 regarding compliance with the Indian Accounting Standard (Ind AS) – 115;
- Note No. 39 regarding non-provision for leave encashment benefits to the employees in accordance with the Indian Accounting Standard (Ind AS) – 19;
- Note No. 40 regarding the losses of publication divisions of the other companies.
- Note No. 41 regarding unavailability of complete details on inventories and trade receivables; and
- Note No. 42 regarding non availability of balance confirmations for major balance sheet items,

And its consequential effects on the state of affairs and loss for the year of the Company, to the extent applicable.

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

Emphasis of Matter

We draw attention to the following matters:

- Note No. 43 regarding an overseas project of the Company being withheld due to political unrest in that country and financial statements not being audited;
- Note No. 44 regarding non-charging of interest on loans and advances in the nature of loans to subsidiaries, bodies corporate and others; and
- Note No. 49 regarding approval to managerial remuneration.

Our opinion is not modified in respect of these matters.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosure, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

We did not audit the financial statements of two branches (apart from the Libya branch whose financial statements are unaudited) included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹ 52,311.58 lacs as at 31st March, 2019 and total revenues of ₹ 20,395.67 lacs for the year ended on that date, as considered in the standalone financial Ind AS statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit; (refer note no. 41 and 42)

   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 reports on the accounts of two branch offices of the Company audited under section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

   d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   e) *Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above,* in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;

   f) On the basis of written representations received from the directors as on 31st March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms section 164(2) of the Act;

g) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure – B may be referred;

h) In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act *except that the remuneration paid is subject to the approval of the shareholders in the general meeting;*

i) With respect to the other matters to be included in the Auditors' 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 explanation given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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

   iii. There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For PARK & COMPANY
Chartered Accountants
FRN: 116825W

ASHISH DAVE
Partner
Membership No. 170275
UDIN: 19170275AAAA

Mumbai
28th November, 2019

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

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

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1. In respect of fixed assets:

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

   b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification except for Hyderabad Division. No material discrepancies were noticed on such verification.

   c. The title deeds of immovable properties are held in the name of the Company.

2. The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.

3. The Company has granted unsecured loans to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Since terms and conditions for some of these loans are not stipulated, we cannot offer any comments as to the repayment of principal amount or overdue amounts, if any. *No interest is charged on some of these loans (refer note no. 44).*

4. The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and securities, to the extent applicable.

5. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. The Central government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013.

7. In respect of statutory and other dues:

   a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Cess, Goods & Service Tax and other material statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable except for the following:

Particular	₹ in lacs
Service Tax	82.70
Labour Cess	14.65
Value Added Tax	176.95
Provident Fund and ESIC	197.77
Professional Tax	1.25
Tax deducted at Source	137.01

b. There are no statutory dues, which have not been deposited on account of dispute except for the followings:

Nature of Dues	Statute	₹ in lacs	Relevant Year	Forum where dispute is pending
Value Added Tax	Maharastra Value Added Tax Act	390.22	2007-08, 2010-11, 2013-14, 2014-15	The Jt. Commissioner, Commercial Taxes
Value Added Tax	Punjab Value Added Tax Act	356.20	2008-09, 2009-10	Sales Tax Appellate Tribunal
Value Added Tax	West Bengal Value Added Tax Act	144.15	2011-12, 2012-13	The Jt. Commissioner, Commercial Taxes
Excise Duty	Central Excise Duty Act	3.04		The Supreme Court of India
Service Tax	Service Tax Rules	126.29		CESTAT – Telangana
Service Tax	Service Tax Rules	843.93	2011-12, 2012-13	CESTAT – Kolkata
Income Tax	Income Tax Act	2,114.58	2006-07 to 2010-11	Mumbai High Court
Service Tax	Service Tax Rules	742.38	2004-05 to 2007-08	CESTAT – New Delhi
Value Added Tax	Bihar Value Added Tax Act	231.93	2013-14	Joint Commissioner Appeals

8. The Company has not defaulted in repayment of loans or borrowing to banks except for the dues of certain banks to the extent the amounts stated under note no. 16. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.

Lender wise details of the overdue are as under:

Bank / Institution	Balance as on 31st March, 2019 ₹ in lacs
Aditya Birla Finance Limited	934.47
PNB Housing Finance Limited	28.70
SREI Equipment Finance Private Limited	1,613.17
Yes Bank Limited	49.96
Axis Bank Limited	17.59
Kotak Mahindra Prime Limited	3.64
Kotak Mahindra Bank Limited	45.14
HDFC Bank Limited	22.28
Tata Capital Financial Services Limited	111.22
Total	**2,826.17**

9. Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).

10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.

11. Managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act *except that the remuneration paid is subject to the approval of the shareholders in the general meeting.*

12. Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15. The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For PARK & COMPANY
Chartered Accountants
FRN: 116825W

ASHISH DAVE
Partner
Membership No. 170275
UDIN: 19170275AAAA

Mumbai
28th November, 2019

ANNEXURE – B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Gannon Dunkerley & Co. Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override 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.

Qualified Opinion

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note *except that the documentations of the transactions in certain areas are not adequate and internal control on certain financial transactions were found to be inadequate and needs improvement.*

For PARK & COMPANY
Chartered Accountants
FRN: 116825W

ASHISH DAVE
Partner
Membership No. 170275
UDIN: 19170275AAAA

Mumbai
28th November, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹in lacs)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	2	21,439.89	20,341.20
Capital Work-in-Progress	2	7.81	-
Investment Properties	3	0.88	0.88
Intangible Assets	4	15.81	8.14
Intangible Assets Under Development	4	1,393.62	1,320.15
Financial Assets:			
Investments	5	6,387.90	6,553.69
Loans	6	3,754.04	3,389.10
Other Financial Assets	7	884.72	1,097.91
Other Non-Current Assets	8	12,227.15	13,386.30
		46,111.82	**46,097.37**
Current Assets:			
Inventories	9	50,273.42	53,544.92
Financial Assets:			
Trade Receivables	10	1,03,775.13	1,08,491.41
Cash and Cash Equivalents	11	4,870.07	8,091.55
Other Bank Balances	12	8,275.15	9,164.50
Loans	6	69,961.00	69,872.49
Other Financial Assets	7	2.18	4.75
Other Current Assets	8	37,217.64	35,924.95
		2,74,374.59	**2,85,094.57**
Total Assets		**3,20,486.41**	**3,31,191.94**
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	13	268.80	268.80
Other Equity	14	51,610.03	66,736.61
		51,878.83	**67,005.41**
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	15	13,179.54	19,223.32
Deferred Tax Liabilities (Net)	18	568.81	7,273.28
		13,748.35	**26,496.60**
Current Liabilities:			
Financial Liabilities:			
Borrowings	15	70,209.65	69,288.52
Trade Payables	20	79,479.48	80,083.75
Other Financial Liabilities	16	13,015.82	9,631.20
Other Current Liabilities	19	91,648.30	78,262.24
Provisions	17	505.98	424.22
		2,54,859.23	**2,37,689.93**
Total Liabilities		**3,20,486.41**	**3,31,191.94**

The accompanying notes are integral part of these financial statements.

As per our report of even date
For PARK & COMPANY
Chartered Accountants

ASHISH DAVE
Partner

R.P. AGARWAL
Company Secretary

For and on behalf of the Board of Directors
K. M. MORARKA
P. C. MEHTA
KIMAYA C. SANCHETI
} *Directors*
MANOJ KUMAR SINGH — *Managing Director*
H.L. PANDEY — *Executive Director*

Mumbai, 28th November, 2019

Mumbai, 28th November, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars	Note No.	2018-2019	2017-2018
REVENUE:			
Revenue from Operations	21	1,71,087.50	2,18,244.48
Other Income	22	2,462.91	2,177.25
Total Revenue		**1,73,550.41**	**2,20,421.73**
EXPENSES:			
Cost of Materials Consumed	23	1,424.86	1,447.59
Purchases of Traded Goods		9.00	33.40
Operating Charges	24	1,45,301.08	1,90,316.04
Changes in Inventories	25	2,889.11	(14,756.95)
Employee Benefits Expenses	26	12,763.73	15,076.08
Finance Costs	27	11,728.92	11,597.17
Depreciation and Amortisation Expenses	28	3,974.22	3,286.50
Other Expenses	29	17,057.55	13,283.85
Total Expenses		**1,95,148.47**	**2,20,283.68**
Profit / (Loss) Before Tax		**(21,598.06)**	**138.05**
Tax Expenses:			
Current Tax	8.1	-	2,350.00
Earlier Years' Tax		-	(2,213.59)
Deferred Tax		(6,771.35)	(959.57)
Profit / (Loss) for the Year		**(14,826.71)**	**961.21**
Other Comprehensive Income:			
Items that will not be reclassified to Profit or Loss			
a. Re-measurements of Defined Benefit Plans		191.39	414.35
b. Gains on Investments in Equity Instruments Classified as FVOCI		(268.85)	613.31
c. Tax impacts on above		(66.88)	(143.40)
Items that may be reclassified to Profit or Loss			
a. Exchange Differences on Foreign Currency Translation of Foreign Operations		(155.54)	(881.49)
Other Comprehensive Income for the Year		**(299.88)**	**2.77**
Total Comprehensive Income for the Year		**(15,126.59)**	**963.98**
Basic and Diluted Earning Per Share (₹)	30	**(551.59)**	**35.76**
Face Value Per Share (₹)		**10.00**	**10.00**

The accompanying notes are integral part of these financial statements.

