

G G Engineering Limited  
Standalone Balance Sheet as at March 31, 2022

(Amount in ₹)

S. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	3	60,58,720	12,58,80,365
	(b) Financial Assets			
	(i) Investments	4	5,32,75,065	5,32,75,065
	(ii) Loans	5	20,32,750	18,86,792
	(ii) Other Financial Asset	6	9,68,176	14,61,449
	(c) Other Non-current Assets	7	32,95,289	39,15,880
(2)	<b>Current Assets</b>			
	(a) Inventories	8	46,61,755	2,18,49,113
	(b) Financial Assets			
	(i) Trade Receivables	9	8,98,53,267	5,50,47,105
	(ii) Cash and Cash Equivalents	10	9,62,538	15,39,050
	(iii) Loans	11	2,64,30,422	31,86,238
	(c) Other Current Assets	12	1,04,339	2,32,196
	<b>TOTAL ASSETS</b>		<b>18,76,42,321</b>	<b>26,82,73,253</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Share Capital	13	10,31,00,450	10,31,00,450
	(b) Other Equity	14	5,85,16,909	4,66,40,350
	<b>LIABILITIES</b>			
(1)	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	-	69,76,345
	(c) Deferred Tax Liabilities (Net)	16	2,92,462	31,12,505
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	1,43,02,286	3,76,04,735
	(ii) Trade Payables	17		
	(A) total outstanding dues of micro enterprises and small enterprises; and			
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		10,24,389	5,72,93,583
	(b) Other current liabilities	18	1,04,05,825	1,35,45,285
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,76,42,321</b>	<b>26,82,73,253</b>

Summary of Significant Accounting Policies

2


The accompanying notes from 1 to 33 are an integral part of these standalone IND AS Financial Statements

As per our attached report of even date.

SGN & Co

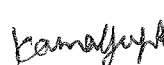
Chartered Accountants

FRN 134565W

  
Nirmal Jain  
Partner  
Membership No. 154074

For & on behalf of the Board of Directors of  
G G Engineering Limited

  
Deepak Kumar Gupta  
Whole Time Director  
DIN No: 00057003


  
Kamal Beriwal  
Director  
DIN No: 00310692

Place: Mumbai

UDIN: 22154074AJVETU6759

Date: 28/05/2022

  
Sapna Tehanguriya  
Company Secretary  
PAN: BBIPT7756E

  
Uttam Kumar  
Chief Financial Officer  
PAN: ACXPK7432R

**G G Engineering Limited**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2022**

(Amount in ₹)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	Revenue from Operations	19	15,14,38,717	27,75,69,446
II	Other Income	20	33,54,380	2,53,612
III	<b>Total Income (I+II)</b>		<b>15,47,93,097</b>	<b>27,78,23,058</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	21	-	5,84,60,329
	Purchases of Stock -in-Trade		15,06,26,318	20,06,73,425
	Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress	22	-	-1,25,23,669
	Employee benefit expenses	23	13,79,920	92,98,122
	Finance costs	24	-	43,76,784
	Depreciation and amortization expenses	25	24,03,790	28,92,906
	Other Expenses	26	34,63,580	1,25,61,334
	<b>Total Expenses (IV)</b>		<b>15,78,73,608</b>	<b>27,57,39,232</b>
V	<b>Profit/(Loss) before exceptional items and tax (I-IV)</b>		<b>-30,80,511</b>	<b>20,83,826</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>		<b>-30,80,511</b>	<b>20,83,826</b>
VIII	Tax Expense:			
	(1) Current Tax		-	2,34,380
	(2) Deferred Tax		-28,20,042	1,67,844
	(Short)/Excess Provision of Tax		-17,61,546	-
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>-20,22,015</b>	<b>16,81,602</b>
X	Profit/(Loss) from discontinued operations	27	-3,70,152	-
XI	Tax expense of discontinued operations		-	-
XII	<b>Profit/(Loss) from Discontinued Operations (after tax) (X-XI)</b>		<b>-3,70,152</b>	<b>-</b>
XIII	<b>Profit/(Loss) for the period (IX+XII)</b>		<b>-23,92,167</b>	<b>16,81,602</b>
	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		1,68,726	2,51,727
	(ii) Income tax relating to items that will be reclassified to profit or loss		-43,869	-65,449
	<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>-22,67,310</b>	<b>18,67,880</b>
XIV	Earnings per Equity Share	28		
	(1) Basic		-0.046	0.03
	(2) Diluted		-0.044	0.04

Summary of Significant Accounting Policies

2

The accompanying notes from 1 to 33 are an integral part of these standalone IND AS Financial Statements

As per our attached report of even date.

SGN & Co

Chartered Accountants

FRN 134565W

Nirmal Jain

Partner

Membership No 154074


Place: Mumbai

UDIN: 22154074AJVETU6759


Date: 28/05/2022

For & on behalf of the Board of Directors of  
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**Deepak Kumar Gupta**  
Whole Time Director  
DIN No: 00057003

