GANNON DUNKERLEY & CO., LTD.

Annual Report 2019-2020

Financial Highlights

(₹ in lacs)

	2019-2020	**2018-2019**	2017-2018
Total Income	**1,69,054.93**	**1,73,550.41**	2,20,421.73
Profit / (Loss) Before Depreciation	**(8,858.70)**	**(17,623.84)**	3,424.55
Profit / (Loss) Before Tax	**(11,613.38)**	**(21,598.06)**	138.05
Earlier Years Tax	**(727.11)**	**-**	(2,213.59)
Profit / (Loss) After Tax	**(6,269.02)**	**(14,826.71)**	961.21
Total Comprehensive Income	**(6,898.18)**	**(15,126.59)**	963.98
Share Capital	**268.80**	**268.80**	268.80
Reserves and Surplus	**42,732.16**	**51,610.03**	66,736.61
Own Funds (Net Worth)	**43,000.96**	**51,878.83**	67,005.41
Deferred Tax Liabilities / (Assets)	**(4,071.27)**	**568.81**	7,273.28
Gross Block	**71,496.08**	**73,471.87**	68,647.96
Net Block	**18,795.02**	**22,858.01**	21,670.36

GANNON DUNKERLEY & CO., LTD.

ANNUAL REPORT 2019-2020

BOARD OF DIRECTORS:	PARAG C. MEHTA KIMAYA C. SANCHETI MANOJ KUMAR SINGH, *Managing Director* H.L. PANDEY, *Executive Director*
BANKERS:	STATE BANK OF INDIA UNION BANK OF INDIA PUNJAB NATIONAL BANK CANARA BANK UCO BANK 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
Chief Operating Officer, Water Management Division, New Delhi

Ravindra Kumar
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, 2020.

FINANCIAL RESULTS:

(₹ in lacs)

	2019-2020	2018-2019
Revenue from Operations & Other Income	**1,69,054.93**	1,73,550.41
Profit / (Loss) Before Depreciation and Taxation	**(8,858.70)**	(17,623.84)
Depreciation	**3,527.50**	3,974.22
Profit/(Loss) Before Tax	**(11,613.38)**	(21,598.06)
Earlier Years Tax	**(727.11)**	-
Deferred Tax	**(4,617.25)**	(6,771.35)
Profit / (Loss) After Taxation	**(6,269.02)**	(14,826.71)
Other Comprehensive Income for the Year	**(629.16)**	(299.88)
Total Comprehensive Income for the Year	**(6,898.18)**	(15,126.59)

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 years 2011-2012 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 ₹ 870 crores. Procurement of jobs has been very slow due to constraints in obtaining Bank Guarantees required for tendering. Capex cycle in the Private Sector continue to be subdued. Execution of jobs has been slow mainly due to inadequate working capital and 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 to suboptimal 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 still not conducive due to which meeting with ODAC officials is getting delayed. The meeting is likely to be held sometime during 2021 wherein the Company expects to resolve the matter mutually. The Bank Guarantee invocation matter continues to be stayed as per direction of Hon'ble Bombay High Court. The significant devaluation of the Libyan Dinar vis-a-vis the US Dollar during January 2021 is a big relief for the Company.

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, 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 at its 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 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.

Shri Kamal M. Morarka, (DIN 00460013) Promoter Director of the Company expired on 15th January, 2021. The Board places on record its sincere appreciation towards the valuable guidance given by him during his tenure as Director of the Company.

Shri Parag C. Mehta (DIN 00172972) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year four meetings of the Board of Directors were held on 21st June, 2019, 9th October, 2019, 28th November, 2019 and 7th February, 2020. 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 is annexed separately. The CSR contribution of the Company for the year is ₹ 10.00 lacs.

PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements of the Company for the year ended 31st March, 2020 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

(H.L. Pandey)
Executive Director

(Parag C. Mehta)
Director

Mumbai, 30th January, 2021

GANNON DUNKERLEY & CO. LTD. * MUMBAI

ANNEXURE TO THE DIRECTORS' REPORT 2019-20

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY 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.

TECHNOLOGY 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	₹ 111.23 lacs
Foreign Exchange used: On account of foreign travel and other matter	₹ 12.52 lacs

INFORMATION PURSUANT TO THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDING 31ST MARCH, 2020

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 Director	1,60,00,000	B.E (Civil), M.B.A. (Finance)	33	18.04.2018	58	IL&FS Engineering & Construction Co. Ltd.
2.	Pandey H.L.	Executive Director	1,30,90,787	S.S.C., Diploma in Computer	58	01.03.1975	76	Bharat Refractories Ltd.

Notes:

(1) The figures of remuneration include Salary, Allowances and 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, and 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, 2020, 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, 2020, 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. 40 regarding compliance with the Indian Accounting Standard (Ind AS) – 115;
- Note No. 41 regarding non-provision for leave encashment benefits to the employees in accordance with the Indian Accounting Standard (Ind AS) – 19;
- Note No. 43 regarding unavailability of complete details on inventories and trade receivables and probable impairment thereof;
- Note No. 44 regarding non availability of balance confirmations for major balance sheet items;
- Note No. 46 regarding physical verification of assets and probable impairment thereof;
- Note No. 48 regarding non provision of interest on certain borrowed funds; and
- In respect of New Delhi, Mumbai and Water Treatment Divisions of the Company, interest on certain joint ventures are not disclosed in accordance with Indian Accounting Standard (Ind AS) - 31, which in the opinion of the management, is not material to the Company,

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 ("the 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. 45 regarding an overseas project of the Company being withheld due to political unrest in that country and financial statements not being audited;
- Note No. 47 regarding non-charging of interest on loans and advances in the nature of loans to a subsidiary, bodies corporate and others; and
- Note No. 52 which explains the uncertainties and the management's assessment of the financial impact due to lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which definitive assessment of the impact on the subsequent period is highly dependent upon the circumstances as they evolve.

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.

Auditor's 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 ₹63,578.26 lacs as at 31st March, 2020 and total revenues of ₹48,832.93 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. 43, 44 and 46)

   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. However, (i) the Auditors of Kolkata branch have not submitted their report on the matters required to be reported under the Order in terms of section 143 (11) of the Act, and (ii) the Auditors of Kolkata and Hyderabad branches have not submitted their report with respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls. We have not, therefore, been able to incorporate the observations on these two branches to that extent;

   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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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;

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: 21170275AAAAAK3371

Mumbai
30th January, 2021

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. *Details regarding physical verification of the fixed assets of the Company have not been furnished to us. In absence of any audit evidences, we are unable to comment on the same.* However, in the opinion of the management, the fixed assets were physically verified at reasonable intervals in a phased manner in accordance with a programme of physical verification and no material discrepancies were noticed on such verification.

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

2. *Details regarding physical verification of the inventories of the Company have not been furnished to us. In absence of any audit evidences, we are unable to comment on the same.* However, in the opinion of the management, the inventories were physically verified at reasonable intervals during the year and no material discrepancies were noticed on such verification.