As per our report of even date
For PARK & COMPANY
Chartered Accountants

ASHISH DAVE
Partner

R.P. AGARWAL
Company Secretary

For and on behalf of the Board of Directors
K. M. MORARKA
P. C. MEHTA
KIMAYA C. SANCHETI
Directors

MANOJ KUMAR SINGH — *Managing Director*
H.L. PANDEY — *Executive Director*

Mumbai, 28th November, 2019

Mumbai, 28th November, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
A. SHARE CAPITAL		
At the beginning of the Year	268.80	268.80
Changes in Equity Share Capital during the Year	-	-
At the end of the Year	**268.80**	**268.80**

B. OTHER EQUITY

Particulars	General Reserve	Retained Earnings	Other Comprehensive Income: Net Gain/(Loss) on Fair Value of Equity Instruments	Other Comprehensive Income: Exchange Differences on Foreign Currency Translation of Foreign Operations	Other Comprehensive Income: Net Gain/(Loss) on Fair Value of Defined Benefit Plan	Total
As at 31st March, 2017	**65,000.00**	**(916.08)**	**1,635.21**	**(11.62)**	**72.39**	**65,779.90**
Profit for the Year	-	961.22	-	-	-	961.22
Exchange Differences on Foreign Operations	-	-	-	(881.48)	-	(881.48)
Other Comprehensive Income for the Year (Net of Tax)	-	-	613.31	-	270.95	884.26
Transfer from Retained Earnings to General Reserve	-	-	-	-	-	-
Final Dividend , Declared and paid during the Year	-	(6.04)	-	-	-	(6.04)
Dividend Distribution Tax	-	(1.23)	-	-	-	(1.23)
As at 31st March, 2018	**65,000.00**	**37.87**	**2,248.52**	**(893.10)**	**343.34**	**66,736.63**
Profit for the Year	-	(14,826.71)	-	-	-	(14,826.71)
Exchange Differences on Foreign Operations	-	-	-	(155.54)	-	(155.54)
Other Comprehensive Income for the Year	-	-	(268.85)	-	124.51	(144.34)
As at 31st March, 2019	**65,000.00**	**(14,788.84)**	**1,979.67**	**(1,048.64)**	**467.85**	**51,610.04**

The accompanying notes are integral part of these financial statements.

As per our report of even date
For PARK & COMPANY
Chartered Accountants

ASHISH DAVE
Partner

R.P. AGARWAL
Company Secretary

Mumbai, 28th November, 2019

For and on behalf of the Board of Directors
K. M. MORARKA
P. C. MEHTA — *Directors*
KIMAYA C. SANCHETI
MANOJ KUMAR SINGH — *Managing Director*
H.L. PANDEY — *Executive Director*

Mumbai, 28th November, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹in lacs)

		2018-2019			2017-2018
A	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) Before Tax		(21,598.06)		138.05
	Adjustments for :				
	Depreciation and Amortization	3,974.22		3,286.50	
	Net Foreign Exchange Loss/Gain	(155.54)		(881.48)	
	Gain on Valuation of Mutual Fund Measured at Fair Value	(4.79)		(29.67)	
	Provision for Doudtful Debts	4,304.52		-	
	Loss / (Profit) on Sale of Property, Plant & Equipments	(8.38)		(28.86)	
	Loss / (Profit) on Sale of Investments	(28.43)		(57.50)	
	Sundry Balances Written Back	(556.67)		(718.97)	
	Dividend	(25.20)		(16.80)	
	Interest	10,437.14	17,936.87	10,194.15	11,747.37
	Operating Profit / (Loss) Before Working Capital Changes		(3,661.19)		11,885.42
	Adjustments for :				
	Trade and Other Receivables	1,199.61		(700.87)	
	Inventories	3,271.50		(15,220.03)	
	Trade and Other Payables	16,807.11	21,278.22	12,622.21	(3,298.69)
	Cash Generated from Operations		17,617.04		8,586.73
	Direct Taxes Paid		(78.36)		(2,709.76)
	Net Cash from Operating Activities		**17,538.68**		**5 876.97**
B	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant & Equipments		(5,293.30)		(5,393.14)
	Purchase/Sale of Investments		(69.84)		668.14
	Sale of Property, Plant & Equipments		139.81		143.40
	Dividend Received		25.20		16.80
	Interest Received		1,107.46		1,177.58
	Net Cash used in Investing Activities		**(4,090.67)**		**(3,387.22)**
C	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from Loans Borrowed (Net)		(5,122.65)		7,641.33
	Interest Paid		(11,544.60)		(11,371.73)
	Dividend Paid		(2.25)		(6.15)
	Net Cash used in Financing Activities		**(16,669.50)**		**(3,736.55)**
	Net Increase in Cash and Cash Equivalents		**(3,221.48)**		**(1,246.80)**
	Cash and Cash Equivalents as at beginning of the Year		**8,091.55**		**9,338.35**
	Cash and Cash Equivalents as at end of the Year		**4,870.07**		**8,091.55**

As per our report of even date
For PARK & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

K. M. MORARKA
P. C. MEHTA — *Directors*
KIMAYA C. SANCHETI

ASHISH DAVE
Partner

R.P. AGARWAL
Company Secretary

MANOJ KUMAR SINGH — *Managing Director*
H.L. PANDEY — *Executive Director*

Mumbai, 28th November, 2019

Mumbai, 28th November, 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

COMPANY INFORMATION

Gannon Dunkerley & Co. Limited (the 'Company') is a closely held public limited Company domiciled in India and incorporated on 11th March, 1924 under the provisions of the Companies Act applicable in India (CIN: U51109MH1924PLC001107). The Company is engaged in the execution of large construction contracts involving engineering, procurement and construction (EPC) projects. The registered office of the Company is located at New Excelsior Building, 3rd Floor, A. K. Nayak Marg, Fort, Mumbai – 400 001.

The standalone financial statements ('the financial statements") were authorized for issue in accordance with the resolution of the Board of Directors on 28th November, 2019.

1 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation and measurement:

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as applicable.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company adopts operating cycle based on the project period and accordingly, all project related assets and liabilities are classified into current and non-current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

The Company's financial statements are reported in Indian Rupee (₹) which is also the company's functional currency, and all values are rounded to the nearest lacs except otherwise indicated.

1.2 Significant accounting policies:

a. System of accounting

The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

b. Key accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. Property, plant and equipment

(i) Property, plant and equipment are stated at historical cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

(ii) Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss as incurred.

(iii) The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the statement of profit and loss.

(iv) Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

(v) The Company depreciates property, plant and equipment on written down value method over the estimated useful life prescribed in Schedule II of the Companies Act, 2013 from the date the assets are ready for intended use after considering the residual value.

(vi) Intangible assets comprise of implementation cost for software and other application software acquired/developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

(vii) Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

d. Investments properties

(a) Property which is held for long-term rental or for capital appreciation or both is classified as Investment Property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

(b) Investment properties currently comprise of building.

(c) Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period in which the property is derecognised.

e. Investments and financial assets

(i) Investments in Subsidiaries and Joint Ventures

Investments in subsidiaries and joint ventures are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

The Company assesses at the end of each reporting period, if there is any indication that the said investments may be impaired. If so, the Company estimates the recoverable value of the investments and provides for impairment, if any, i.e. the deficit in the recoverable value over cost.

(ii) Other investments and financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit or loss. In other cases, the transaction costs are attributed to the acquisition value of financial asset.

Financial assets are subsequently classified measured at –
- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing financial assets.

Financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred the asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, financial asset is derecognised.

In accordance with Ind AS 109, the Company generally applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

f. Inventories

(i) Raw materials, construction materials and stores and spares are valued at weighted average cost including all charges in bringing the materials to the present location.

(ii) Work-in-progress is valued on percentage completion method, based on the stage of completion at the reporting date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations and total cost till completion of the contract.

(iii) Finished and traded goods are valued at the cost or net realizable value, whichever is lower.