  
**Kamal Beriwal**  
Director  
DIN No: 00310692

  
**Sapna Tehanguriya**  
Company Secretary  
PAN: BBIPT7756E

  
**Uttam Kumar**  
Chief Financial Officer  
PAN: ACXPK7432R

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A. Cash Flow from Operating Activities:</b>		
Net profit before Tax	-34,50,663	20,83,826
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and Amortisation	24,03,790	28,92,906
Interest income	(10,17,200)	(76,724)
Profit/(Loss) on Sale of Assets	3,44,629	
Sundry Balances Written Off	8,48,570	15,000
Interest expense	37,24,672	43,76,784
<b>Operating Profit before Working Capital Changes</b>	<b>28,53,798</b>	<b>92,91,793</b>
<b>Adjustments for movement in Working Capital:</b>		
<u>(Increase)/Decrease in Current Assets</u>		
(Increase)/Decrease in Trade receivable	(3,48,06,162)	(1,51,73,207)
(Increase)/Decrease in Current Loans	(2,32,44,184)	78,88,642
(Increase)/Decrease in Other Financial Asset	4,93,273	
(Increase)/Decrease in Other Current Assets	1,27,857	(1,81,269)
(Increase) / Decrease in Inventories	1,71,87,358	(2,74,067)
<u>Increase/(Decrease) in Trade Payables and other current liabilities</u>		
Increase / (Decrease) in Trade Payables	(5,62,69,194)	1,41,14,315
Increase / (Decrease) in Deferred Tax Liabilities	(28,20,042)	
Increase / (Decrease) in Other Current Liabilities	(31,39,460)	(33,53,982)
<b>Cash Generated from Operations</b>	<b>(9,96,16,757)</b>	<b>1,23,12,225</b>
Direct Taxes paid (net of refund)	(17,40,252)	1,54,638
<b>Net Cash from Operating Activities</b>	<b>(10,13,57,009)</b>	<b>1,24,66,862</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Property, Plant and Equipment		(80,11,354)
Sale of Property, Plant and Equipment	11,98,21,645	
Investments in Subsidiaries	-	
Interest Income	10,08,275	76,724
<b>Net Cash used in Investing Activities</b>	<b>12,08,29,920</b>	<b>(79,34,630)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Repayment of Long term borrowings	(69,76,345)	(15,97,023)
Interest Paid	(37,24,672)	(43,76,784)
Increase in Loans & Advances	(1,45,958)	-
Proceeds from Short term borrowings		56,192
Repayment of Short term borrowings	(2,33,02,449)	-
Proceeds from Share Warrant	1,41,00,000	-
<b>Net Cash used in Financing Activities</b>	<b>(2,00,49,424)</b>	<b>(59,17,615)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>	<b>(5,76,513)</b>	<b>(13,85,383)</b>
<b>Cash and Cash equivalents - Opening Balance</b>	<b>15,39,050</b>	<b>29,24,433</b>
<b>Net Change in Cash and Cash equivalents</b>	<b>9,62,538</b>	<b>15,39,050</b>
<b>Cash and Cash equivalents - Closing Balance</b>	<b>9,62,538</b>	<b>15,39,050</b>
<b>Components of Cash and Cash Equivalents</b>		
Bank balance in current account	92,244	2,76,091
Cash on hand	8,70,294	12,62,959
<b>Total</b>	<b>9,62,538</b>	<b>15,39,050</b>


**Note 1 :** The standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) statement of cash flows

As per our attached report of even date.

**SGN & Co**

Chartered Accountants

FRN 134565W


  
Nirmal Jain  
Partner  
Membership No 154074


Place: Mumbai

UDIN: 22154074AJVETU6759


Date: 28/05/2022

For & on behalf of the Board of Directors of  
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Whole Time Director  
DIN No: 00057003

  
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Company Secretary  
PAN: BBIPT7756E

  
Uttam Kumar  
Chief Financial Officer  
PAN: ACXPK7432R

G G Engineering Limited  
 Standalone Statement of Change in Equity for the year ended March 31st, 2022

A Equity Share Capital

(Amount in ₹)			
Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in the equity share capital during the current year
10,31,00,450	-	-	-
Balance as at March 31, 2022			
10,31,00,450			
Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in the equity share capital during the current year
10,31,00,450	-	-	-
Balance as at March 31, 2021			
10,31,00,450			

B. Other Equity

As at	Reserves and Surplus				Money received against share warrants	Total
	Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings		
As at April 1, 2021		1,56,00,000		3,10,27,848	12,502	4,66,40,350
Restated balance at the beginning of the reporting period						
Profit for the year				-23,92,167		-23,92,167
Total Comprehensive Income for the year				1,68,726		1,68,726
Premium Against Share Warrant received during the year	1,41,00,000					1,41,00,000
Issue of Shares						
As at March 31, 2022		2,97,00,000		2,88,04,407	12,502	5,85,16,909
As at April 1, 2020		1,56,00,000		2,90,94,519	12,502	4,47,07,021
Restated balance at the beginning of the reporting period						
Profit for the year				16,81,602		16,81,602
Total Comprehensive Income for the year				2,51,727		2,51,727
Receipt on Issue of Shares						
Converted to Bonus						
As at March 31, 2021		1,56,00,000		3,10,27,848	12,502	4,66,40,350



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## **1 Corporate information**

GG Engineering Limited ("the Company") is a company limited by shares having its registered office at Office No. 203, 2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment Mumbai - 400. The financial statements were authorised by the Board of Directors for issuing accordance with a resolution passed on May 28, 2022.

## **2 Significant accounting policies**

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

### **2.1 Basis of preparation of Financial Statements**

#### **a) Statement of compliance with Ind AS:**

These financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant schedule III), as are applicable.

#### **b) Basis of measurement**

These financial statements are prepared under the historical cost convention except for the following material items that have been measured at fair value as required by relevant Ind AS :

- certain financial assets (including derivative financial instruments) that are measured at fair value;
- share based payments;
- defined benefit plans - plan assets measured at fair value;
- certain property, plant and equipment measured at fair value (viz leasehold land and freehold land) which has been considered as deemed cost.

The fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

#### **Fair value measurement:**

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

#### **Where required/appropriate, external valuers are involved.**

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy established by Ind AS 113, that categorises into three levels, the inputs to valuation techniques used to measure fair value. These are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Deepak  
12/10/2022

**Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** inputs are unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (*Level 3 inputs*).

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognises transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

**c) Current non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**A liability is current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and time between acquisition of assets for processing / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current/non-current classification of assets & liabilities period of 12 months has been considered as normal operating cycle.

**d) Functional and presentation currency**

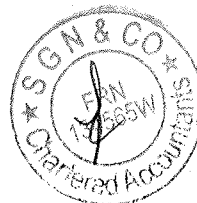
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

**e) Rounding of amounts:**

All amounts disclosed in the financial statements and notes are in Indian Rupees as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

**2.2 Use of estimates**

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The preparation of financial statements in conformity with the recognition and measurement principles of the Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements, and the reported amounts of revenues, expenses and the results of operations during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an "ongoing basis". Such estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

## 2.3 Revenue recognition

### Sale of goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

### Revenue (other than sale)

Revenue (other than sale) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### Insurance Claims

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

*Export benefits/incentives constituting Duty Draw back, incentives under FPS/FMS/MEIS/RoDTEP and duty free advance license scheme are accounted for on accrual basis where there is reasonable assurance that the Company will comply with the conditions attached to them and the export benefits will be received.*

### Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying

### Dividend

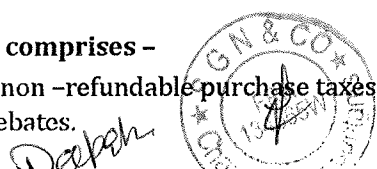
Dividend income is recognized when the Company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

## 2.4 Property, plant and equipment (PPE)

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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 are charged to the Statement of Profit and Loss during the period in which they are incurred.

**Cost of an item of property, plant and equipment comprises -**

- i. its purchase price, including import duties and non-refundable purchase taxes (net of duty/ tax credit availed), after deducting trade discounts and rebates.