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. 47).*

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**
Goods & Service Tax	2,713.97
Labour Cess	15.50
Value Added Tax	95.80
Provident Fund and ESIC	72.92

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	525.80	2007-08, 2010-11, 2013-14, 2014-15,	The Jt. Commissioner, Commercial Taxes
Value Added Tax	Punjab Value Added Tax Act	385.87	2008-09, 2009-10,	Sales Tax Appellate Tribunal
Value Added Tax	West Bengal Value Added Tax Act	284.26	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	149.80		CESTAT – Telangana
Service Tax	Service Tax Rules	191.71	2011-12, 2012-13,	CESTAT – Kolkata
Income Tax	Income Tax Act	2,110.60	2006-07 to 2010-11	Mumbai High Court
Service Tax	Service Tax Rules	766.98	2004-05 to 2007-08	CESTAT – New Delhi
Value Added Tax	Bihar Value Added Tax Act	260.70	2013-14	Joint Commissioner Appeals
Labour Cess	Building and Other Construction Workers Welfare Cess Act	406.13	2015-20	The Commissioner of Labour Cess

8. The Company has not defaulted in repayment of loans or borrowing to banks or financial institutions *except for the dues of certain banks to the extent the amounts stated under note no. 17 and 18.* The Company has not obtained any borrowings from the government or by way of debentures.

Lender wise details of the overdue are as under:

Bank/Institution	**Balance as on 31st March, 2020** ₹ in lacs
Mahindra & Mahindra Financial Services Limited	22.64
PNB Housing Finance Limited	269.95
SREI Equipment Finance Private Limited	2,718.15
Yes Bank Limited	410.67
Toyota Financial Services India Limited	0.62
Kotak Mahindra Prime Limited	14.49
Kotak Mahindra Bank Limited	166.69
Union Bank of India (*Ert.* Corporation Bank)	369.06
State Bank of India	15,408.97
The Federal Bank Limited	372.19
IDBI Bank Limited	134.51
Punjab National Bank (*Ert.* Oriental Bank of Commerce)	1,288.02
Canara Bank (*Ert.* Syndicate Bank)	728.66
UCO Bank	4,057.56
IndusInd Bank Limited	3.74
Total	**25,965.92**

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.

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: 21170275AAAAAK3371

Mumbai
30th January, 2021

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, 2020 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, 2020, 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 issued by the ICAI *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: 21170275AAAAAK3371

Mumbai
30th January, 2021

BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-Current Assets :			
Property, Plant and Equipment	2	17,307.40	21,439.88
Capital Work-in- Progress		-	7.82
Investment Properties	3	0.88	0.88
Right to use of Assets	4	3.37	-
Intangible Assets	5	9.75	15.80
Intangible Asset Under Development		1,393.62	1,393.62
Financial Assets :			
Investments	6	3,618.93	6,387.90
Loans	7	11,541.25	3,754.04
Other Financial Assets	8	5,354.36	938.93
Deferred Tax Assets (Net)	20	4,071.27	-
Other Non-Current Assets	9	12,291.37	12,227.15
		55,672.20	**46,166.02**
Current Assets :			
Inventories	10	50,688.82	50,273.42
Financial Assets :			
Investments		-	-
Trade Receivables	11	96,919.03	1,03,775.13
Cash and Cash Equivalents	12	12,832.08	4,870.07
Other Bank Balances	13	8,637.27	8,275.15
Loans	7	50,646.66	69,961.01
Other Financial Assets	8	3.08	2.18
Current Tax Assets (Net)	14	11,125.31	12,501.39
Other Current Assets	9	33,980.94	30,289.51
		2,64,833.19	**2,79,947.86**
Total Assets		**3,20,505.39**	**3,26,113.88**
EQUITY AND LIABILITIES			
Equity :			
Equity Share Capital	15	268.80	268.80
Other Equity	16	42,732.16	51,610.03
		43,000.96	**51,878.83**
Liabilities :			
Non-Current Liabilities :			
Financial Liabilities :			
Borrowings	17	3,159.89	13,179.54
Other Financial Liabilities	18	-	-
Provisions	19	-	-
Deferred Tax Liabilities (Net)	20	-	568.81
Other Non-Current Liabilities	21	-	-
		3,159.89	**13,748.35**
Current Liabilities :			
Financial Liabilities :			
Borrowings	17	68,188.31	70,209.65
Trade Payables	22	73,490.84	79,479.48
Other Financial Liabilities	18	41,756.53	15,345.99
Other Current Liabilities	21	88,291.61	89,318.13
Current Tax Liabilities (Net)	14	2,465.74	5,627.47
Provisions	19	151.51	505.98
		2,74,344.54	**2,60,486.70**
Total Liabilities		**3,20,505.39**	**326,113.88**

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

P.C. MEHTA
KIMAYA C. SANCHETI — *Directors*

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

Mumbai, 30th January, 2021

Mumbai, 30th January, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lacs)

Particulars	Note No.	2019-2020	2018-2019
REVENUE:			
Revenue from Operations	23	1,63,362.99	1,71,087.50
Other Income	24	5,691.94	2,462.91
Total Revenue		**1,69,054.93**	**1,73,550.41**
EXPENSES:			
Cost of Materials Consumed	25	1,010.74	1,424.86
Purchases of Traded Goods		-	9.00
Operating Charges	26	1,37,277.10	1,45,301.08
Changes in Inventories	27	(602.35)	2,889.11
Employee Benefits Expenses	28	11,826.63	12,763.73
Finance Costs	29	19,357.80	11,728.92
Depreciation and Amortisation Expenses	30	3,527.50	3,974.22
Other Expenses	31	9,043.71	17,057.55
Total Expenses		**1,81,441.13**	**1,95,148.47**
Profit/(Loss) Before Exceptional Items and Tax		**(12,386.20)**	**(21,598.06)**
Exceptional Items	36	772.82	-
Profit/(Loss) Before Tax		**(11,613.38)**	**(21,598.06)**
Tax Expenses :			
Current Tax	14	-	-
Earlier Years' Tax		(727.11)	-
Deferred Tax		(4,617.25)	(6,771.35)
Profit/(Loss) for the Year		**(6,269.02)**	**(14,826.71)**
Other Comprehensive Income :			
Items that will not be reclassified to Profit or Loss			
a. Re-measurements of Defined Benefit Plans		(65.34)	191.39
b. Gains on Investments in Equity Instruments classified as FVOCI		-	(268.85)
c. Tax impacts on above		22.83	(66.88)
Items that may be reclassified to Profit or Loss			
a. Exchange Differences on Foreign Currency Translation of Foreign Operations		(586.65)	(155.54)
Other Comprehensive Income for the Year		**(629.16)**	**(299.88)**
Total Comprehensive Income for the Year		**(6,898.18)**	**(15,126.59)**
Basic and Diluted Earning Per Share (₹)	32	**(233.22)**	**(551.59)**
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

Mumbai, 30th January, 2021

For and on behalf of the Board of Directors

P.C. MEHTA
KIMAYA C. SANCHETI — *Directors*
MANOJ KUMAR SINGH — *Managing Director*
H.L. PANDEY — *Executive Director*

Mumbai, 30th January, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
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, 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 (Net of Tax)	-	-	(268.85)	-	124.51	(144.34)
Transfer from Retained Earnings to General Reserve	-	-	-	-	-	-
Final Dividend, declared and paid during the Year	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
As at 31st March, 2019	**65,000.00**	**(14,788.84)**	**1,979.67**	**(1,048.64)**	**467.85**	**51,610.04**
Profit /(Loss) for the year	-	(6,269.03)	-	-	-	(6,269.03)
Exchange Differences on Foreign Operations	-	-	-	(586.65)	-	(586.65)
Other Comprehensive Income for the Year	-	-	(1,979.67)	-	(42.51)	(2,022.18)
As at 31st March, 2020	**65,000.00**	**(21,057.87)**	**-**	**(1,635.29)**	**425.34**	**42,732.16**