(iv) Obsolete, slow moving and defective inventories are written off/valued at net realisable value during the year as per policy consistently followed by the Company.

g. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of balance with banks and cash on hand and short term deposits with an original maturity of three month or less, which are subject to insignificant risks of changes in value.

h. Trade receivables

A receivable is classified as a trade receivable if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured net of any expected credit losses.

i. Equity instruments:

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

j. Financial liabilities

(i) Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(ii) Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit and loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(iii) Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

k. Trade payables

A payable is classified as a trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

l. Revenue Recognition (refer note no. 38)

(i) Revenue from construction contracts is recognised by reference to the stage of completion of the contract activity. The Company follows the percentage completion method, based on the stage of completion at the reporting date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations and total cost till completion of the contract. While recognising the revenue, an appropriate charge for reasonable factors, which have bearing on the income, are duly considered.

(ii) Revenue from sale of goods is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably be measured and significant risk and rewards of ownership are transferred to the buyer, which is generally coincides with dispatch of goods. Revenue from product sales are shown as net discounts.

(iii) Claims are accounted as income in the period of acceptance by the client or evidence of acceptance received.

(iv) Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

(v) Revenue in respect of other income is recognised on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

m. Foreign currency transactions

(i) Foreign currency transactions are initially recorded in the reporting currency at foreign exchange rate on the date of the transaction.

(ii) Monetary items of current assets and current liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates are recognised in the statement of profit or loss.

(iii) Foreign branches functional currency is other than reporting currency of the Company. Foreign branch financial statements are translated into reporting currency of the Company using the year end closing rate for translation of assets and liabilities and average rate for translation of income and expenses. All resulting exchange rate differences are recognised in other comprehensive income till the disposal of the net investment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

n. Employee benefit expenses

(i) Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. These benefits are classified as defined contribution schemes as the Company has no further obligations beyond the monthly contributions.

(ii) The Company provides for gratuity which is a defined benefit plan, the liabilities of which are determined based on valuations, as at the reporting date, made by an independent actuary using the projected unit credit method. Re-measurement comprising of actuarial gains and losses, in respect of gratuity are recognised in the other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

(iii) The Company has opted for not to provide for the liability in respect of the leave encashment benefits to the employees and the same are accounted for as and when paid. This accounting policy is, however, not in accordance with the provisions of the Indian Accounting Standards (Ind AS) - 19 "Employee Benefits".

o. Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has identified all its leases as operating leases.

(a) Assets taken on operating lease

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(b) Assets given on operating lease

Assets subject to operating leases are included in fixed assets. Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss.

p. Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the Effective interest rate amortisation is included in finance costs. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the statement of profit and loss in the period in which they occur.

q. Taxation

(i) Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(ii) Deferred tax is determined by applying the balance sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the reporting date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each reporting date to reassess realisation. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

r. Provisions and contingent liabilities

The Company creates a provision when there is present obligation (legal or constructive) as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events. Contingent assets are neither recognised nor disclosed in the financial statements.

s. Impairment of non financial assets

As at each reporting date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

t. Earnings Per Share

(i) Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

u. Indirect taxes

Excise duty (applicable till 30th June 2017) in respect of goods manufactured by the Company is accounted for at the time of removal of goods from factory for sale.

Purchased of goods and fixed assets are accounted for net of GST input credits. Custom duty paid on import of materials is dealt with in respective material accounts.

v. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

w. Offsetting instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

x. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the operating decision makers. The decision makers regularly monitor and reviews the operating result of the whole Company. The activities of the Company primarily falls under a single segment of "Engineering and Construction" in accordance with the Ind AS 108 "Operating Segments".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

a. Changes in Accounting Standards and recent accounting pronouncements:

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the Financial Statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

- Ind AS 12 Income Tax
- Ind AS 23 Borrowing Cost
- Ind AS 103 Business Combinations
- Ind AS 111 Joint Arrangements
- Ind AS 109 Financial Instruments
- Ind AS 19 Employee Benefits

The Company is in the process of evaluating the impact of such amendments.

Note 2
PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Land		Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Motor Boat Yacht	Total
	Owned	Leased							
Gross Carrying Value (at deemed cost)									
As at 31st March, 2017	**1,083.54**	**5.51**	**9,710.75**	**46,601.40**	**1,095.76**	**435.35**	**3,293.56**	**1,198.82**	**63,424.69**
Additions	-	-	5.85	4,695.33	32.94	-	453.47	-	**5,187.59**
Disposals	-	-	-	(1,265.99)	-	-	(123.10)	-	**(1,389.09)**
As at 31st March, 2018	**1,083.54**	**5.51**	**9,716.60**	**50,030.74**	**1,128.70**	**435.35**	**3,623.93**	**1,198.82**	**67,223.19**
Additions	-	-	1,151.27	3,941.27	32.06	0.42	75.20	-	**5,200.20**
Disposals	-	-	-	(328.33)	-	(0.63)	(140.42)	-	**(469.39)**
As at 31st March, 2019	**1,083.54**	**5.51**	**10,867.87**	**53,643.68**	**1,160.76**	**435.14**	**3,558.71**	**1,198.82**	**71,954.00**
Accumulated Depreciation									
As at 31st March, 2017	**-**	**1.96**	**3,111.47**	**36,897.60**	**976.28**	**387.31**	**2,601.01**	**900.92**	**44,876.55**
Depreciation charged	-	0.05	398.26	2,492.84	55.61	10.07	261.23	61.93	**3,279.99**
Disposals	-	-	-	(1,163.98)	(0.25)	(0.16)	(110.16)	-	**(1,274.55)**
As at 31st March, 2018	**-**	**2.01**	**3,509.73**	**38,226.46**	**1,031.64**	**397.22**	**2,752.08**	**962.85**	**46,881.99**
Depreciation charged	-	0.06	418.52	3,181.51	42.18	7.22	271.52	49.06	**3,970.08**
Disposals	-	-	-	(201.22)	(0.05)	(0.63)	(136.02)	-	**(337.95)**
As at 31st March, 2019	**-**	**2.08**	**3,928.25**	**41,206.75**	**1,073.77**	**403.81**	**2,887.58**	**1,011.91**	**50,514.12**
Net Carrying Value									
As at 31st March, 2018	**1,083.54**	**3.50**	**6,206.87**	**11,804.28**	**97.06**	**38.13**	**871.85**	**235.97**	**20,341.20**
As at 31st March, 2019	**1,083.54**	**3.44**	**6,939.62**	**12,436.92**	**86.99**	**31.33**	**671.13**	**186.91**	**21,439.89**
Capital Work-in-Progress									
As at 31st March, 2018	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	-	-	-	7.81	-	-	-	-	7.81

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 3
INVESTMENT PROPERTIES

(₹ in lacs)

Particulars	Building	Total
Gross Carrying Value		
As at 1st April, 2017	**17.63**	**17.63**
Additions /transfer	-	-
Disposals	-	-
As at 31st March, 2018	**17.63**	**17.63**
Additions	-	-
Disposals	-	-
As at 31st March, 2019	**17.63**	**17.63**
Accumulated Depreciation		
As at 1st April, 2017	**16.75**	**16.75**
Depreciation charged/transfer	-	-
Disposals	-	-
As at 31st March, 2018	**16.75**	**16.75**
Depreciation charged	-	-
Disposals	-	-
As at 31st March, 2019	**16.75**	**16.75**
Net Carrying Value		
As at 1st April, 2017	**0.88**	**0.88**
As at 31st March, 2018	**0.88**	**0.88**
As at 31st March, 2019	**0.88**	**0.88**

Note: Investment property has been carried at the cost less accumulated depreciation as at 1st April, 2016, as the cost and depreciation determined under the previous GAAP.

(i) Amount recognised in Profit or Loss for Investment Properties

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Rental income	3.50	3.42
Direct operating expenses	-	-
Gain from investment properties before depreciation	3.50	3.42
Depreciation	-	-
Gain from investment properties	3.50	3.42

(ii) Contractual Obligations

There are no contractual obligations to purchase, construct or develop investment property.