**G G Engineering Limited****Notes forming part of Standalone Financial Statements for the year ended March 31, 2022**

- ii. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii. borrowing cost directly attributable to the qualifying asset in accordance with accounting policy on borrowing cost.
- iv. the costs of dismantling, removing the item and restoring the site on which it is located.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, related pre-operational expenses and for qualifying assets applicable borrowing costs to be capitalised in accordance with the Company's accounting policy. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not directly related to the project nor are incidental thereto, are expensed.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other items of PPE, commences when the assets are ready for their intended use.

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost, less impairment losses if any.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Machinery spares which meets the criteria of PPE is capitalized and depreciated over the useful life of the respective asset.

**On transition to Ind AS:**

Under the Previous GAAP, all property, plant and equipment were carried at in the Balance Sheet on basis of historical cost. In accordance with provisions of Ind AS 101 First time adoption of Indian Accounting Standards, the Company, for certain properties, has elected to adopt fair value and recognized as of April 1, 2016 as the deemed cost as of the transition date. The resulting adjustments have been directly recognized in retained earnings. The balance assets have been recomputed as per the requirements of Ind AS retrospectively as applicable.

**Depreciation:**

Depreciation on Property, Plant & Equipment (other than freehold land and capital work in progress) is provided on the straight line method, based on their respective estimate of useful lives, as given below. Estimated useful lives of assets are determined based on internal assessment estimated by the management of the Company and supported by technical advice wherever so required. The management believes that useful lives currently used, which is as prescribed under Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of Property, Plant & Equipment ( considered at 5% of the original cost), though these lives in certain cases are different from lives prescribed under Schedule II.

Type of assets	Useful life in years
Buildings	
Factory Building	60 years
Plant and Machinery *	5 - 25 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 - 10 years
Computers	3 years





\*Based on internal technical evaluation and external advise received, the management believes that the useful lives as considered for arriving at the depreciation rates, best represent the period over which management expect to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets individually costing Rs. 5000 or less are fully depreciated in the year of acquisition.

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed periodically including at the end of each financial year. Any changes in depreciation method, useful lives and residual values are treated as a change in accounting estimate and applied/adjusted prospectively, if appropriate.

**Measurement of Fair Value:**

**a) Fair value hierarchy:**

The fair value of freehold and leasehold land has been determined by external, independent property valuers, having appropriate recognised professional qualifications and experience in the category of the property being valued. The fair value measurement has been categorised as level 2 fair value based on the inputs to the valuations technique used.

**b) Valuation technique:**

Value of the property has been arrived at using market approach using market corroborated inputs. Adjustments have been made for factors specific to the assets valued including location and condition of the assets, the extent to which input relate to items that are comparable to the assets and the volume or the level of activity in the markets within which the inputs are observed.

**2.5 Intangible assets**

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably At initial recognition, the separately acquired intangible assets with finite useful lives are recognised at cost of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets not ready for the intended use on the date of the balance sheet are disclosed as 'intangible assets under development".

Intangible assets are derecognised (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use and subsequent disposal.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset are recognised as income or expense in the statement of profit and loss.

**Deemed cost on transition to Ind AS:**

Under the Previous GAAP, all Intangible assets were carried at in the Balance Sheet on basis of historical cost. The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

**Amortisation:**

Intangible assets are amortised on a straight line basis over the estimated useful lives of respective assets from the date when the asset are available for use, on pro-rata basis.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively.

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## 2.6 Financial Instruments

### Financial Assets:

#### Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the . On initial recognition, a financial asset is recognised at fair value, except for trade receivables which are initially measured at transaction price. 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 and loss. In other cases, the transaction costs are added to or deducted from the fair value of the financial assets.

#### Financial assets are subsequently classified and measured at

- amortised cost (if it is held within a business model whose objective is to hold the asset in order to collect

contractual cash flows and the contractual terms of the financial asset give rise on specified dates to

- fair value through profit and loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

### Equity Instruments:

Investment in subsidiaries are measured at cost less impairment losses, if any.

All investments in equity instruments in scope of Ind AS 109 classified under financial assets are initially measured at fair value.

If the equity investment is not held for trading, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Equity Instruments which are held for trading are classified as measured at FVTPL.

Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

The Company does not have any equity investments designated at FVOCI.

### Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks and interest rate risks. Such derivative financial instruments are recorded at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of

### Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### Impairment of Financial Asset:

In accordance with Ind AS 109, the Company 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 or contract revenue receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. This involves use of provision matrix constructed on the basis of historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.

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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. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

### **Financial Liabilities and equity instruments:**

#### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

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

#### **Financial liabilities**

##### **Initial recognition and measurement:**

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

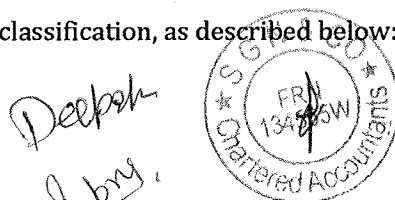
The fair value of a financial instrument at initial recognition is normally the transaction price. If the Company determines that the fair value at initial recognition differs from the transaction price, difference between the fair value at initial recognition and the transaction price shall be recognized as gain or loss unless it qualifies for recognition as an asset or liability. This normally depends on the relationship between the lender and borrower or the reason for providing the loan. Accordingly in case of interest-free loan from promoters to the Company, the difference between the loan amount and its fair value is treated as an equity. In accordance with Ind AS 113, the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**



After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss, unless and to the extent capitalised as part of costs of an asset.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on

### **Trade and other payables**

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **Off setting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognised amount and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.7 Impairment of Non-financial assets**

The carrying amounts of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

## **2.8 Borrowing costs**

Borrowing costs comprises interest expense on borrowings calculated using the effective interest method and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. EIR calculation does not include exchange

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Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time considering project as a whole to get ready for their intended use or sale, are included in the cost of those assets. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably. Other borrowing costs are recognised as an expense. The Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalisation.

## 2.9 Foreign currency transactions

The financial statements are presented in Indian Rupees (INR), the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Profit and Loss account. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Under Previous GAAP, the Company had opted for paragraph 46A of Accounting Standard for 'Effect of Changes in Foreign Exchange Rates' (AS 11) which provided an alternative accounting treatment whereby exchange differences arising on long term foreign currency monetary items relating to depreciable capital asset can be added to or deducted from the cost of the asset and should be depreciated over the balance life. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company has elected to avail this optional exemption. However, the capitalization of exchange differences is not allowed on any new long term foreign currency monetary item recognized from the first Ind AS financial reporting period.

## 2.10 Inventories

Inventories are valued at the lower of cost and net realisable value.

**Costs incurred in bringing each product to its present location and condition, are accounted for as follows:**

- Raw materials, stores and spares: cost includes cost of purchase (viz. the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition and is net of trade discounts, rebates and other similar items) and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Moving Weighted Average Method.

- Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Spare parts, which do not meet the definition of property, plant and equipment are classified as inventories.

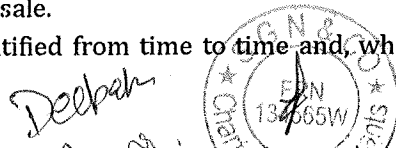
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

## 2.11 Employee benefits



**Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, social security contributions, short term compensated absences (paid annual leaves) etc. are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled and are expensed in the period in which the employee renders the related service.

**Post-employment benefits :**

**i) Defined contribution plan**

The defined contribution plan is post employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which employee renders the related service.

**ii) Defined benefit plan**

The Company's obligation towards gratuity liability is a "defined benefit" obligation. The present value of the defined benefit obligations is determined on the basis of actuarial valuation using the projected unit credit method. The rate used to discount "defined benefit obligation" is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

The amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the current year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss).

The amount of net interest expense, calculated by applying the liability discount rate to the net defined benefit liability or asset, is charged or credited to 'Finance costs' in the Statement of Profit and Loss.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e. changes in the present value of the defined benefit obligation resulting from experience adjustments and effects of changes in actuarial assumptions), the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) and is recognised immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss account in subsequent periods.

**Other long-term employee benefit obligations:**

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit.

**2.12 Government Grant:**

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

**Accordingly, government grants :**

- a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income in profit or loss on a systematic basis over the useful life of the assets.

b) related to an expense item is recognised in the statement of profit and loss on a systematic basis over the

periods that the related costs, for which it is intended to compensate, are expensed and presented as In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

### 2.13 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for "held for sale" is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

If the criteria for held for sale is no longer met, the asset ceases to be classified as held for sale and the asset shall be measured at the lower of :

(a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held

(b) its recoverable amount at the date of the subsequent decision not to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as "held for sale" are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

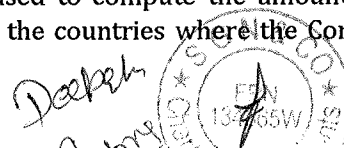
### 2.14 Taxation

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

#### Current income tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

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 in the countries where the Company operates and generates taxable income.



Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognized in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

**Deferred tax liabilities** are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

**Deferred tax assets** are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses unabsorbed tax depreciation. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be

**Uncertain Tax Issue:**

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The company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

In determining the approach that predicts the resolution of the uncertainty, the Company has considered most likely amount method & expected value method. Company adopted most likely amount method for resolution of the uncertainty of its tax treatment.

The company determined, based on its tax compliance that it is probable that its tax treatment will be

## **2.15 Provisions and contingencies**

### **Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

### **Contingencies:**

#### **Contingent liabilities**

A contingent liability is:

- a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the
- a present obligation that arises from past events but is not recognised because :
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed unless the contingency is remote.

#### **Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised but are disclosed when the inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

## **2.16 Related party**

A related party is a person or entity that is related to the reporting entity and it includes :

(a) A person or a close member of that person's family if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting

(b) An entity is related to the reporting entity if any of the following conditions apply:

- (i) The entity and the reporting entity are members of the same Group.
- (ii) One entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.



(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

(a) that person's children, spouse or domestic partner, brother, sister, father and mother;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related party transactions and outstanding balances disclosed in the financial statements are in accordance with the above definition as per Ind AS 24.

## **2.17 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and cash on hand and short term deposits/investments with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value. These exclude bank balances (including deposits) held as margin money or security against borrowings, guarantees etc. being not readily available for use by For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits and exclude items which are not available for general use as on the date of Balance Sheet, as defined above, net of bank overdrafts which are repayable on demand where they form an integral part of an

## **2.18 Dividend to equity share holders of the Company**

The company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## **2.19 Cash Flow Statement**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method as set out in Ind AS 7 'Statement of Cash Flows', adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and

iii. all other items for which the cash effects are investing or financing cash flows.

## **2.20 Earnings per share**

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit or loss after tax before other comprehensive income for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year. Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Contingently issuable shares are treated as outstanding and are included in the calculation of basic earnings per share only from the date when all necessary conditions are satisfied (i.e. the events have occurred).

Diluted earnings per equity share are computed by dividing the net profit or loss before OCI attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares (including options and warrants). The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. Anti-dilutive effects are ignored.

### **2.21 Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

### **2.22 Exceptional Items**

An item of Income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the financial statements.

### **2.23 Standards notified but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

**Ind AS 16 – Property, Plant and equipment**-The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

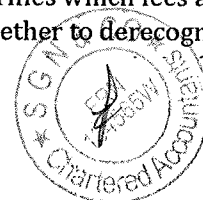
**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**-The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

**Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial

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G.G Engineering Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2022

Note 3 : Property, Plant and Equipment

(Amount in ₹)

Particulars	Freehold Land	Buildings	Plants and Equipment	Computers	Total
<b>Cost/Deemed Cost</b>					
At 31st March, 2020	9,36,45,754	1,14,58,877	2,44,79,843	3,48,166	12,99,32,641
Additions			79,46,900	64,454	80,11,354
Deletions					
At 31st March, 2021	9,36,45,754	1,14,58,877	3,24,26,743	4,12,620	13,79,43,994
Additions					
Deletions	9,36,45,754	92,47,287	1,44,86,254	38,560	11,74,17,855
At 31st March, 2022	-	22,11,590	1,79,40,489	3,74,060	2,05,26,139
<b>Depreciation and Impairment</b>					
At 31st March, 2020	-	18,86,394	69,95,052	2,89,277	91,70,723
Depreciation charge for the year		1,83,456	26,38,691	70,759	28,92,906
Disposals					
At 31st March, 2021	-	20,69,850	96,33,743	3,60,036	1,20,63,629
Depreciation charge for the year		1,41,740	22,48,026	14,024	24,03,790
Disposals					
At 31st March, 2022	-	22,11,590	1,18,81,769	3,74,060	1,44,67,419
<b>Net Book Value</b>					
At 31 March 2022	-	-	60,58,720	-	60,58,720
At 31 March 2021	9,36,45,754	93,89,027	2,27,93,000	52,584	12,58,80,365

Note: All the ROC charges against the assets of the company have been satisfied

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Note 4 : Non Current Investments

(Amount in ₹)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Investments in Equity Instruments</b>				
<b>Unquoted</b>				
<b>Subsidiaries (at cost or deemed cost)</b>				
Shashi Beriwal & Pvt Ltd Company, equity shares of Rs. 10 each fully paid up	5,60,527	5,32,50,065	5,60,527	5,32,50,065
<b>Others</b>				
The Saraswat Co-operative Bank Ltd	2,500	25,000	2,500	25,000
<b>Total</b>	<b>5,63,027</b>	<b>5,32,75,065</b>	<b>5,63,027</b>	<b>5,32,75,065</b>

The Company had measured the Investment in share of share of Subsidiary Co. Shashi Beriwal & Pvt Ltd Co. at cost.