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

P.C. MEHTA
KIMAYA C. SANCHETI — *Directors*
MANOJ KUMAR SINGH — *Managing Director*
H.L. PANDEY — *Executive Director*

Mumbai, 30th January, 2021

Mumbai, 30th January, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lacs)

	2019-2020		2018-2019	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) for the Year		**(6,269.02)**		**(14,826.71)**
Adjustments for :				
Depreciation and Amortization	3,527.50		3,974.22	
Income Tax Expenses	(5,344.36)		(6,771.35)	
Net Foreign Exchange Loss/Gain	(586.65)		(155.54)	
Gain on Valuation of Mutual Fund Measured at Fair Value	-		(4.79)	
Provision for Doudtful Debts	799.11		4,304.52	
Loss / (Profit) on Sale of Property, Plant & Equipments	(557.43)		(8.38)	
Loss / (Profit) on Sale of Investments	(1,742.55)		(28.43)	
Sundry Balances Written Back	(1,189.74)		(556.67)	
Dividend	-		(25.20)	
Interest	12,299.35		10,437.14	
Operating Profit / (Loss) Before Working Capital Changes	7,205.23		11,165.52	
Adjustments for :				
(Increase)/Decrease in Trade and Other Receivables	12,740.31		1,254.78	
(Increase)/Decrease in Other Current and Non-Current Assets	(3,755.65)		(55.17)	
Inventories	(415.40)		3,271.50	
Increase/(Decrease) in Provisions	(354.47)		81.76	
Increase/(Decrease) in Other Current and Non-Current Liabilities	(1,026.52)		13,386.06	
Increase/(Decrease) in Trade and Other Payables	(611.82)		(302.22)	
Cash Generated from Operations	6,576.45		17,636.71	
Direct Taxes Paid	(1,058.55)	12,723.14	(78.35)	28,723.88
Net Cash from Operating Activities		**6,454.12**		**13,897.17**
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant & Equipments		(815.95)		(5,293.30)
(Purchase)/Sale of Investments		2,531.85		(69.84)
Sale of Property, Plant & Equipments		1,908.95		139.81
Dividend Received		-		25.20
Interest Received		2,114.58		1,107.46
Net Cash used in investing Activities		**5,739.43**		**(4,090.67)**
C CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds/(Repayments) from Loans Borrowed (Net)		10,183.33		(1,481.13)
Interest Paid		(14,413.92)		(11,544.60)
Dividend Paid		(0.85)		(2.25)
Net Cash used in Financing Activities		**(4,231.44)**		**(13,027.98)**
Net Increase in Cash and Cash Equivalents		**7,962.10**		**(3,221.48)**
Cash and Cash Equivalents as at beginning of the Year		**4,870.07**		**8,091.55**
Cash and Cash Equivalents as at end of the Year		**12,832.17**		**4,870.07**

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

P.C. MEHTA
KIMAYA C. SANCHETI — *Directors*

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

Mumbai, 30th January, 2021

Mumbai, 30th January, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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 30th January, 2021.

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 Rupees (₹) 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. Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. Any asset or liability is classified as current if it satisfies any of the following conditions:

- It is expected to be settled in the Company's normal operating cycle;
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date ;
- It is held primarily for the purpose of being traded;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period;
- All other liabilities are classified as non-current;
- Deferred tax assets and liabilities are classified as non-current only.

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.

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

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 recognisedin 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 capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

d. Investment 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 of 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. 40)

(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) Items included in the financial statements are measured using the currency of primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Indian Rupee (₹), which is the company's functional and presentation currency.

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

(iii) 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.

(iv) 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.

(v) 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.

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

Company as lessee

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

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

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. In case of uncertainty of reversal of the deferred tax assets or when it is no longer probable that sufficient taxable profits will be available in the foreseeable future, deferred tax assets, as a matter of prudence, are not recognised.

The carrying amount of deferred tax is reviewed at each reporting date and measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its 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

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.

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".

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, 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	-	-	1,151.26	3,941.26	32.06	0.42	75.20	-	**5,200.20**
Disposals	-	-	-	(328.34)	-	(0.63)	(140.42)	-	**(469.39)**
As at 31st March, 2019	**1,083.54**	**5.51**	**10,867.86**	**53,643.66**	**1,160.76**	**435.14**	**3,558.71**	**1,198.82**	**71,954.00**
Additions	-	-	-	781.37	27.93	0.57	12.64	-	**822.51**
Transfer	-	(5.51)	-	-	-	-	-	-	**(5.51)**
Disposals	(298.89)	-	(462.23)	(1,878.40)	(9.75)	-	(142.48)	-	**(2,791.75)**
As at 31st March, 2020	**784.65**	**-**	**10,405.63**	**52,546.63**	**1,178.94**	**435.71**	**3,428.87**	**1,198.82**	**69,979.25**
Accumulated Depreciation									
As at 31st March, 2018	-	**2.02**	**3,509.73**	**38,226.46**	**1,031.64**	**397.22**	**2,752.07**	**962.85**	**46,881.99**
Depreciation charged	-	0.06	418.52	3,181.54	42.18	7.22	271.52	49.06	**3,970.08**
Disposals	-	-	-	(201.25)	(0.05)	(0.63)	(136.02)	-	**(337.95)**
As at 31st March, 2019	-	**2.08**	**3,928.25**	**41,206.74**	**1,073.77**	**403.80**	**2,887.57**	**1,011.91**	**50,514.12**
Depreciation charged	-	-	409.55	2,852.51	30.66	3.63	184.92	38.86	**3,520.13**
Transfer	-	(2.08)	-	-	-	-	-	-	**(2.08)**
Disposals	-	-	(19.76)	(1,277.35)	(9.54)	-	(133.66)	-	**(1,440.31)**
As at 31st March, 2020	**-**	**-**	**4,318.04**	**42,781.90**	**1,094.88**	**407.43**	**2,938.83**	**1,050.77**	**52,591.86**
Net Carrying Value									
As at 31st March, 2019	**1,083.54**	**3.44**	**6,939.61**	**12,436.91**	**86.99**	**31.34**	**671.14**	**186.90**	**21,439.88**
As at 31st March, 2020	**784.65**	**-**	**6,087.59**	**9,764.73**	**84.06**	**28.28**	**490.04**	**148.05**	**17,307.40**

Note 3
INVESTMENT PROPERTIES

(₹ in lacs)

Particulars	Building	Total
Gross Carrying Value		
As at 1st April, 2018	17.63	17.63
Additions /transfer	-	-
Disposals	-	-
As at 31st March, 2019	17.63	17.63
Additions	-	-
Disposals	-	-
As at 31st March, 2020	17.63	17.63
Accumulated Depreciation		
As at 1st April, 2018	16.75	16.75
Depreciation charged/transfer	-	-
Disposals	-	-
As at 31st March, 2019	16.75	16.75
Depreciation charged	-	-
Disposals	-	-
As at 31st March, 2020	16.75	16.75
Net Carrying Value		
As at 1st April, 2018	0.88	0.88
As at 31st March, 2019	0.88	0.88
As at 31st March, 2020	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, 2020	31st March, 2019
Rental Income	3.50	3.50
Direct Operating Expenses	-	-
Gain from Investment Properties Before Depreciation	3.50	3.50
Depreciation	-	-
Gain from Investment Properties	3.50	3.50

(ii) Contractual Obligations

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

Note 4
RIGHT TO USE OF ASSETS

(₹ in lacs)