(iii) Fair Value

The fair value of the Company's investment properties at the end of the year have been determined on the basis of valuation carried out by the management based on the transacted prices near the end of the year in the location and category of the properties being valued. The fair value measurement for all the investment properties has been categoried as a level 2 fair value based on the inputs to the valuation techniques used. The total fair value of investment properties is ₹ 21,183 lacs (31st March, 2018 : ₹ 21,183 lacs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 4

INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Computer Software	Total
Gross Carrying Value (at deemed cost)		
As at 31st March, 2017	**82.81**	82.81
Additions	4.19	4.19
Disposals	-	-
As at 31st March, 2018	**87.00**	**87.00**
Additions	11.82	11.82
Disposals	-	-
As at 31st March, 2019	**98.82**	**98.82**
Accumulated Depreciation		
As at 31st March, 2017	**72.36**	**72.36**
Depreciation charged	6.50	6.50
Disposals	-	-
As at 31st March, 2018	**78.86**	**78.86**
Depreciation charged	4.15	4.15
Disposals	-	-
As at 31st March, 2019	**83.01**	**83.01**
Net Carrying Value		
As at 31st March, 2018	**8.14**	**8.14**
As at 31st March, 2019	**15.81**	**15.81**
Intangible Assets Under Development		
As at 31st March, 2018	**1,320.15**	**1,320.15**
As at 31st March, 2019	**1,393.62**	**1,393.62**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 5
NON-CURRENT INVESTMENT *

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
a. Investments valued at deemed cost, fully paid up		
Investments in Subsidiaries in India		
Khagra Joydev Resources Private Limited		
5,100 Equity Shares of ₹ 10 each fully paid-up	0.51	0.51
139,68,900 Equity Shares of ₹ 1.50 (1.00) each partly paid-up	209.53	139.69
	210.04	**140.20**
Investments in Subsidiaries outside India		
Gannon Dunkerley & Co., Limited FZE - Sharjah 1 Share of Dhs. 1,50,000 each fully paid-up	16.33	16.33
Gannon Dunkerley Middle East WLL - Bahrain 2,000 Equity Shares of Bhd. 100 each fully paid-up	212.11	212.12
	228.44	**228.45**
Investment in Joint Venture in India		
GDCL - CEPL	**0.65**	**0.65**
Investments in Joint Ventures outside India		
Gannon Dunkerley Co., LLC - UAE 147 Equity Shares of Dhs. 1,000 each fully paid-up	18.75	18.75
Gannon Dunkerley General Contracting Co., LLC - UAE 73 Equity Shares of Dhs. 1,000 each fully paid-up	7.84	7.84
Gannon Dunkerley Gulf Contracting LLC, Doha 98 Equity Shares of QR 1,000 each fully paid-up	17.04	17.04
	43.63	**43.63**
b. Investments in Equity Shares of others carried at Fair Value through OCI, fully paid-up		
Graur & Weil (I) Limited 42,00,750 Equity Shares of ₹ 1 each fully paid-up	2,066.77	2,335.62
Gannon Dunkerley Finance Limited 47,500 Equity Shares of ₹ 10 each fully paid-up	4.75	4.75
Gannon Dunkerley Realty Limited 2,21,400 Equity Shares of ₹ 10 each fully paid-up	18.41	18.41
	2,089.93	**2,358.78**
c. Investments in others carried at Fair Value through Profit & Loss, fully paid-up		
BSL Saving Fund - Growth	465.21	431.98
Investment in 30,000,000 Preference Shares of ₹ 10 each fully paid-up in Morarka Organic Foods Pvt. Limited	3,000.00	3,000.00
Investment in Bonds of Sardar Sarovar Nigam Limited (Pledged against contracts/various authorities)	30.00	30.00
Investment in Jewelleries	320.00	320.00
	3,815.21	**3,781.98**
Total Non-Current Investments	**6,387.90**	**6,553.69**

* (Refer Note No. 47)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 6
LOANS

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Unsecured, considered good				
Loans to Subsidiaries	580.28	664.46	169.42	-
Loans to Joint Ventures & Associates	3,153.52	2,701.18	723.20	711.04
Loans to Bodies Corporate	-	-	64,561.09	63,861.53
Employee Loans	20.24	23.46	291.64	178.65
Other Loans	-	-	4,215.65	5,121.27
Total Loans	**3,754.04**	**3,389.10**	**69,961.00**	**69,872.49**

Particulars of loan and advances in the nature of loans to Subsidiaries, Joint Ventures and Associates:

Name of the entity	Outstanding balances		Maximum balance outstanding during the year	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Subsidiaries:				
Gannon Dunkerley & Co., Limited FZE	574.29	507.73	574.29	507.73
Gannon Dunkerley Middle East WLL	5.99	-	5.99	-
Khagra Joydev Resources Private Limited	169.42	156.73	169.42	156.73
	749.70	**664.46**		
Joint Ventures & Associates:				
Gannon Dunkerley & Co ., LLC	2,528.62	2,244.14	2,528.62	2,244.14
Gannon Dunkerley General Contracting Co., LLC	61.78	57.14	61.78	57.14
Gannon Dunkerley - MIS Shivam	144.89	151.74	144.89	151.74
Gannon Dunkerley - Krishna	632.53	383.14	632.53	383.14
Gannon Dunkerley - CEPL	1.16	176.16	1.16	176.16
Gannon Dunkerley - EMIT	27.22	-	27.22	-
Gannon Dunkerley - SIL - CL	62.28	-	62.28	-
Gannon Dunkerley Gulf Contracting Co., LLC	418.23	399.90	418.23	399.90
	3,876.71	**3,412.22**		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 7
OTHER FINANCIAL ASSETS

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Term Deposits with maturity of more than 12 months...	884.72	1,097.91	-	-
Interest Receivables........	-	-	2.18	4.75
Total Other Financial Assets..........	**884.72**	**1,097.91**	**2.18**	**4.75**

Note 8
OTHER ASSETS

Name of the entity	Outstanding balances		Maximum balance outstanding during the year	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Trade Advances to Suppliers, Sub-contractors and Others	-	-	17,562.27	10,909.33
Capital Advances........	-	1,151.27	-	-
Security Deposits........	11,452.42	11,575.00	1,130.72	1,234.54
Income Tax Assets (Net) (Refer Note No. 8.1)............	-	-	6,873.92	6,795.57
Gratuity Fund........	768.25	620.03	-	-
Prepaid Expenses........	6.48	40.00	80.77	211.11
Input Credit Receivables........	-	-	11,218.63	11,549.61
Other Advances........	-	-	351.33	5,224.79
Total Other Assets..........	**12,227.15**	**13,386.30**	**37,217.64**	**35,924.95**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 8.1

Income Tax Assets (Net)

(₹ in lacs)

Particulars	**31st March, 2019**	**31st March, 2018**
The following table provides the details of income tax assets and liabilities :		
Income Tax Assets	12,501.40	12,423.04
Current Income Tax Liabilities	5,627.47	5,627.47
Net Balance	**6,873.93**	**6,795.57**
The gross movement in the Current Tax Asset / (Liability)		
Net Current Income Tax Asset at the beginning	6,795.57	4,223.45
Income Tax Paid (Net of Refunds)	78.35	2,708.53
Current Income Tax Expense	-	(136.41)
Income Tax on Other Comprehensive Income	-	-
Net Current Income Tax Asset at the end	**6,873.92**	**6,795.57**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income tax is as below:

Profit Before Tax	-	138.06
Applicable Income Tax Rate	NA	34.608%
		47.78
Effect of Expenses not allowed for Tax purpose	-	163.68
Effect of Income considered for Tax purpose	-	2,342.44
Effect of Income not considered for Tax purpose	-	(203.91)
	-	2,302.22
Income Tax Expense Charged to the Statement of Profit and Loss	-	2,350.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 9
INVENTORIES

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Stores & Spares	12.40	19.25
Stock-in-Trade	6,846.00	6,846.00
Raw Materials	103.05	44.82
Finished Goods	314.14	340.49
Goods in Transit	362.37	796.14
Work-in-Progress	42,635.46	45,498.22
Total Inventories	**50,273.42**	**53,544.92**

Note 10
TRADE RECEIVABLES
(Unsecured, Considered Good unless otherwise stated)

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Trade Receivables	1,13,510.13	1,14,284.35
Less: Provision for Doubtful Debts	(9,735.00)	(5,792.94)
Total Trade Receivables	**1,03,775.13**	**1,08,491.41**

Note 11
CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Balances with Banks	2,187.75	6,070.81
Cash on Hand	2,682.32	2,020.74
Total Cash and Cash Equivalents	**4,870.07**	**8,091.55**

Note 12
OTHER BANK BALANCES

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Deposits with maturity more than 3 months	13.31	1,013.98
Unclaimed Dividend Account	3.62	5.88
Balances in Current Accounts *	8,258.22	8,144.64
Total Other Bank Balances	**8,275.15**	**9,164.50**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019 except for unpaid dividend for the year 2009-10 ₹1.10 lacs in the previous year.