Note 5 : Loans (Non Current Assets)

(Amount in ₹)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>Repayable on Demand</b>		
Kamlesh Kumar Rathi	20,00,000	18,86,792
Kamal Ispat Pvt Ltd	32,750	
<b>Total</b>	<b>20,32,750</b>	<b>18,86,792</b>

Note 6 : Other Financial Assets

(Amount in ₹)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Security Deposits	5,18,176	10,11,449
Term deposits with banks with maturity period more than 12 months	4,50,000	4,50,000
<b>Total</b>	<b>9,68,176</b>	<b>14,61,449</b>

Note 7 : Other Non current Assets

(Amount in ₹)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Balances with Government Authorities	17,90,739	24,11,330
Deposits for IT Appeal for AY 17-18	15,04,550	15,04,550
<b>Total</b>	<b>32,95,289</b>	<b>39,15,880</b>

Note 8 : Inventories

(Amount in ₹)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Raw Materials	4,91,230	62,11,744
Work-in-Progress	-	-
Finished Goods	41,70,525	1,56,37,369
<b>Total</b>	<b>46,61,755</b>	<b>2,18,49,113</b>

Note 9 : Trade Receivables

(Amount in ₹)

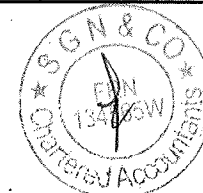
Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>Unsecured and considered good</b>		
From Related Parties	-	-
From Others	8,95,44,967	5,47,38,805
<b>Doubtful</b>		
From Related Parties	-	-
From Others	3,08,300	3,08,300
<b>Less: Allowance for doubtful debts</b>		
	-	-
<b>Total</b>	<b>8,98,53,267</b>	<b>5,50,47,105</b>

Ageing Schedule for Trade Receivables- Current for F.Y 2021-22

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables- Considered Good	8,21,15,073	58,40,492	3,03,896	9,52,162	3,33,344	8,95,44,967
ii) Undisputed Trade Receivables- which have significant increase in credit risk						-
iii) Undisputed Trade Receivables- credit impaired						-
iv) Disputed Trade Receivables- Considered Good						-
v) Disputed Trade Receivables- which have significant increase in credit risk					3,08,300	3,08,300
vi) Disputed Trade Receivables- credit impaired						-
<b>Total</b>	<b>8,21,15,073</b>	<b>58,40,492</b>	<b>3,03,896</b>	<b>9,52,162</b>	<b>6,41,644</b>	<b>8,98,53,267</b>

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(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 months	6 months - 1year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables-Considered Good	3,95,76,441	1,00,04,762	33,35,009	4,81,449	13,41,144	5,47,38,805
ii) Undisputed Trade Receivables- which have significant increase in credit risk						-
iii) Undisputed Trade Receivables- credit impaired						-
iv) Disputed Trade Receivables-Considered Good						-
v) Disputed Trade Receivables- which have significant increase in credit risk					3,08,300	3,08,300
vi) Disputed Trade Receivables- credit impaired						-
<b>Total</b>	<b>3,95,76,441</b>	<b>1,00,04,762</b>	<b>33,35,009</b>	<b>4,81,449</b>	<b>16,49,444</b>	<b>5,50,47,105</b>

**Note 10 : Cash and Cash Equivalents**

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(A) Cash and Bank Balances</b>		
Bank balance in current account	92,244	2,76,091
Cash on hand	8,70,294	12,62,959
<b>Total</b>	<b>9,62,538</b>	<b>15,39,050</b>

**Note 11 : Loans and Advances (Current Asset)**

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loans to Employees	-	5,08,500
Loans to Subsidiary- Shashi Beriwal & C.O. Pvt. Ltd	1,54,73,500	20,08,500
Loans to others	1,02,57,808	-
Advance to Vendors	6,99,114	6,69,238
<b>Total</b>	<b>2,64,30,422</b>	<b>31,86,238</b>

**Ageing Analysis of Vendors**

(Amount in ₹)

Particulars	Less than 1 year	1 year to 2 year	More Than 2 year
Advance to Vendors	6,99,114		
<b>Total</b>	<b>6,99,114</b>		

**Note 12 : Other Current Assets**

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due	1,04,339	89,739
Prepaid Insurance	-	1,42,458
<b>Total</b>	<b>1,04,339</b>	<b>2,32,196</b>

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## Note 13 : Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>				
Equity Shares of Rs. 2 each	5,25,00,000	10,50,00,000	-	-
Equity Shares of Rs. 10 each	-	-	1,05,00,000	10,50,00,000
<b>Issued, Subscribed and Fully Paid up</b>				
Equity Shares of Rs. 2 each	5,15,50,225	10,31,00,450	-	-
Equity Shares of Rs. 10 each	-	-	1,03,10,045	10,31,00,450
<b>Total</b>	<b>5,15,50,225</b>	<b>10,31,00,450</b>	<b>1,03,10,045</b>	<b>10,31,00,450</b>

## a) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Share:</b>				
Balance as at the beginning of the year	1,03,10,045	10,31,00,450	1,03,10,045	10,31,00,450
Add: Issued during the year for Cash	-	-	-	-
Add: Issued during the year as Bonus	-	-	-	-
Add: Adjustment for sub-division of equity share	4,12,40,180			
<b>Balance as at the end of the year</b>	<b>5,15,50,225</b>	<b>10,31,00,450</b>	<b>1,03,10,045</b>	<b>10,31,00,450</b>

## b) Rights, preferences and restrictions attached to shares

During the year the Company has split its share in the ratio of 5:1, hence reducing the face value per share from Rs. 10 to Rs. 2 per share. The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Vinod Beriwal	8,66,665	1.68%	16,50,000	16.00%
Sangeeta Beriwal	-	0.00%	16,08,333	15.60%
Kamal Beriwal	8,66,665	1.68%	15,00,000	14.55%
Rashi Gupta	-	0.00%	7,75,000	7.52%
TCG Funds Fund 1	-	0.00%	5,96,820	5.79%
Ramesh Sawalram Saraogi	-	0.00%	15,00,000	14.55%
Hardik Shah	-	0.00%	1,66,101	1.61%
Manisha Shah	-	0.00%	-	0.00%
Stepping Stone Construction Pvt Ltd	41,90,763	8.13%	-	0.00%
<b>Total</b>	<b>59,24,093</b>	<b>11.49%</b>	<b>77,96,254</b>	<b>76%</b>