Particulars	Land	Total
Gross Carrying Value		
As at 31st March, 2019	**5.51**	**5.51**
Additions	-	-
Disposals	-	-
As at 31st March, 2020	**5.51**	**5.51**
Accumulated Depreciation.		
As at 31st March, 2019	**2.08**	**2.08**
Depreciation charged	0.06	0.06
Disposals	-	-
As at 31st March, 2020	**2.14**	**2.14**
Net Carrying Value		
As at 31st March, 2020	**3.37**	**3.37**

Note 5
INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Computer Software	Total
Gross Carrying Value (at deemed cost)		
As at 31st March, 2018	**86.99**	**86.99**
Additions	11.82	11.82
Disposals	-	-
As at 31st March, 2019	**98.81**	**98.81**
Additions	1.26	1.26
Disposals	-	-
As at 31st March, 2020	**100.07**	**100.07**
Accumulated Depreciation		
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**
Depreciation charged	7.31	7.31
Disposals	-	-
As at 31st March, 2020	**90.32**	**90.32**
Net Carrying Value		
As at 31st March, 2019	**15.80**	**15.80**
As at 31st March, 2020	**9.75**	**9.75**

Intangible Assets Under Development

As at 31st March, 2019	**1,393.62**	**1,393.62**
As at 31st March, 2020	**1,393.62**	**1,393.62**

Note 6
NON-CURRENT INVESTMENT

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
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) each partly paid-up	209.53	209.53
	210.04	**210.04**
Investments in Subsidiaries outside India		
Gannon Dunkerley & Co., Limited FZE - Sharjah 1 Equity Share of Dhs. 1,50,000 each fully paid-up	16.33	16.33
Gannon Dunkerley Middle East WLL - Bahrain Nil (2,000) Equity Shares of Bhd. 100 each fully paid-up	-	212.11
	16.33	**228.44**
Investments in Joint Ventures 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 Nil (73) Equity Shares of Dhs. 1,000 each fully paid-up	-	7.84
Gannon Dunkerley Gulf Contracting Co., LLC, Doha Nil (98) Equity Shares of QR 1,000 each fully paid-up	-	17.04
	18.75	**43.63**
b. Investments in Equity Shares in others carried at Fair Value through OCI, fully paid-up		
Graur & Weil (I) Limited Nil (42,00,750) Equity Shares of ₹ 1 each fully paid-up	-	2,066.77
Gannon Dunkerley Finance Limited 47,500 Equity Shares of ₹10 each fully paid-up	4.75	4.75
Gannon Dunkerley Realty Limited 12,30,000 Equity Shares of ₹10 each fully paid-up	18.41	18.41
	23.16	**2,089.93**
c. Investments in others carried at Fair Value through Profit & Loss , fully paid-up		
BSL Saving Fund - Growth	-	465.21
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
	3,350.00	**3,815.21**
Total Non-Current Investments	**3,618.93**	**6,387.90**

Note 7
LOANS

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Unsecured, considered good				
Loans to Subsidiaries	859.92	580.28	-	169.42
Loans to Joint Ventures & Associates	2,850.84	3,153.52	-	723.20
Loans to Bodies Corporate	7,823.98	-	46,777.64	64,561.10
Employee Loans	6.51	20.24	205.38	291.64
Other Loans	-	-	3,663.64	4,215.65
Total Loans	**11,541.25**	**3,754.04**	**50,646.66**	**69,961.01**

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

(₹ in lacs)

Name of the entity	Outstanding balances		Maximum balance outstanding during the year	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Subsidiaries:				
Gannon Dunkerley & Co., Limited FZE	646.96	574.29	646.96	574.29
Gannon Dunkerley Middle East WLL	-	5.99	-	5.99
Khagra Joydev Resources Private Limited	212.96	169.42	212.96	169.42
	859.92	**749.70**		
Joint Ventures & Associates:				
Gannon Dunkerley Co., LLC	2,850.84	2,528.62	2,850.84	2,528.62
Gannon Dunkerley General Contracting Co., LLC	-	61.78	-	61.78
Gannon Dunkerley - MIS Shivam	-	144.89	-	144.89
Gannon Dunkerley - Krishna	-	632.53	-	632.53
Gannon Dunkerley - CEPL	-	1.16	-	1.16
Gannon Dunkerley - EMIT	-	27.22	-	27.22
Gannon Dunkerley - SIL - FLCL	-	62.28	-	62.28
Gannon Dunkerley Gulf Contracting Co., LLC	-	418.23	-	418.23
	2,850.84	**3,876.71**		

Note 8
OTHER FINANCIAL ASSETS

(₹ in lacs)

Particulars	Non-Current		Current	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Term Deposits with maturity of more than 12 months*	913.63	884.72	-	-
Claim Receivables	4,386.52	-	-	-
Interest Receivables	54.21	54.21	3.08	2.18
Total Other Financial Assets	**5,354.36**	**938.93**	**3.08**	**2.18**

* under lien with Banks and Others

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 9
OTHER ASSETS

(₹ in lacs)

Particulars	Non-Current 31st March, 2020	Non-Current 31st March, 2019	Current 31st March, 2020	Current 31st March, 2019
Trade Advances to Suppliers, Sub-contractors and Others	-	-	20,959.39	17,562.27
Security Deposits	11,612.56	11,452.42	702.94	1,130.72
Gratuity Fund	678.81	768.25	-	-
Prepaid Expenses	-	6.48	20.23	80.77
Input Credit Receivables	-	-	12,107.97	11,218.63
Other Advances	-	-	190.41	297.12
Total Other Assets	**12,291.37**	**12,227.15**	**33,980.94**	**30,289.51**

Note 10
INVENTORIES

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Stores & Spares	100.67	12.40
Stock-in-Trade	6,845.69	6,846.00
Raw Materials	81.29	103.05
Finished Goods	327.11	314.14
Goods-in-Transit	108.91	362.37
Work-in-Progress	43,225.15	42,635.46
Total Inventories	**50,688.82**	**50,273.42**

Note 11
TRADE RECEIVABLES
(Unsecured, considered good unless otherwise stated)

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Trade Receivables	1,02,832.59	1,13,510.13
Less: Provision for Doubtful Debts	(5,913.56)	(9,735.00)
Total Trade Receivables	**96,919.03**	**1,03,775.13**

Note 12
CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Balances with Banks	8,483.22	2,178.29
Short Term Deposits *	1,528.63	9.46
Cash on Hand	2,820.23	2,682.32
Total Cash and Cash Equivalents	**12,832.08**	**4,870.07**

* ₹ 818.49 lacs under lien with Banks and Others

Note 13
OTHER BANK BALANCES

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Deposits with maturity more than 3 months	-	13.31
Unclaimed Dividend Accounts	0.74	3.62
Balances in Current Accounts *	8,636.53	8,258.22
Total Other Bank Balances	**8,637.27**	**8,275.15**

* Balances with Banks having restriction on repatriation.

Note 14
INCOME TAX

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
The following table provides the details of Income Tax Assets and Liabilities:		
Income Tax Assets	11,125.31	12,501.39
Current Income Tax Liabilities	2,465.74	5,627.47
Net Balance	**8,659.57**	**6,873.92**
The gross movement in the Current Tax Asset / (Liability)		
Net Current Income Tax Asset at the beginning	6,873.92	6,795.57
Income Tax Paid (Net of Refunds)	1,058.54	78.35
Current Income Tax Expense	727.11	-
Income Tax on Other Comprehensive Income	-	-
Net Current Income Tax Asset at the end	**8,659.57**	**6,873.92**

Note 15
EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
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, 2020		As at 31st March, 2019	
	Number	% of holding	Number	% 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.