* Balances with banks having restriction on repatriation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 13
EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Authorised :		
1,80,00,000 Equity Shares of ₹ 10 each	1,800.00	1,800.00
2,00,000 Preference Shares of ₹ 100 each	200.00	200.00
	2,000.00	**2,000.00**
Issued, Subscribed and Paid--up:		
2,688,000 Equity Shares of ₹ 10 each fully paid-up	268.80	268.80
Total Equity Share Capital	**268.80**	**268.80**

Shares held by each shareholder holding more than 5 percent shares

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Numbers	% of holding	Numbers	% of holding
Ramkumar Morarka & Sons Private Limited	11,33,832	42.18	11,33,832	42.18
Gannon Dunkerley Holdings Private Limited	6,17,120	22.96	6,17,120	22.96
United India Agencies Private Limited	6,05,220	22.52	6,05,220	22.52
Shri Kamal M. Morarka	3,03,954	11.31	3,03,954	11.31

Rights, Preferences and Restrictions attached to Shares

The Company has one class of equity shares having a face value of ₹ 10 each ranking pari pasu in all respect including voting rights and entitlement to dividend. Each holder of equity shares is entitled to one vote per share. Dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid to the shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 14
OTHER EQUITY

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
General Reserve:		
Balance at the beginning of the Year	65,000.00	65,000.00
Add: Transferred from Retained Earnings	-	-
Balance at the end of the Year	65,000.00	65,000.00
Retained Earnings:		
Balance at the beginning of the Year	37.86	(916.08)
Profit / (Loss) for the Year	(14,826.71)	961.21
Appropriations:		
Transfer to General Reserve	-	-
Final Dividend, Declared and paid during the Year (Refer Note No. 47)	-	(6.04)
Dividend Distribution Tax	-	(1.23)
Balance at the end of the Year	(14,788.85)	37.86
Other Components of Equity		
Re-measurement of Defined Benefit Plans (Net of Tax)	467.85	343.34
Exchange Differences on Foreign Currency Translation of Foreign Operations	(1,048.64)	(893.11)
Gains on Investments in Equity Instruments	1,979.67	2,248.52
	1,398.88	1,698.75
Total Other Equity	**51,610.03**	**66,736.61**

General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under Companies Act, 2013.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less transfers to general reserve, dividends or other distributions paid to shareholders.

Foreign Currency Translation Reserve: Exchange difference on translation ofl ong term monetary asset is accumulated in separate reserve within equity.

Gain/(Loss) on Investment in Equity Instruments: The Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVTOCI equity investment reserve within equity. The Company transfers amount from this reserve to retained earning when the relevant equity securities are derecognised.

Net Gain/(Loss) on Fair Value of Defined Benefit Plans: The Company has recognised re-measurement gains/(loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amount from this reserve to retained earning when the relevant obligations are derecognised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 15
BORROWINGS

(₹ in lacs)

Particulars	Non-Current 31st March, 2019	Non-Current 31st March, 2018	Current 31st March, 2019	Current 31st March, 2018
Secured:				
Term Loans from Banks	750.00	3,750.00	-	-
Term Loans from Others	5,606.73	8,032.92	-	-
Hire Purchase Finance	6,822.81	7,440.40	-	-
Working Capital Finance from Banks	-	-	68,318.03	67,589.79
	13,179.54	19,223.32	68,318.03	67,589.79
Unsecured:				
Term Loans from Banks	-	-	-	562.83
Term Loans from Related Parties	-	-	654.02	5.41
Inter Coprporate Loans	-	-	1,237.60	1,130.49
	-	-	1,891.62	1,698.73
Total Borrowings	**13,179.54**	**19,223.32**	**70,209.65**	**69,288.52**

Note: Term loans and working capital finance from banks are secured by hypothecation ofi nventories, book debts and all present future tangible assets except plant and equipment. Hire purchase finance is against hypothecation of specific assets.

Note 16
OTHER FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	Non-Current 31st March, 2019	Non-Current 31st March, 2018	Current 31st March, 2019	Current 31st March, 2018
Current maturities of Long Term Debt *			12,857.97	9,218.65
Interest accrued and due on borrowings	-	-	153.34	405.79
Unclaimed Dividend	-	-	4.51	6.76
* includes amount overdue for repayments ₹ 2,826.17 lacs				
Total Other Financial Liabilities	-	-	**13,015.82**	**9,631.20**

Note 17
PROVISIONS

(₹ in lacs)

Particulars	Non-Current 31st March, 2019	Non-Current 31st March, 2018	Current 31st March, 2019	Current 31st March, 2018
Provision for Bonus	-	-	450.27	391.68
Engineers' Commission	-	-	55.71	32.54
Total Provisions	-	-	**505.98**	**424.22**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 18
DEFERRED TAX LIABILITIES

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Deferred Tax Liabilities / (Assets):		
On account of timing differences in:		
Depreciation on Property, Plant & Equipment	(950.84)	(935.49)
Carry Forward of Business Loss	(2,039.43)	-
Retention Money on Contracts	8,372.75	11,841.90
Provision for Doubtful Debts	(3,401.79)	(2,004.82)
Disallowances u/s 43B of the Income Tax Act and others	(1,411.88)	(1,628.31)
Total Deferred Tax Liabilities / (Assets)	**568.81**	**7,273.28**

Note 19
OTHER LIABILITIES

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Advances from Customers	-	-	74,361.46	66,749.82
Statutory Liabilities	-	-	7,201.13	6,465.57
Other Liabilities	-	-	10,085.71	5,046.85
Total Other Liabilities	-	-	**91,648.30**	**78,262.24**

Note 20
TRADE PAYABLES

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Trade Payables	-	-	79,479.48	80,083.75
Total Trade Payables	-	-	**79,479.48**	**80,083.75**

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures relating to the amounts unpaid as at the year end together with interest paid/payable under the Act have not been given.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 21
REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	2018-2019	2017-2018
Work Bills	168,458.20	215,848.10
Sales:		
Finished Goods	1,979.71	1,961.12
Traded Goods	-	-
Sales of Sevices and Commisssion Income	200.56	153.46
Other Operating Income	449.03	281.80
Total Revenue from Operations	**171,087.50**	**218,244.48**

Note 22
OTHER INCOME

(₹ in lacs)

Particulars	2018-2019	2017-2018
Interest Receipts	1107.46	1,177.58
Dividend Receipts	25.20	16.80
Insurance Claim Receipts	142.76	0.52
Gains on Exchange Fluctuations	137.65	-
Lease Rent Receipts	3.50	3.42
Profit on Sale of Property, Plant & Equipments (Net)	8.38	28.86
Profit on Sale of Investments (Net)	28.43	57.50
Gain on Valuation of Mutual Fund Measured at Fair Value	4.79	29.67
Sundry Balance Written Back (Net)	556.67	718.97
Miscellaneous Income	448.07	143.93
Total Other Income	**2,462.91**	**2,177.25**

Note 23
COST OF MATERIALS CONSUMED

(₹ in lacs)

Particulars	2018-2019	2017-2018
Raw Materials Consumed:		
Opening Stock	44.82	53.46
Add: Purchases	1,483.09	1,438.95
	1,527.91	1,492.41
Less: Closing Stock	(103.05)	(44.82)
Total Cost of Materials Consumed	**1,424.86**	**1,447.59**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 24

OPERATING CHARGES

(₹ in lacs)

Particulars	2018-2019	2017-2018
Freight, Duty, Clearing and Forwarding Charges	1,235.48	1,717.85
Sub-Contracts, Materials and Labour Charges	1,36,394.89	1,75,483.27
Power and Fuel	4,249.89	4,536.88
Rates and Taxes	184.19	3,332.86
Repairs to Machinery and Hire Charges	2,831.35	4,346.04
Loss of Publication Divisions and Joint Ventures (Refer Note No. 41)	405.28	899.14
Total Operating Charges	**1,45,301.08**	**1,90,316.04**

Note 25

CHANGES IN INVENTORIES

(₹ in lacs)

Particulars	2018-2019	2017-2018
Closing Stock:		
Work-in-Progress	42,635.46	45,498.22
Finished Goods	311.14	340.49
Stock-in-Trade	6,846.00	6,846.00
	49,795.60	52,684.71
Less: Opening Stock		
Work-in-Progress	45,498.22	30,875.98
Finished Goods	340.49	206.09
Stock-in-Trade	6,846.00	6,845.69
	52,684.71	37,927.76
Changes in Inventories	**2,889.11**	**(14,756.95)**

Note 26

EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	2018-2019	2017-2018
Salaries, Bonus, Commission and Service Charges	10,075.84	11,388.15
Directors Remuneration	292.41	379.84
Contribution to Provident Fund & Other Welfare Funds	1,350.03	2,162.44
Staff Welfare Expenses	1,045.45	1,145.65
Total Employee Benefit Expenses	**12,763.73**	**15,076.08**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 27

FINANCE COSTS

(₹ in lacs)

Particulars	2018-2019	2017-2018
Interest:		
Banks	8,084.46	7,472.04
Income Tax	5.20	-
Others	3,454.94	3,899.69
	11,544.60	11,371.73
Other Borrowing Costs	184.32	225.44
Total Finance Costs	**11,728.92**	**11,597.17**

Note 28

DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lacs)

Particulars	2018-2019	2017-2018
Depreciation on Tangible Assets	3,970.01	3,279.94
Depreciation on Intangible Assets	4.15	6.50
Amortisation of Leasehold Land	0.06	0.06
Total Depreciation and Amortisation	**3,974.22**	**3,286.50**