## d) Disclosure of Shareholding of Promoter

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

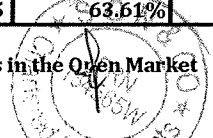
Name of Promoter	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Vinod Beriwal	8,66,665	1.68%	16,50,000	16.00%	-14.32%
Kamal Beriwal	8,66,665	1.68%	15,00,000	14.55%	-12.87%
Sangeeta Beriwal	-	-	16,08,333	15.60%	-15.60%
Rashi Gupta	-	-	7,75,000	7.52%	-7.52%
Shashi Devi	830	0.00%	166	0.00%	0.00%
Ashok Beriwal	0	-	166	0.00%	0.00%
<b>Total</b>	<b>17,34,160</b>	<b>3.36%</b>	<b>55,33,665</b>	<b>53.67%</b>	<b>50.31%</b>

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Name of Promoter	As at March 31, 2021		As at March 31, 2020		% Change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Vinod Beriwal	16,50,000	16.00%	16,50,000	16.00%	0.00%
Kamal Beriwal	15,00,000	14.55%	16,50,000	16.00%	-1.45%
Sangeeta Beriwal	16,08,333	15.60%	16,08,333	15.60%	0.00%
Rashi Gupta	7,75,000	7.52%	16,50,000	16.00%	-8.49%
Shashi Devi	166	0.00%	166	0.00%	0.00%
Ashok Beriwal	166	0.00%	166	0.00%	0.00%
		0.00%			
<b>Total</b>	<b>55,33,665</b>	<b>53.67%</b>	<b>65,58,665</b>	<b>63.61%</b>	<b>9.94%</b>

Note: During the year the promoters have reduced their stake in the company by selling the shares in the Open Market

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**G G Engineering Limited**

**Notes forming part of Standalone Financial Statements for the year ended March 31, 2022**

**Note 14 : Other Equity**

Other Equity	Securities Premium Reserve	Retained Earnings	Items of Other Comprehensive Income	Money received against share warrant	Total
Balance as at 1st April, 2021	1,56,00,000	3,13,28,398	-3,00,550	12,502	4,66,27,848
Profit/(Loss) for the year	-	-23,92,167	1,68,726		-22,23,441
Premium Against Share Warrant received during the year	1,41,00,000				
Shares issued during the year	-	-			
Bonus issued during the year	-	-			
<b>Balance as at 1st April, 2022</b>	<b>2,97,00,000</b>	<b>2,89,36,231</b>	<b>-1,31,824</b>	<b>12,502</b>	<b>5,85,16,909</b>
Balance as at 1st April, 2020	1,56,00,000	2,96,46,796	-5,52,277	12,502	4,47,07,021
Profit/(Loss) for the year	-	16,81,602	2,51,727		19,33,329
Shares issued during the year	-	-			
Bonus issued during the year	-	-			
<b>Balance as at 1st April, 2021</b>	<b>1,56,00,000</b>	<b>3,13,28,398</b>	<b>-3,00,550</b>	<b>12,502</b>	<b>4,66,40,350</b>

**Note:**

The company has issued 20 Lacs convertible warrant at issue price of Rs. 22 per warrant on October 13, 2018. Subsequently to allotment of shares against share warrant, the price was revised to Rs. 37. Balance money receivable against revised price is Rs. 1,43,53,404. During the F.Y 2018-19, Company has issued 19,97,727 equity shares at issue price of Rs. 22 per share. The subscription money paid on warrant shall be forfeited if the warrants are not exercised within a period of 18 months from the date of allotment. In the Current year the company has received Rs.1,41,00,000 against the Securities Premium of the Share Warrants

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G G Engineering Limited

Notes forming part of Standalone Financial Statements for the year ended March 31, 2022

Note 15 : Borrowings

(Amount in ₹)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Bonds				
Term Loans:				
Secured	-	10,42,491	69,76,345	3,76,04,735
Unsecured	-	1,32,59,795	-	-
<b>Total</b>	-	<b>1,43,02,286</b>	<b>69,76,345</b>	<b>3,76,04,735</b>

Particulars	Security	Amount in Rupees			
		As at March 31, 2022		As at March 31, 2021	
		Non-current	Current	Non-current	Current
<b>Term Loans: Secured</b>					
Rupee Term loans from Banks	Secured against personal guarantee of Directors and hypothecation of imported Plant and Machinery, at the rate of interest: PLR+3.25%p.a.	-	-	59,33,855	23,00,401
Rupees Loan for Motor Car	Secured against Car, repayable within 5 years as per repayment schedule at the rate of interest of 8.49%.	-	46,675	46,674	1,11,471
Rupees Loan for Truck	Secured against Truck, repayable within 5 years as per repayment schedule at the rate of interest of 10.5%.	-	9,95,816	9,95,816	3,88,825
Cash Credit Facility	Secured against personal guarantee of Directors and Residential Flat of Directors at the rate of interest of 13.5% to 15% p.a.	-	-	-	3,48,04,039
<b>Total</b>		-	<b>10,42,491</b>	<b>69,76,345</b>	<b>3,76,04,735</b>

Unsecured Loans

(Amount in ₹)

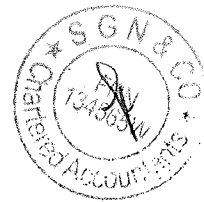
Particulars	As on 31st March, 2022	As on 31st March, 2021
Loan from Directors	1,32,59,795	-
<b>Total</b>	<b>1,32,59,795</b>	<b>-</b>

Details of Loans from :

(Amount in ₹)

Type of Borrower	Amount of Loan outstanding	% of Total Borrowings
Promoter	-	0.00%
Director	1,32,59,795	92.71%
Related Parties	-	0.00%
<b>Total</b>	<b>1,32,59,795</b>	<b>92.71%</b>

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## Note 16 : Deferred Tax Liabilities (Net)

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liabilities</b>		
Depreciation	2,19,298	30,39,341
Other timing difference	73,164	73,164
<b>Deferred tax assets</b>		
Other timing difference	-	-
<b>Total</b>	<b>2,92,462</b>	<b>31,12,505</b>

## Note 17 : Trade Payables

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small and Medium Enterprises	-	-
Due to Related Parties	-	-
Due to Others	10,24,389	5,72,93,583
<b>Total</b>	<b>10,24,389</b>	<b>5,72,93,583</b>

The disclosures pursuant to the said Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:

Principal Amount remaining unpaid to any supplier as at the end of the year	-
Amount of interest due remaining unpaid to any supplier as at the end of the year	-
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-
Amount of interest accrued and remaining unpaid at the end of the year	-
Amount of further interest remaining due and payable even in the succeeding year	-
<b>Total</b>	<b>-</b>

## Trade Payables ageing Schedule for the F.Y 2021-22

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME					0
ii) Others	10,24,389				10,24,389
iii) Disputed Dues- MSME					0
iv) Disputed Dues- Others					0
<b>Total</b>	<b>10,24,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,24,389</b>

## Trade Payables ageing Schedule for the F.Y 2020-21

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME					0
ii) Others	2,48,16,107	2,79,15,020	45,62,455		5,72,93,582
iii) Disputed Dues- MSME					0
iv) Disputed Dues- Others					0
<b>Total</b>	<b>2,48,16,107</b>	<b>2,79,15,020</b>	<b>45,62,455</b>	<b>-</b>	<b>5,72,93,582</b>

## Note 18 : Other Current Liabilities

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Revenue received in advance:</b>		
Advance received from customers	68,38,029	1,20,70,160
<b>(b) Other Payables</b>		
Statutory Due Payable	34,16,796	8,10,942
Audit Fees Payable	70,000	-
Provision for expenses	81,000	6,64,183
<b>Total</b>	<b>1,04,05,825</b>	<b>1,35,45,285</b>

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## Ageing Analysis of Advance to Customers for F.Y 2021-22

(Amount in ₹)

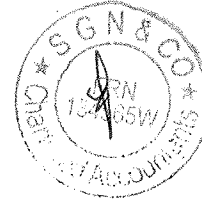
Particulars	Less than 1 year	1 year to 2 year	More Than 2year	Total
Undisputed	64,88,029	1,00,000		65,88,029
Disputed	-	2,50,000		2,50,000
<b>Total</b>	<b>64,88,029</b>	<b>3,50,000</b>	<b>-</b>	<b>68,38,029</b>

## Ageing Analysis of Advance to Customers for F.Y 2020-21

(Amount in ₹)

Particulars	Less than 1 year	1 year to 2 year	More Than 2year	Total
Undisputed	1,13,50,160	3,00,000	4,20,000	1,20,70,160
Disputed				-
<b>Total</b>	<b>1,13,50,160</b>	<b>3,00,000</b>	<b>4,20,000</b>	<b>1,20,70,160</b>

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**G G Engineering Limited**

Notes forming part of Standalone Financial Statements for the year ended March 31, 2022

**Note 19 : Revenue from Operations**

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Sale of Products</b>		
a. Manufactured Goods	-	7,17,88,416
b. Trading Goods	15,14,38,717	20,57,81,030
<b>Other Operating Revenues</b>		
Commission on Sale of Iron and Steel Metals	-	-
<b>Total</b>	<b>15,14,38,717</b>	<b>27,75,69,446</b>

**Note 20 : Other Income**

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Interest Income from:</b>		
Bank Deposits		67,004
Other Interest Income	10,08,275	9,720
Interest on Income Tax Refund	8,925	
Profit on Sale of Land	11,67,180	
Sundry Credit Balance Written off	11,70,000	
Miscellaneous Income	-	1,76,888
<b>Total</b>	<b>33,54,380</b>	<b>2,53,612</b>

**Note 21 : Cost of Materials Consumed**

(Amount in ₹)

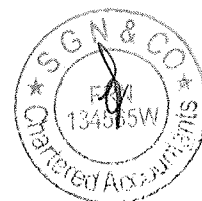
Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Raw Materials Consumed</b>		
Raw Materials at the beginning of the year		1,84,61,346
Add: Purchases		4,62,10,727
Less: Raw materials at the end of the year		62,11,744
Total Cost of Raw Materials consumed	-	5,84,60,329
<b>Total Cost of Materials Consumed</b>	<b>-</b>	<b>5,84,60,329</b>

**Note 22 : Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade**

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Opening Inventories</b>		
Finished Goods		31,13,700
Work-in-Process		-
	-	31,13,700
<b>Closing Inventories</b>		
Finished Goods		1,56,37,369
Work-in-Process		-
	-	1,56,37,369
<b>Total changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade</b>	<b>-</b>	<b>-1,25,23,669</b>

Deepak  
Ganguly



## Note 23 : Employee Benefit Expenses

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries, Wages and Bonus	60,000	65,74,470
Contribution to Employee Provident Funds	-	1,07,967
Staff welfare expenses	19,920	1,24,011
Director's Remuneration	13,00,000	24,91,674
<b>Total</b>	<b>13,79,920</b>	<b>92,98,122</b>

## Note 24 : Finance Costs

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest and finance charges on financial liabilities carried at amortised cost		
Interest on Bank Borrowings	-	43,43,784
Other Borrowing Cost	-	33,000
<b>Total</b>	<b>-</b>	<b>43,76,784</b>

## Note 25 : Depreciation and Amortization Expenses

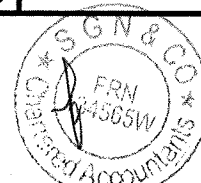
(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation on Plant, Property and Equipment	24,03,790	28,92,906
<b>Total</b>	<b>24,03,790</b>	<b>28,92,906</b>

## Note 26 : Other Expenses

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Labour Charges	-	65,39,620
Auditors Remuneration		
-Statutory Audit Fees	80,000	80,000
-Tax Audit Fees	50,000	50,000
Advertisements	12,760	1,43,238
Conveyance & Travelling	17,120	4,37,841
Insurance Charges	-	2,42,860
Rate and Taxes	465	6,78,854
Power & Fuel	-	8,00,116
Professional Charges	-	12,15,313
Rent Expense	1,80,000	6,94,384
Freight Charges / Transport (Net of Income)	64,512	3,95,466
<u>Repairs and Maintenance</u>		
-Plant and Machinery	-	42,580
-Others	-	1,77,834
Telephone & Internet Charges	-	1,56,581
Printing, Stationery & Courier Expenses	8,510	54,049
Misceallneous Expenses	38,286	5,37,598
Sundry Balances Written off	8,48,570	15,000
Bad Debts	13,40,806	-
Loss on Sale of Assets	8,22,551	-
Software and Subscription Expenses	-	3,00,000
<b>Total</b>	<b>34,63,580</b>	<b>1,25,61,334</b>

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Sujay

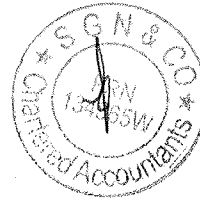
**Note 27: Profit & Loss from Discontinued Operations**