Note 16
OTHER EQUITY

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
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	(14,788.85)	37.86
Profit & (Loss) for the Year	(6,269.02)	(14,826.71)
Appropriations :		
Transfer to General Reserve	-	-
Balance at the end of the Year	(21,057.87)	(14,788.85)
Other Components of Equity :		
Re-measurement of Defined Benefit Plans (Net of Tax)	425.34	467.85
Exchange Differences on Foreign Currency Translation of Foreign Operations	(1,635.31)	(1,048.64)
Gains on Investments in Equity Instruments	-	1,979.67
	(1,209.97)	1,398.88
Total Other Equity	**42,732.16**	**51,610.03**

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 of long 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 accumalated within the OCI reserve within other equity. The Company transfers amount from this reserve to retained earning when the relevant obligations are derecognised.

Note 17
BORROWINGS

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Secured:				
Term Loans from Banks*	1,049.19	750.00	-	-
Term Loans from Others*	1,142.44	5,606.73	-	-
Hire Purchase Finance*	968.26	6,822.81	-	-
Working Capital Finance from Banks**	-	-	67,434.77	68,318.03
	3,159.89	13,179.54	67,434.77	68,318.03

* Non-Current Borrowings aggregating to ₹ 1,092.29 lacs are classified as NPA by the lenders.
** Working Capital Finance from Banks is classified as NPA by the lenders. Total amount overdue for repayments ₹ 21,196.64 lacs

Particulars	Non-Current		Current	
Unsecured:				
Term Loans from Banks	-	-	-	-
Term Loans from Related Parties	-	-	498.29	654.02
Inter Coprporate Loans	-	-	255.25	1,237.60
	-	-	753.54	1,891.62
Total Borrowings	**3,159.89**	**13,179.54**	**68,188.31**	**70,209.65**

Note: Term loans and working capital finance from banks and financial institutions are secured by hypothecation of all present & future inventories, book debts, tangible current assets, and mortgages of specified properties. Hire purchase finance is against hypothecation of specific assets. Term loan of SBI of ₹ 1,235.80 lacs is secured against properties and corporate guarantee provided by M/s. Virat Infra Projects Pvt. Ltd. and I.K. Infrastructure Pvt. Ltd.

Note 18
OTHER FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Non-Current:				
Current maturities of Long Term Debt *	-	-	35,082.28	12,857.97
Interest accrued and due on Borrowings	-	-	4,647.79	153.34
Payable towards Services rendered			2,022.80	2,330.17
Unclaimed Dividend	-	-	3.66	4.51
Total Other Financial Liabilities	-	-	**41,756.53**	**15,345.99**

* includes amount of ₹ 29,165.05 lacs classified as NPA by the lenders. Amount in default and overdue for repayments ₹ 4,769.26 lacs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 19
PROVISIONS

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Provision for Bonus	-	-	118.49	450.27
Engineers' Commission	-	-	33.02	55.71
Total Provisions	**-**	**-**	**151.51**	**505.98**

Note 20
DEFERRED TAX LIABILITIES

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Deferred Tax Liabilities / (Assets)		
On account of timing differences in :		
Depreciation on Property, Plant & Equipment	(1,038.23)	(950.84)
Carry Forward of Bussiness Loss	(1,797.88)	(2,039.43)
Retention Money on Contracts	5,504.30	8,372.75
Provision for Doubtful Debts	(2,066.43)	(3,401.79)
Disallowances u/s 43B of the Income Tax Act and Others.	(4,673.03)	(1,411.88)
Total Deferred Tax Liability / (Assets)	**(4,071.27)**	**568.81**

Note: Deferred tax is worked out based on the provisional income tax working and other information prepared by the management.

Note 21
OTHER LIABILITIES

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Advances from Customers	-	-	67,549.67	74,361.46
Statutory Liabilities	-	-	8,000.29	7,201.13
Other Liabilities	-	-	12,741.65	7,755.54
Total Other Liabilities	**-**	**-**	**88,291.61**	**89,318.13**

Note 22
TRADE PAYABLES

(₹ in lacs)

Particulars	Non-Current		Current	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Trade Payables	-	-	73,490.84	79,479.48
Total Trade Payables	**-**	**-**	**73,490.84**	**79,479.48**

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.

Note 23
REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	2019-2020	2018-2019
Work Bills	1,60,821.82	1,68,458.20
Sales:		
Finished Goods	1,465.19	1,979.71
Sales of Sevices and Commisssion Income	99.72	200.56
Other Operating Income	976.26	449.03
Total Revenue from Operations	**1,63,362.99**	**1,71,087.50**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 24
OTHER INCOME

(₹ in lacs)

Particulars	2019-2020	2018-2019
Interest Receipts	2,114.58	1,107.46
Dividend Receipts	-	25.20
Insurance Claim Receipts	13.05	142.76
Gains on Exchange Fluctuations	-	137.65
Lease Rent Receipts	3.50	3.50
Profit on Sale of Property, Plant & Equipment (Net)	557.43	8.38
Profit on Sale of Investments (Net)	1,742.55	28.43
Gain on Valuation of Mutual Fund Measured at Fair Value	-	4.79
Sundry Balance Written Back (Net)	1,189.74	556.67
Miscellaneous Income	71.09	448.07
Total Other Income	**5,691.94**	**2,462.91**

Note 25
COST OF MATERIALS CONSUMED

(₹ in lacs)

Particulars	2019-2020	2018-2019
Raw Materials Consumed :		
Opening Stock	103.05	44.82
Add: Purchases	988.98	1,483.09
	1,092.03	1,527.91
Less: Closing Stock	(81.29)	(103.05)
Total Cost of Materials Consumed	**1,010.74**	**1,424.86**

Note 26
OPERATING CHARGES

(₹ in lacs)

Particulars	2019-2020	2018-2019
Freight, Duty, Clearing and Forwarding Charges	462.67	1,235.48
Sub-contracts, Materials and Labour Charges	1,30,714.65	1,36,394.89
Power and Fuel	3,048.26	4,249.89
Rates and Taxes	401.48	184.19
Repairs to Machinery and Hire Charges	2,650.04	2,831.35
Loss of Publication Divisions and Joint Ventures (refer note no. 42)	-	405.28
Total Operating Charges	**1,37,277.10**	**1,45,301.08**

Note 27
CHANGES IN INVENTORIES

(₹ in lacs)

Particulars	2019-2020	2018-2019
Closing Stock :		
Work-in-Progress	43,225.15	42,635.46
Finished Goods	327.11	314.14
Stock-in-Trade	6,845.69	6,846.00
	50,397.95	49,795.60
Less : Opening Stock		
Work-in-Progress	42,635.46	45,498.22
Finished Goods	314.14	340.49
Stock-in-Trade	6,846.00	6,846.00
	49,795.60	52,684.71
Changes in Inventories	**(602.35)**	**2,889.11**

Note 28
EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	2019-2020	2018-2019
Salaries, Bonus, Commission and Service Charges	9,955.87	10,075.84
Directors Remuneration	290.91	292.41
Contribution to Provident Fund & Other Welfare Funds	1,079.42	1,350.03
Staff Welfare Expenses	500.43	1,045.45
Total Employee Benefit Expenses	**11,826.63**	**12,763.73**

Note 29
FINANCE COSTS

(₹ in lacs)