Note 29

OTHER EXPENSES

(₹ in lacs)

Particulars	2018-2019	2017-2018
Stationery, Postage, Telephone and Advertisement	374.62	957.23
Office Rent, Restoration and Maintenance Expenses	1,715.85	2,047.49
Travelling and Conveyance Expenses	1,258.71	1,839.63
Vehicle Expenses	1,161.98	1,068.05
Insurance Premiums	532.19	659.15
Brokerage, Commission and Consultancy Fees	161.56	27.70
Repairs to Buildings & Others	264.36	109.83
Legal and Professional Fees	1,615.74	2,623.56
Corporate Social Responsibility Expenses	90.00	168.46
Donations *	955.70	1,020.25
Bad Debts and Provision for Doubtful Advances	4,304.52	-
Electricity Charges	358.50	278.51
Payment to Auditors	27.29	26.00
Business Promotion Expenses	204.30	228.28
Directors Sitting Fees	1.80	2.40
Rates & Taxes	207.03	348.06
Liquidated Damages	540.27	-
Loss on Exchange	-	40.41
Miscellaneous Expenses	3,283.13	1,838.84
Total Other Expenses	**17,057.55**	**13,283.85**

* includes donations to political parties in the previous year	245.00	225.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars	2018-2019	2017-2018
Expenditure towards Corporate Social Responsibility (CSR) Activities		
Gross amount required to be spent by the Company during the Year	114.46	162.82
Amount spent in cash during the Year		
(i) Construction/Acquisition of any Asset	-	-
(ii) On purposes other than (i) above	90.00	168.46
	90.00	168.46
Payments to Auditors		
Audit Fees	20.55	20.55
Tax Audit Fees	4.61	2.27
Other Services	1.33	2.93
Reimbursement of Expenses	0.80	0.25
	27.29	26.00

Note 30
EARNING PER SHARE

Particulars	2018-2019	2017-2018
Profit / (Loss) for the Year (₹ in lacs)	(14,826.71)	961.22
Weighted Average Number of Shares (Nos.)	26,88,000	26,88,000
Earning Per Share (Basic and Diluted) ₹	(551.59)	35.76
Face Value Per Share ₹	10.00	10.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 31

FAIR VALUE MEASUREMENT

i. Financial Instruments by Category

(₹ in lacs)

Particulars	31st March, 2019			31st March, 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Shares (quoted)	-	2,066.77	-	-	2,335.62	-
Equity Shares (unquoted)	-	23.16	-	-	23.16	-
in Subsidiaries and Joint Ventures	-	-	482.76	-	-	412.92
Mutual Fund	465.21	-	-	431.98	-	-
Preference Shares	3,000.00	-	-	3,000.00	-	-
Bonds & Others	350.00	-	-	350.00	-	-
Trade Receivables	-	-	1,03,775.13	-	-	1,08,491.41
Loans	-	-	73,715.04	-	-	73,261.58
Other Financial Assets	-	-	886.90	-	-	1,102.66
Cash and Cash Equivalents	-	-	4,870.07	-	-	8,091.55
Other Bank Balances	-	-	8,275.15	-	-	9,164.50
Total Financial Assets	**3,815.21**	**2,089.93**	**1,92,005.05**	**3,781.98**	**2,358.78**	**2,00,524.62**
Financial Liabilities						
Borrowings	-	-	83,389.19	-	-	88,511.84
Trade Payables	-	-	79,479.49	-	-	80,083.75
Other Financial Liabilities	-	-	13,015.82	-	-	9,631.20
Total Financial Liabilities	-	-	**1,75,884.50**	-	-	**1,78,226.79**

ii Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels prescribed under Ind AS -113 "Fair Value Measurements".

Financial Assets measured at Fair Value - Recurring Fair Value Measurements at 31st March, 2019

(₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Investment at FVOCI				
Investment in equity shares (quoted)	2,066.77	-	-	2,066.77
Investment in equity shares (unquoted)	-	-	23.16	23.16
Financial Investment at FVPL				
Investment in Mutual Fund	465.21	-	-	465.21
Investment in Preference Shares	-	-	3,000.00	3,000.00
Investment in Bonds & Others	-	-	350.00	350.00
Total	**2,531.98**	-	**3,373.16**	**5,905.14**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Financial Assets measured at Fair Value - Recurring Fair Value Measurements at 31st March, 2018

(₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Investment at FVOCI				
Investment in Equity Shares (quoted).................	2,335.62	-	-	2,335.62
Investment in Equity Shares (unquoted).............	-		23.16	23.16
Financial Investment at FVPL				
Investment in Mutual Fund..................................	431.98	-	-	431.98
Investment in Preference Shares.........................	-	-	3,000.00	3,000.00
Investment in Bonds & Others.............................	-		350.00	350.00
Total...	**2 767.60**	**-**	**3,373.16**	**6,140.76**

Level 1: Hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would includes rates/values/valuation references published periodically by stock exchanges on basis of which trades take place in a linked or unliked active market. This includes traded bonds and mutual funds, as the case may be.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contigent consideration and indetermination asset included in level 3.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 32
FINANCIAL RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Credit Rating Agencies analysis and credit evaluation	Diversification of counter parties, investment limits, check on counter parties basis credit basis credit rating and number of overdue days
Liquidity Risk	Borrowings, trade payables and other liabilities	Maturity analysis	Maintaining sufficient cash / cash equivalents and marketable securities
Market Risk	Financial assets and liabilities not denominated in INR	Sensitivity	Constant evaluation and proper risk management policies.

The Board provides guiding principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, credit risk and investment of surplus liquidity.

A. Credit Risk

Credit risk referes to the risk of a counter party default on its contractual obligation resulting into a financial loss to the Company. The maximum exposure of the financial assets represents trade receivables, work-in-progress and receivables from group companies and others.

In respect of trade receivables, the Company uses a provision matrix to compute the expected credit loss allowances for trade receivables in accordance with the expected credit loss (ECL) policy of the Company. The Company regulary reviews trade receivables and necessary provisions, whenever required, are made in the financial statements. However, in absence of the detailed age-analysis being provided, the auditors have not been able to verify the working for the same.

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial assets quickly at close to its fair value.

The Company, to the best extent possible, attempts to manage liquidity risk by maintaining adequate liquid assets and banking facilities by continuously monitoring forcast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities of significant financial liabilities are as follows:

(₹ in lacs)

Particulars	Less than or equal to one year	more than one year	Total
As on 31st March, 2019			
Borrowings	70,209.65	13,179.54	83,389.19
Trade Payables	79,479.49	-	79,479.49
Other Financial Liabilities	13,015.82	-	13,015.82
As on 31st March, 2018			
Borrowings	69,288.52	19,223.32	88,511.84
Trade Payables	80,083.75	-	80,083.75
Other Financial Liablities	9,631.20	-	9,631.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

The Company has several balances in foreign currency and consequently, the Company is exposed to foreign exchange risk. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, to the extent possible.

a) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings, wherever possible.

b) Interest Rate Sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion ofl oans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect of profit before tax
March 31, 2019	+100	(833.89)
	-100	833.89
March 31, 2018	+100	(885.12)
	-100	885.12

Company's exposure to foreign currency risk at the end of each reporting period is as under:

c) Exposure in foreign currency - unhedged:

(Respective foreign currency in lacs)

Currency	31st March, 2019	31st March, 2018
Receivables		
Taka	2,522.81	3,600.03
LYD	282.41	165.95
Payables		
LYD	539.71	-
Taka	2,481.75	3,243.96

d) Foreign Currency Sensitivity:

The Company is mainly exposed to changes in LYD and Taka. The below table demonstrates the sensitivity to a 5% increase or decrease in the LYD and Taka against INR, with all other variables held constant. The sensitivity analysis is prepared on the the net unhedged exposure of the Company as at reporting date. The sensitivity of 5% represent management's assessment of reasonably possible change in foreign exchange rate.