(Amount in ₹)

Sr. No.	Particulars	As at 31st March, 2022
I	Revenue from Operations	7,88,12,749
II	Other Income	4,05,692
III	<b>Total Income (I+II)</b>	<b>7,92,18,441</b>
IV	<b>Expenses</b>	
	Cost of materials consumed	4,67,36,189
	Purchases of Stock -in-Trade	
	Changes in inventories of Finished Goods, Stock-in-trade and Work-in-progress	1,14,66,844
	Employee benefit expenses	59,81,032
	Finance costs	37,24,672
	Depreciation and amortization expenses	
	Other Expenses	1,16,79,856
	<b>Total Expenses (IV)</b>	<b>7,95,88,593</b>
V	<b>Profit/(Loss) before exceptional items and tax (I-IV)</b>	<b>-3,70,152</b>
VI	Exceptional Items	
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>-3,70,152</b>
VIII	Tax Expense:	
	(1) Current Tax	
	(2) Deferred Tax	
	Short/(Excess) Provison of Tax	
IX	<b>Profit/(Loss) for the period from Discontinuing operations (VII-VIII)</b>	<b>-3,70,152</b>

During the Financial Year in Quarter 4 the company have discontinued its operations at the Gujrat Factory which pertained to Genset Manufacturing.

Deepak  
Surya



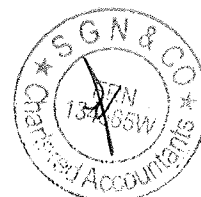
## Note 28: Related Party Transaction

Relationship	Name of KMP
Managing Director (upto 31st March, 2022)	Vinod Beriwal
Director (upto 31st March, 2022)	Sangeeta Beriwal
Wholetime Director	Kamal Beriwal
Wholetime Director ( from 31st March, 2022)	Deepak Kumar Gupta
Wholetime Director ( from 31st March, 2022)	Atul
Director	Rashi Beriwal
Chief Financial Officer	Uttam Kumar
Company Secretary	Sapna Tehanguriya
Company Secretary	Apurva Singh

(Amount in ₹)

Transactions	As at 31st March, 2022	As at 31st March, 2021
<b>Directors Remuneration</b>	-	-
Vinod Beriwal	12,00,000	12,91,674
Kamal Beriwal	-	12,00,000
<b>Loan from Director- Vinod Beriwal</b>		
Amount Outstanding at the beginning of the year	-	-
Amount received during the year	1,13,95,000	-
Amount repaid during the year	4,71,266	-
Amount Outstanding at the end of the year	1,09,23,734	-
<b>Loan from Director- Sangeeta Beriwal</b>		
Amount Outstanding at the beginning of the year	-	-
Amount received during the year	23,50,000	-
Amount repaid during the year	13,939	-
Amount Outstanding at the end of the year	23,36,061	-
<b>Investment in Shashi Beriwal &amp; Company Private Limited</b>		
Equity Shares Shashi Beriwal and Company Private Limited	-	-
Money paid against Equity Shares Shashi Beriwal and Company Private Limited	-	-
Amount receivable from Sashi Beriwal and Company Pvt Ltd at the beginning of the year	20,08,500	-
Advance to Shashi Beriwal and Company Private Limited	4,08,15,000	2,08,95,000
Money received from Shashi Beriwal and Company Private Limited	2,73,50,000	2,80,50,000
<b>Balance Receivable at the end</b>		
Shashi Beriwal and Company Private Limited	1,54,73,500	20,08,500
Salary to Chief Financial Officer	5,000	5,000
Salary to Company Secretary	48,000	42,000

Deepak  
Sapna



**G G Engineering Limited**  
**Notes forming part of Standalone Financial Statements for the year ended March 31, 2022**

**Note 33 : Additional Regulatory Information**

**Ratios**

Ratio	Numerator	Denominator	Current Year	Previous Year
Current ratio (in times)	Total Current Assets	Total Current Liabilities	4.74	0.75
Debt- Equity Ratio (in times)	Debt consist of Borrowings	Total Equity	0.09	0.30
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.0003	1.50
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	-2%	2%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.18	5.85
Trade payables turnover ratio (in times)	Purchases	Average trade payables	1.60	3.99
Inventory Turnover ratio	Cost of Goods Sold	Average Inventory	3.53	2.69
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.39	-10.44
Net profit ratio (in %)	Profit for the year	Revenue from operations	-0.01	0.007
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	0.002	0.042
Return on Investment (in %)	Income generated from invested funds	Average invested funds	-0.0140	0.0125



*Delipak*  
*Sudip*



Note 29: Earnings per Shares	As at March 31, 2022	As at March 31, 2021 (Restated)
<b>Basic EPS</b>		
Profit for the year	(23,92,167)	16,81,602
Weighted number of shares outstanding	5,15,50,225	5,15,50,225
Basic and Diluted EPS (Rs.)	(0.0464)	0.0326
<b>Diluted EPS</b>		
Profit for the year	(22,67,310)	18,67,880
Weighted number of shares outstanding	5,15,50,225	5,15,50,225
Basic and Diluted EPS (Rs.)	(0.0440)	0.0362
<b>EPS from Discontinued Operations</b>		
Profit/(Loss) from discontinued operations	(3,70,152)	-
Weighted number of shares outstanding	5,15,50,225	-
EPS from Discontinued Operations	(0.0072)	-

**Note 30: Contingent Liability**

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Appeals - CIT	75,22,748	75,22,748

The company has received an demand order of ₹ 75,22,748 u/s 156 of the Incoma Tax Act 1961 for AY 17-18. The company has filed for appeal against this demand order and the management is of the opinion that the outcome of the appeal would be in favour of the company and thus it has not created provision in the books of accounts of the company.

**Note 31:** Balances of Trade Receivables and Trade Payables as at the balance sheet are subject to confirmation and reconciliation.

**Note 32 :** Previous year figures have been re-grouped and reclassified wherever necessary to conform to this year's classification. Trade Receivables, advances and Trade Payables are subject to confirmations.

As per our attached report of even date.

SGN &amp; Co

Chartered Accountants

FRN 134565W

Nirmal Jain

Partner

Membership No 154074

Mumbai

UDIN: 22154074AJVETU6759

Date: 28/05/2022


For & on behalf of the Board of Directors of  
G G Engineering Limited



Deepak Kumar Gupta

Whole Time Director

DIN No: 00057003



Kamal Beriwal

Director

DIN No: 00310692



Sapna Tehanguriya

Company Secretary

PAN: BBIPT7756E



Uttam Kumar

Chief Financial Officer

PAN: ACXPK7432R