Particulars	2019-2020	2018-2019
Interest :		
Banks	10,196.48	8,084.46
Income Tax	0.71	5.20
Others	4,216.73	3,454.94
	14,413.92	11,544.60
Financial expenses on Measurement of Loans	4,914.72	-
Other Borrowing Costs	29.16	184.32
Total Finance Costs	**19,357.80**	**11,728.92**

Note 30
DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lacs)

Particulars	2019-2020	2018-2019
Depreciation on Tangible Assets	3,520.13	3,970.01
Depreciation on Intangible Assets	7.31	4.15
Amortisation of Leasehold Land	0.06	0.06
Total Depreciation and Amortisation	**3,527.50**	**3,974.22**

Note 31
OTHER EXPENSES

(₹ in lacs)

Particulars	2019-2020	2018-2019
Stationery, Postage, Telephone and Advertisement	389.14	374.62
Office Rent, Restoration and Maintenance Expenses	1,587.19	1,715.85
Travelling and Conveyance Expenses	725.13	1,258.71
Vehicle Expenses	967.43	1,161.98
Insurance Premiums	540.21	532.19
Brokerage, Commission and Consultancy Fees	66.46	161.56
Repairs to Buildings & Others	269.35	264.36
Legal and Professional Fees	991.83	1,615.74
Corporate Social Responsibility Expenses	10.00	90.00
Donations *	164.71	955.70
Bad Debts and Provision for Doubtful Advances	799.11	4,304.52
Electricity Charges	292.63	358.50
Payment to Auditors	27.66	27.29
Business Promotion Expenses	33.08	204.30
Directors Sitting Fees	1.60	1.80
Rates & Taxes	272.43	207.03
Liquidated Damages	527.92	540.27
Loss on Exchange Fluctuations	6.53	-
Miscellaneous Expenses	1,371.30	3,283.13
Total Other Expenses	**9,043.71**	**17,057.55**
* includes donations to political parties	150.00	245.00

Expenditure towards Corporate Social Responsibility (CSR) activities

Particulars	2019-2020	2018-2019
Gross amount required to be spent by the Company during the Year	-	114.46
Amount spent in cash during the Year		
(i) Construction/Acquisition of any Asset	-	-
(ii) On purposes other than (i) above	10.00	90.00
	10.00	90.00

Payments to Auditors

Particulars	2019-2020	2018-2019
Audit Fees	21.65	20.55
Tax Audit Fees	5.10	4.61
Other Services	0.25	1.33
Reimursement of Expenses	0.66	0.80
	27.66	27.29

Note 32
EARNING PER SHARE

Particulars	2019-2020	2018-2019
Profit/(Loss) for the Year (₹ in lacs)	(6,269.02)	(14,826.71)
Weighted Average Number of Shares (Nos.)	26,88,000	26,88,000
Earnings Per Share (Basic and Diluted) ₹	(233.22)	(551.59)
Face Value Per Share ₹	10.00	10.00

Note 33
FAIR VALUE MEASUREMENT

i. Financial Instruments by Catergory

(₹ in lacs)

Particulars	31st March, 2020			31st March, 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Shares (quoted)	-	-	-	-	2,066.77	-
Equity Shares (Unquoted)	-	23.16	-	-	23.16	-
in Subsidiaries and Joint Ventures...	-	-	245.77	-	-	482.76
Mutual Fund	-	-	-	465.21	-	-
Preference Shares	3,000.00	-	-	3,000.00	-	-
Bonds & Others	350.00	-	-	350.00	-	-
Trade Receivables	-	-	96,919.03	-	-	1,03,775.13
Loans Non - Current	-	-	11,541.25	-	-	3,754.04
Loans - Current			50,646.66			69,961.01
Other Financial Assets Non -Current....	-	-	5,354.36	-	-	938.93
Other Financial Assets Current			3.08			2.18
Cash and Cash Equivalents	-	-	12,832.08	-	-	4,870.07
Other Bank Balances	-	-	8,637.27	-	-	8,275.15
Total Financial Assets	**3,350.00**	**23.16**	**1,86,179.50**	**3,815.21**	**2,089.93**	**1,92,059.27**
Financial Liabilities						
Borrowings						
Long Term Borrowings*	-	-	38,242.17	-	-	26,037.50
Short Tern Borrowings	-	-	68,188.31	-	-	70,209.65
Trade Payables	-	-	73,490.84	-	-	79,479.47
Other Financial Liabilities Non-Current..	-	-	-	-	-	-
Other Financial Liabilities-Current			6,674.25			2,488.02
Total Financial Liabilities..........	**-**	**-**	**1,86,595.57**	**-**	**-**	**1,78,214.64**

* including current maturities of Long Term Debts

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, 2020

(₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Level 4
Financial Investment at FVOCI				
Investment in Equity Shares (Quoted) ..	-	-	-	-
Investment in Equity Shares (Unquoted) ..	-	-	23.16	23.16
Financial Investment at FVPL				
Investment in Mutual Fund	-	-	-	-
Investment in Preference Shares	-	-	3,000.00	3,000.00
Investment in Bonds & Others	-	-	350.00	350.00
Total	-	-	**3,373.16**	**3,373.16**

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

(₹ in lacs)

Particulars	Level 1	Level 2	Level 3	Level 4
Financial Investment at FVOCI				
Investment in Equity Shares (quoted)..	2,066.77	-	-	2,066.77
Investment In Equity Shares (unquoted) ..	-	-	23.16	23.16
Financiall 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**

Level 1: 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.

Note 34
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 ratings, Aging analysis and Credit evaluation	Diversification of counter parties, investment limits, check on counter parties 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 analysis	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 excepcted 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, 2020			
Financial Assets :			
Investments	-	3,618.93	3,618.93
Loans	50,646.66	11,541.25	62,187.92
Trade Receivables	96,919.03	-	96,919.03
Cash and Cash Equivalents	12,832.08	-	12,832.08
Other Bank Balances	8,637.27	-	8,637.27
Other Financial Assets	3.08	5,354.36	5,357.44
Total Financial Assets	**1,69,038.13**	**20,514.54**	**1,89,552.67**
Financial Liabilities :			
Long Term Borrowings *	35,082.28	3,159.89	38,242.17
Short Term Borrowings	68,188.31	-	68,188.31
Trade Payables	73,490.84	-	73,490.84
Other Financial Liabilities	6,674.25	-	6,674.25
Total Financial Liabilities	**1,83,435.68**	**3,159.89**	**1,86,595.57**
As on 31st March, 2019			
Financial Assets :			
Investments	-	6,387.90	6,387.90
Loans	69,961.00	3,754.04	73,715.04
Trade Receivables	1,03,775.13	-	1,03,775.13
Cash and Cash Equivalents	4,870.07	-	4,870.07
Other Bank Balances	8,275.15	-	8,275.15
Other Financial Assets	2.18	938.93	941.11
Total Financial Assets	**1,86,883.54**	**11,080.87**	**1,97,964.41**
Financial Liabilities:			
Long Term Borrowings *	12,857.97	13,179.54	26,037.51
Short Term Borrowings	70,209.65	-	70,209.65
Trade Payables	79,479.47	-	79,479.47
Other Financial Liabilities	2,488.02	-	2,488.02
Total Financial Liabilities	**1,65,035.11**	**13,179.54**	**1,78,214.65**

* including current maturities of Long Term Debts

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 of loans 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, 2020	+100	(1,064.30)
	-100	1,064.30
March 31, 2019	+100	(962.47)
	-100	962.47

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, 2020	31st March, 2019
Receivables		
Taka	821.82	2,522.81
LYD	282.41	282.41
Payables		
LYD	539.71	539.71
Taka	773.84	2,481.75

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% represents 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, 2020	LYD	+5%	669.60
	LYD	-5%	(669.60)
March 31, 2019	LYD	+5%	702.77
	LYD	-5%	(702.77)
March 31, 2020	Taka	+5%	2.11
	Taka	-5%	(2.11)
March 31, 2019	Taka	+5%	1.68
	Taka	-5%	(1.68)

Note 35

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.