(₹ in lacs)

Particulars	Currency	Change in rate	Effect on profit before tax
March 31, 2019	LYD	+5%	(640.30)
	LYD	-5%	640.30
March 31,2018	LYD	+5%	407.23
	LYD	-5%	(407.23)
March 31,2019	Taka	+5%	1.68
	Taka	-5%	(1.68)
March 31,2018	Taka	+5%	13.89
	Taka	-5%	(13.89)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 33

CAPITAL MANAGEMENT

The Company's capital management objective is to maximise the total shareholder returns by optimising cost of capital through flexible capital structure that supports growth. Further, the Company attempts to ensure optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The following table summarises the capital of the Company:

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Debt	96,247.15	97,730.49
Total Equity	51,878.83	67,005.43
Total Debt to Equity Ratio	1.86	1.46

Dividends

Dividends recognised in the financial statements

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Final dividend for the year ended 31st March, 2017 of ₹ 30 per Equity Share *	-	6.04
Final dividend for the year ended 31st March, 2018 of ₹ Nil per Equity Share	Nil	-

* Promoters shareholders waived their dividend for the year ended 31st March, 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34
CONTINGENT LIABILITIES

(₹ in lacs)

No.	Particulars	31st March, 2019	31st March, 2018
1.	For indemnity and guarantees by banks against contracts which include Advance Payment Guarantees (APGs) aggregating to ₹ 77,246.64 lacs (Previous Year ₹ 72,524.32 lacs). The actual liability against the APGs of ₹ 74,221.47 lacs (Previous Year ₹ 66,749.83 lacs) is already shown in Note No. 19)	2,15,084.85	2,24,265.99
2.	For inland letter of credits	1,862.98	5,923.51
3.	Guarantees given by the Company in respect of facilities sanctioned by the bank to Other Company	2,800.00	2,800.00
4.	Excise, service tax and sales tax matters	3,084.64	3,765.73
5.	Claims against the Company not acknowledged as debts	57,388.59	39,458.00

Note 35
EMPLOYEE BENEFITS

Funded Scheme
Gratuity

Liability for employee gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19, the details of which are as hereunder. The Company makes contributions to approved gratuity fund.

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Amount recognised in Balance Sheet		
Present Value of Funded Defined Benefit Obligation	1,967.67	2,408.65
Fair Value of Plan Assets	2,735.92	3,028.68
Net Funded Obligation	**768.25**	**620.03**
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	89.00	207.00
Past Service Cost	-	498.19
Interest on Net Defined Benefit Asset	(37.21)	(56.17)
Total Expense Charged to Profit and Loss Account	**51.79**	**649.02**
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Profit & Loss Account	525.06	110.71
Re-measurements during the period due to:		
Changes in Financial Assumptions	-	-
Actual return on Plan Assets less Interest on Plan Assets	191.39	414.35
Closing amount recognised in OCI outside Profit & Loss Account	**716.45**	**525.06**
Reconciliation of Net Liability/(Asset)		
Opening Net Defined Benefit Liability/(Asset)	**(620.03)**	**(636.57)**
Expense charged to Profit and Loss Account	51.79	649.02
Amount recognised outside Profit and Loss Account	(191.39)	(414.35)
Benefits paid	(8.62)	(218.13)
Closing Net Defined Benefit Liability/(Asset)	**(768.25)**	**(620.03)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31STMARCH, 2019

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Movement in Benefit Obligation		
Opening of Defined Benefit Obligation	**2,408.65**	**2,490.75**
Current Service Cost	89.00	207.00
Past Service Cost	-	498.18
Interest on Defined Benefit Obligation	164.70	156.04
Acturial Loss/(Gain) arising from change in Financial Assumptions	(183.14)	(626.56)
Benefits paid from the fund	(511.53)	(316.76)
Closing of Defined Benefit Obligation	**1,967.68**	**2,408.65**
Movement in Plan Assets		
Opening Fair Value of Plan Assets	**3,028.68**	**3,127.31**
Return on Plan Assets excluding Interest Income	(267.64)	(24.09)
Interest Income	201.91	212.22
Contributions by Employer	284.50	30.00
Benefits paid	(511.53)	(316.76)
Closing of Defined Benefit Obligation	**2,735.92**	**3,028.68**
Principal Acturial Assumptions		
Discount Rate	7.61	7.65
Salary Escalation Rate p.a.	6.00	6.00

Sensitivity analysis for significant assumption is as shown below:

(₹ in lacs)

Particulars	Sensitivity level	31st March, 2019	31st March, 2018
Discount Rate	1% Increase	1,855.37	2,268.33
	1% Decrease	2,095.35	2,567.67
Salary	1% Increase	2,093.77	2,565.55
	1% Decrease	1,854.88	2,267.84

The following are the Expected Future Benefit Payments for the Defined Benefit Plan:

(₹ in lacs)

Particulars	31st March, 2019	31st March, 2018
Within the next 12 months (next annual reporting period)	406.11	214.48
Between 2 and 5 years	704.39	933.73
Beyond 5 years	778.42	1,066.87

Note 36

Disclosure as required by the Ind AS 17, "Leases" as specified in the Companies (Accounting Standards) Rules, 2015 (as amended) are given below :

a) The aggregate lease rentals payable are charged to the statement of Profit & Loss as rent in note no. 29.

b) The Company has taken properties on operating lease. The lease rentals are payable by the Company on a monthly or quarterly basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 37
RELATED PARTY TRANSACTIONS

Sr No.	Particulars	Country of Incorporation	Extent of Holding
(i)	Subsidiaries		
1	Gannon Dunkerley & Co. Limited FZE	UAE	100.00%
2	Gannon Dunkerley Middle East WLL	Bahrain	80.00%
3	Khagra Joydev Resources Private Limited	India	51.00%
(ii)	Joint Ventures		
4	Gannon Dunkerley & Co. LLC	UAE	49.00%
5	Gannon Dunkerley General Contracting Co. LLC	UAE	49.00%
6	Gannon Dunkerley Gulf Contracting LLC	UAE	49.00%
7	GDCL-TEIL	India	69.00%
8	GDCL-MIS Shivam	India	51.00%
9	GDCL-CEPL	India	65.00%
10	GDCL-Krishna	India	80.00%
11	GDCL-SMISL	India	60.00%
12	GDCL-PSP (Gift City)	India	51.00%
13	GDCL -PSP (Metro Amd)	India	51.00%
14	GDCL-EMIT	India	51.00%
15	SIPL-GDCL	India	51.00%
(iii)	Associates		
16	Facor Power Limited		
17	Gannon Dunkerley Holdings Private Limited		
18	Hindustan Housing Finance & Development Corporation Limited		
19	Nalanda Consultants Private Limited		
20	Ramkumar Morarka & Sons Private Limited		
21	Travelera Private Limited		
22	Courier Publications Private Limited		
23	Ankush Publications Private Limited		
24	United India Agencies Private Limited		
25	Gannon Dunkerley Finance Limited		
26	Gannon Dunkerley Realty Limited		
27	Virat Infra Projects Private Limited		
28	I.K. Infrastructure Private Limited		
29	Greenland Realcon Private Limited		
30	Greenland Township Private Limited		
31	Modern Ultra Home Solutions Private Limited		
32	The Jaipur Udyog Limited		
(iv)	Key Management Personnel		
33	Shri Kamal M. Morarka	Director	
34	Shri Parag C. Mehta	Director	
35	Shri Ravinder Kumar Manchanda	Director	
36	Shri K. J. Rawal * (up to 9th June, 2018)	Managing Director	
37	Shri Manoj Kumar Singh (w.e.f. 18th April, 2018)	Managing Director	
38	Shri H. L. Pandey	Executive Director	
39	Shri R. P. Agarwal	Vice President and Company Secretary	
(v)	Relatives of Key Management Personnel		
40	Smt. Bharti K. Morarka		
41	Shri S. K. Pandey		
42	Shri A. K. Pandey		
(vi)	Others		
43	GDCL Employees Gratuity Fund		