However, due to the business losses for the past two years , the Company is facing difficulties to meet its obligations for repayments of its borrowings. Consequently, certain loans have become overdue and classified by the lenders as sub-standard.

The following table summarises the capital of the Company:

(₹ in lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Debt	1,06,430.49	96,247.15
Total Equity	43,000.96	51,878.84
Total Debt to Equity Ratio	2.48	1.86

Note 36
EXCEPTIONAL ITEMS REPRESENTS

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Excess liabilities written back on one time settlement with banks and others	772.82	-

Note 37
CONTINGENT LIABILITIES

(₹ in lacs)

No.	Particulars	31st March, 2020	31st March, 2019
1.	For indemnity and guarantees by banks against contracts include Advance Payment Guarantees (APGs) aggregating to ₹ 67,920.46 lacs (Previous Year ₹ 77,246.64 lacs). The actual liability against the APGs of ₹ 67,549.67 lacs (Previous Year ₹ 74,221.47 lacs) is already shown in Note No. 21)	1,85,022.44	2,15,084.85
2.	For inland letter of credits	-	1,862.98
3.	Guarantees given by the Company in respect of facilities sanctioned by the bank to Other Company...	623.00	2,800.00
4.	Excise, service tax and sales tax matters	3,415.44	3,084.64
5.	Claims against the Company not acknowledged as debt	42,455.22	47,288.61

Note: The above information is given as certified by the management. In absence of any audit evidence, the Auditors have not been able to verify the same.

Note 38
EMPLOYEE BENEFITS

Funded Scheme
Gratuity

Liability for employee gratuity has been determined by an actuary, appointed for the purpose, in confirmity 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Amount recognised in Balance Sheet		
Present Value of Funded Defined Benefit Obligation	1,717.19	1,967.67
Fair Value of Plan Assets	2,396.00	2,735.92
Net Funded Obligation	**678.81**	**768.25**
Expense recognised in the Statement of Profit and Loss		
Current Service Cost	85.83	89.00
Past Service Cost	-	-
Interest on Net Defined Benefit Asset	(61.73)	(37.21)
Total Expense Charged to Profit and Loss Account	**24.10**	**51.79**
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Profit & Loss Account	716.45	525.06
Re-measurements during the period due to:		
Changes in Financial Assumptions	-	-
Actual return on Plan Assets less Interest on Plan Assets	(65.34)	191.39
Closing amount recognised in OCI outside Profit & Loss Account	**651.11**	**716.45**
Reconciliation of Net Liability/(Asset)		
Opening Net Defined Benefit Liability / (Asset)	**(768.25)**	**(620.03)**
Expense charged to Profit and Loss Account	24.10	51.79
Amount recognised outside Profit and Loss Account	65.34	(191.39)
Benefits paid	-	(8.62)
Closing Net Defined Benefit Liability / (Asset)	**(678.81)**	**(768.25)**
Movement in Benefit Obligation		
Opening of Defined Benefit Obligation	**1,967.67**	**2,408.65**
Current Service Cost	85.83	89.00
Interest on Defined Benefit Obligation	134.29	164.70
Acturial Loss/(Gain) arising from change in Financial Assumptions	6.83	(183.14)
Benefits paid from the Fund	(477.42)	(511.53)
Closing of Defined Benefit Obligation	**1,717.19**	**1,967.67**
Movement in Plan Assets		
Opening Fair Value of Plan Assets	**2,735.92**	**3,028.68**
Return on Plan Assets excluding Interest Income	(58.51)	(267.64)
Interest Income	196.02	201.91
Contributions by Employer	-	284.50
Benefits paid	(477.42)	(511.53)
Closing of Defined Benefit Obligation	**2,396.00**	**2,735.92**
Principal Acturial Assumptions		
Discount Rate	6.62	7.61
Salary Escalation Rate p.a.	4.00	6.00

Sensitivity analysis for significat assumption is as shown below:

(₹ in lacs)

Particulars	Sensitivity Level	31st March, 2020	31st March, 2019
Discount Rate	1% Increase	1,628.49	1,855.37
	1% Decrease	1,817.28	2,095.35
Salary	1% Increase	1,816.95	2,093.77
	1% Decrease	1,627.35	1,854.88

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

(₹ in lacs)

Particulars	31st March, 2020	31st March, 2019
Within the next 12 months (next annual reporting period)	392.36	406.11
Between 2 and 5 years	600.34	704.39
Beyond 5 years	682.49	778.42

Note 39
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	Smt. Kimaya C. Sancheti	Director	
36	Shri Manoj Kumar Singh	Managing Director	
37	Shri H. L. Pandey	Executive Director	
38	Shri R. P. Agarwal	Vice President and Company Secretary	
(v)	Relatives of Key Management Personnel		
39	Smt. Bharti K. Morarka		
40	Shri S.K. Pandey		
41	Shri A.K. Pandey		
(vi)	Others		
42	GDCL Employees Gratuity Fund		
43	MRM - GDC Rural Research Foundation		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lacs)

Nature of transaction		Year ended 31st March, 2020	Year ended 31st March, 2019
Subsidiaries, Joint Ventures and Associates:			
1. Service Charges Paid			
Nalanda Consultants Pvt. Limited	Associate	6.81	-
Ramkumar Morarka & Sons Pvt. Limited	Associate	2.00	1.94
Total		**8.81**	**1.94**
2. Travel Related Services			
Travelera Pvt. Limited	Associate	175.31	183.03
3. Loss of Divisions			
Courier Publications Pvt. Limited	Associate	-	375.49
Ankush Publications Pvt. Limited	Associate	-	-
Total		-	**375.49**
4. Loan Granted			
Gannon Dunkerley Finance Limited	Associate	-	28.80
Gannon Dunkerley Realty Limited	Associate	457.74	796.73
The Jaipur Udyog Limited	Associate	124.62	122.07
Khagra Joydev Resources Private Limited	Subsidiary	15.00	42.00
GDCL- Krishna	Joint Venture	347.75	249.39
GDCL- CEPL	Joint Venture	24.14	0.00
GDCL- MIS Shivam	Joint Venture	16.98	0.00
GDCL- EMIT	Joint Venture	-	27.23
GDCL- SIL- FLCL	Joint Venture	11.11	18.34
SIPL- GDCL	Joint Venture	410.91	-
Total		**1,408.25**	**1,284.56**
5. Loan Repaid			
Gannon Dunkerley Finance Limited	Associate	70.16	601.26
Gannon Dunkerley Realty Limited	Associate	6,193.29	71.57
The Jaipur Udyog Limited	Associate	-	0.19
Khagra Joydev Resources Private Limited	Subsidiary	-	42.00
Gannon Dunkerley Middle East WLL	Subsidiary	5.99	-
Gannon Dunkerley & Co., LLC	Joint Venture	-	1.66
Gannon Dunkerley General Contracting Co., LLC	Joint Venture	66.99	-
Gannon Dunkerley Gulf Contracting LLC	Joint Venture	438.89	-
GDCL - MIS Shivam	Joint Venture	-	8.51
SIPL - GDCL	Joint Venture	279.28	-
GDCL - CEPL	Joint Venture	-	175.00
Total		**7,054.60**	**900.18**
6. Interest Received			
Khagra Joydev Resources Private Limited	Subsidiary	28.54	12.69
7. 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	854.99	925.15
Gannon Dunkerley Realty Limited	Associate	(3,381.58)	9,117.13
The Jaipur Udyog Limited	Associate	7,566.58	7,441.97
Khagra Joydev Resources Private Limited	Subsidiary	212.96	169.42
Virat Infra Projects Private Limited	Associate	2.89	2.89
I. K. Infrastruture Private Limited	Associate	2.12	2.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lacs)

Nature of transaction		Year ended 31st March, 2020	Year ended 31st March, 2019
Gannon Dunkekerley & Co., Limited FZE	Subsidiary	646.96	646.96
Gannon Dunkerley Middle East WLL	Subsidiary	-	5.99
Gannon Dunkerley & Co., LLC	Joint Venture	2,850.84	2,850.84
Gannon Dunkerley General Contracting Co., LLC	Joint Venture	-	66.99
Gannon Dunkerley Gulf Contracting Co., LLC	Joint Venture	-	438.89
GDCL- MIS Shivam	Joint Venture	161.47	144.49
GDCL- CEPL	Joint Venture	25.30	1.16
GDCL- SIL - FLCL	Joint Venture	73.39	62.28
Total		**15,779.08**	**21,876.29**
2. Other Advances			
Travelera Pvt. Limited	Associate	(25.29)	48.94
Courier Publications Pvt. Limited	Associate	172.35	72.32
Ankush Publications Pvt. Limited	Associate	2,724.58	2,711.08
Total		**2,871.64**	**2,832.34**
3. Trade Receivables			
Facor Power Limited	Associate	**362.57**	**362.57**
4. Advances to Suppliers			
GDCL- MIS Shivam	Joint Venture	12.25	266.36
GDCL- CEPL	Joint Venture	275.30	239.83
GDCL- Krishna	Joint Venture	980.28	632.53
GDCL- EMIT	Joint Venture	(13.31)	27.23
Total		**1,254.52**	**1,165.95**
5. Other Current Liabilities			
Gannon Dunkerley Holdings Private Limited	Associate	10.82	10.79
United India Agencies Pvt. Limited	Associate	28.97	28.95
Ramkumar Morarka & Sons Pvt. Limited	Associate	190.46	190.44
GDCL MIS Shivam	Joint Venture	33.56	504.54
GDCL EMIT	Joint Venture	177.50	-
Total		**441.30**	**734.72**
Key Managerial Personnel and Relatives:			
1. Sitting Fees			
Shri Parag C. Mehta	Director	0.80	1.00
Shri Ravinder Kumar Manchanda	Director	-	0.20
Smt. Kimaya Chirag Sancheti	Director	0.80	0.60
			-
Total		**1.60**	**1.80**
2. Remuneration			
Shri K. J. Rawal	Ex. Managing Director	-	33.01
Shri Manoj Kumar Singh	Managing Director	160.00	152.44
Shri H. L. Pandey	Executive Director	130.91	106.96
Shri R. P. Agarwal	Vice President and Company Secretary	62.95	63.18
Shri S.K. Pandey		44.49	41.94
Shri A.K. Pandey		49.28	44.13
Total		**447.63**	**441.66**
3. Loan Received			
Shri Kamal M. Morarka	Director	4.65	320.80
4. Loan Repaid			
Shri Kamal M. Morarka	Director	6.19	17.20
Outstanding balances:			
1. Current borrowings			
Shri Kamal M. Morarka	Director	307.48	309.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

40. 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.

41. 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.

42. The Company has entered into agreement with a company, viz. Courier Publications Pvt. Limited and thereby exercised control over Publication Division of this Company for a payment of annual compensation. Consequently, the Company, based on the financial statements, accounted for losses of this Company in the year 2018-19 aggregating to ₹ 405.28 lacs in its profit & loss statement. In absence of further details for ownership and operational controls of this company, the Auditors are unable to comment on the same.

43. 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. Details regarding physical verification of inventories are also not made available to the Auditors. In absence of such information and appropriate audit evidence, the Auditors have relied upon the explanations furnished to them by the management and it has not been possible for the Auditors to ascertain whether any impairment to these assets is required.

    Stock of paintings at Marketing Division of the Company aggregating to ₹ 6,845.69 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.

44. Balance confirmations in respect of all borrowings accounts, trade receivables, trade payables, security deposits, and loans to bodies corporate and others, Goods and Service Tax (GST) receivables, term deposits with banks and advances have not been obtained. In the absence of balance confirmations from respective parties and appropriate audit evidence, the entries and other supporting records have been relied upon by the Auditors.

45. 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. Audited financial statements of Libya Division have not been received and financial data of this branch is incorporated based on unaudited financials and other information received from the division.

46. In respect of fixed assets of the Company, details regarding physical verification have not been furnished to the Auditors. In absence of such information and appropriate audit evidence, the Auditors have relied upon the explanations furnished to them by the management and it has not been possible for the Auditors to ascertain whether any impairment to the fixed assets is required. Intangible assets under development ₹ 1,393.62 lacs are being carried forward for more than three years. In absence of any evaluation being carried out in respect of these assets, it has not been possible to ascertain whether any impairment is required.

47. Interest on certain loans, advances in the nature of loans and inter-corporate deposits including loans to a subsidiary company, aggregating to ₹ 68,456.21 lacs (Previous Year : ₹64,751.83 lacs) is not charged.

48. The Company has not charged interest expenses of ₹ 911.08 lacs on the borrowed fund from the financial institutions and banks during the year.

49. 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.

50. In respect of loans and trade advances to bodies corporate and others ₹ 11,475.99 lacs (Previous Year: ₹8,499.90 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.

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

52. In the last week of March 2020, an outbreak situation arose in India on account of COVID-2019. The Company has considered such outbreak situation as subsequent event to the Balance Sheet date i.e., March 31, 2020 in terms of Ind AS 10 "Reporting on Event After Balance Sheet Date" and has assessed the operational and financial risk on going forward basis.

In assessing the impact on the recoverability of financial and non-financial assets, the extent to which the COVID-19 pandemic will impact the Company's operations and financial results will depend on future developments, which are still uncertain as on the reporting date, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.

The impact on the operations and earnings/ cash flows of the Company due to COVID- 2019 pandemic may be assessed only after future developments and clarity about domestic and export customers' manufacturing facility which is still not certain and may lead it impracticable for the Company to estimate projected revenue from operations and earnings for the next year and impact thereon due to COVID-19. Though, the management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

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

54. Classifications of borrowings as well as securities offered against the borrowings are stated in Note No. 17 and 18 as provided by the management. In absence of any other audit evidences, Auditors have relied upon the information furnished by the management.

55. Figures of previous year have been regrouped and rearranged wherever necessary.

Signatures to Notes 1 to 55

The accompanying notes are integral part of these financial statements.

As per our report of even date For PARK & COMPANY *Chartered Accountants*		For and on behalf of the Board of Directors	
		P.C. MEHTA KIMAYA C. SANCHETI	*Directors*
ASHISH DAVE *Partner*	R. P. AGARWAL *Company Secretary*	MANOJ KUMAR SINGH H.L. PANDEY	*Managing Director* *Executive Director*
Mumbai, 30th January, 2021		*Mumbai, 30th January, 2021*	