* part of the year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Nature of transaction		Year ended 31st March, 2019	Year ended 31st March, 2018
Subsidiaries, Joint Ventures and Associates:			
1. Service charges paid			
Nalanda Consultants Pvt. Limited	Associate	-	5.81
Ramkumar Morarka & Sons Pvt. Limited	Associate	1.94	2.13
Total		**1.94**	**7.94**
2. Travel related services			
Travelera Pvt. Limited	Associate	183.03	188.22
3. Works bills			
Facor Power Limited	Associate	-	4.21
4. Loss of Divisions			
Courier Publications Pvt. Limited	Associate	375.49	443.00
Ankush Publications Pvt. Limited	Associate	-	455.09
Total		**375.49**	**898.09**
5. Loans granted			
Gannon Dunkerley Finance Limited	Associate	28.80	174.47
Gannon Dunkerley Realty Limited	Associate	796.73	252.35
The Jaipur Udyog Limited	Associate	122.07	148.40
Khagra Joydev Resources Private Limited	Subsidiary	42.00	156.73
GDCL-Krishna	Joint Venture	249.39	246.79
GDCL-EMIT	Joint Venture	27.23	-
GDCL-SIL-FLCL	Joint Venture	18.34	-
Total		**1,284.56**	**978.74**
6. Sale of investments			
Gannon Dunkerley Holdings Pvt. Limited	Associate	-	153.46
Ramkumar Morarka & Sons Pvt. Limited	Associate	-	373.67
United India Agencies Pvt. Limited	Associate	-	281.21
Total		**-**	**808.34**
7. Loans repaid			
Gannon Dunkerley Finance Limited	Associate	601.26	208.57
Gannon Dunkerley Realty Limited	Associate	71.57	-
The Jaipur Udyog Limited	Associate	0.19	-
Khagra Joydev Resources Private Limited	Subsidiary	42.00	156.73
Gannon Dunkerley Middle East WLL	Subsidiary	-	337.04
Gannon Dunkerley & Co. LLC	Joint Venture	1.66	605.04
Gannon Dunkerley General Contracting Co. LLC	Joint Venture	-	9.85
Gannon Dunkerley Gulf Contracting LLC	Joint Venture	-	38.99
GDCL-MIS Shivam	Joint Venture	8.51	9.49
GDCL-CEPL	Joint Venture	175.00	79.76
Total		**900.19**	**1,445.47**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Nature of transaction		Year ended 31st March, 2019	Year ended 31st March, 2018
8. Interest received			
Khagra Joydev Resources Private Limited	Subsidiary	12.69	-
9. Service charges received			
Gannon Dunkerley & Co. Limited FZE	Subsidiary	1.25	-
Gannon Dunkerley & Co. LLC	Subsidiary	1.66	-
Total		**2.91**	-
Outstanding balances:			
1. Loans			
Gannon Dunkerley Finance Limited	Associate	925.15	1,497.61
Gannon Dunkerley Realty Limited	Associate	9,117.13	8,391.97
The Jaipur Udyog Limited	Associate	7,441.97	7,320.07
Khagra Joydev Resources Private Limited	Subsidiary	169.42	156.73
Virat Infra Projects Private Limited	Associate	2.89	2.89
I K Infrastructure Private Limited	Associate	2.12	2.12
Gannon Dunkerley & Co. Limited FZE	Subsidiary	646.96	645.72
Gannon Dunkerley Middle East WLL	Subsidiary	5.99	5.99
Gannon Dunkerley & Co. LLC	Joint Venture	2,850.84	2,849.18
Gannon Dunkerley General Contracting Co. LLC	Joint Venture	66.99	66.99
Gannon Dunkerley Gulf Contracting Co. LLC	Joint Venture	438.89	438.89
GDCL-Krishna	Joint Venture	632.53	383.14
GDCL-MIS Shivam	Joint Venture	144.49	154.12
GDCL-CEPL	Joint Venture	1.16	176.16
GDCL-EMIT	Joint Venture	27.23	-
GDCL-SIL - FLCL	Joint Venture	62.28	-
Total		**22,536.04**	**22,091.58**
2. Other advances			
Travelera Pvt. Limited	Associate	48.94	39.92
Courier Publications Pvt. Limited	Associate	72.32	155.80
Ankush Publications Pvt. Limited	Associate	2,711.08	2,522.29
Total		**2,832.34**	**2,718.01**
3. Trade receivables			
Facor Power Limited	Associate	362.57	362.57
GDCL-MIS Shivam	Joint Venture	266.36	227.70
GDCL-CEPL	Joint Venture	239.83	408.09
GDCL-Krishna	Joint Venture	632.53	383.13
GDCL-EMIT	Joint Venture	27.23	-
Total		**1,528.52**	**1,381.49**
4. Other current liabilities			
Gannon Dunkerley Holdings Private Limited	Associate	10.79	10.86
United India Agencies Pvt. Limited	Associate	28.95	29.01
Ramkumar Morarka & Sons Pvt. Limited	Associate	190.44	190.63
GDCL-MIS Shivam	Joint Venture	504.54	1,123.25
Total		**734.72**	**1,353.75**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Nature of transaction		Year ended 31st March, 2019	Year ended 31st March, 2018
Key Managerial Personnel and Relatives:			
1. Sitting Fees			
Shri Parag C. Mehta	Director	1.00	0.60
Shri Ravinder Kumar Manchanda	Director	0.20	0.80
Smt. Kamaya Chirag Sancheti	Director	0.60	0.20
Shri Vijay G. Kalantrl	Director	-	0.80
Total		**1.80**	**2.40**
2. Remuneration			
Shri K. J. Rawal	Managing Director	33.01	190.77
Shri Manoj Kumar Singh	Managing Director	152.44	-
Shri H. L. Pandey	Executive Director	106.96	117.70
Shri R. P. Agarwal	Vice President and Company Secretary	63.18	60.91
Shri S. K. Pandey		41.94	77.58
Shri A. K. Pandey		44.13	56.77
Total		**441.66**	**503.73**
3. Loan received			
Shri Kamal M. Morarka	Director	320.80	-
4. Loan repaid			
Shri Kamal M. Morarka	Director	17.20	-
Outstanding balances:			
1. Current borrowings			
Shri Kamal M. Morarka	Director	309.01	5.41

38. Necessary details and information in respect of terms and conditions of the work contracts executed at some of the branches/divisions of the Company were not made available to the Auditors. In absence of the same, it has not been possible for the Auditors to ensure the complete compliance with Indian Accounting Standard (Ind AS) - 115 "Revenue from Contracts with Customers" and its consequential effect on the loss for the year of the Company.

39. The Company has not provided for the liability in respect of the leave encashment benefits to the employees and the same are accounted for as and when paid, which is not in accordance with the provisions of the Indian Accounting Standard (Ind AS) – 19 – Employee Benefits. In absence of any information available, the liability thereof could not be ascertained. The loss of the Company for the year is understated to that extent.

40. The Company has entered into agreement with a company, viz. Courier Publications Pvt. Limited (previous year: two companies viz. Ankush Publications Pvt. Limited and Courier Publications Pvt. Limited) and thereby exercised control over publication divisions of this company (previous year: two companies) for a payment of annual compensation. Consequently, the Company has, based on the financial statements, accounted for losses for the year of this company (previous year: two companies) aggregating to ₹ 375.49 lacs (Previous Year: ₹ 898.09 lacs) in its profit & loss statement. In absence of further details for ownership and operational controls of these companies, the Auditors are unable to comment on the same.

41. In respect of inventories and trade receivables, necessary documents and details for ageing of the inventories and trade receivables are not made available to the Auditors. The Auditors have, therefore, relied upon the information and explanations furnished to them by the management in respect of any possible impairment to these assets.

Stock of paintings at Marketing Division of the Company aggregating to ₹ 6,846.00 lacs is non-moving for many years and is valued at cost. In absence of any professional valuation report, there is no base to verify the net realizable value thereof. The management, however, contends that the entire stock of painting is saleable for more than its cost and does not require any impairment. The Auditors have relied upon the same.

42. Balance confirmations in respect of all borrowings accounts except for working capital finance accounts, trade receivables, trade payables, security deposits, and loans to bodies corporate and others, Goods and Service Tax (GST) receivables and advances have not been obtained. In the absence of balance confirmation not being made available, the entries and other supporting records have been relied upon by the Auditors.

43. In respect of Libya division of the Company, the situation in Libya continues to be uncertain as a result of which there is no progress in the Company's project in Libya. The Company has already provided for all expenses till date and does not consider the need for making any further provision for losses as on date.

44. Interest on certain loans, advances in the nature of loans and inter-corporate deposits including loans to subsidiary companies aggregating to ₹ 64,751.83 lacs (Previous Year: ₹ 63,045.11 lacs), is not charged.

45. In absence of any formal agreements with the respective parties, classification of loans and advances into long-term and short-term could not be verified by the auditors and the same is relied upon the information and explanations given by the management.

46. In respect of loans and trade advances to bodies corporate and others ₹ 8,499.90 lacs (Previous Year : ₹ 5,820.34 lacs), which are stagnant or in respect of which there are no regular supplies, efforts are continued for recovery/adjustment of such loans and advances. It is expected that there would be suitable recoveries/adjustments within a reasonable period.

47. Certain investments were not made available to the Auditors for verification and the same have, therefore, been taken as certified by the management.

48. Due to non-availability of indirect tax records, reconciliations of GST and input tax credits with returns could not be verified.

49. Remuneration paid to managerial personnel during the year is subject to the approval by the shareholders in the general meeting.

50. The Company's business activity, in the opinion of the management, falls mainly within a single primary segment i.e. construction, which is subject to the same risks and returns. Other operational activities being insignificant in nature and volume, separate reportable segments are not identified and as such, the disclosure requirements of Indian Accounting Standards (Ind AS) – 108 – Operating Segments, are in the opinion of the management, not applicable.

51. Figures of previous years have been regrouped and rearranged wherever necessary.

Signatures to Notes 1 to 51

As per our report of even date
For PARK & COMPANY
Chartered Accountants

ASHISH DAVE
Partner

R.P. AGARWAL
Company Secretary

For and on behalf of the Board of Directors
K. M. MORARKA
P. C. MEHTA
KIMAYA C. SANCHETI
} *Directors*
MANOJ KUMAR SINGH — *Managing Director*
H.L. PANDEY — *Executive Director*

Mumbai, 28th November, 2019

Mumbai, 28th November, 2019