

**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members of  
Ansaldo Caldaie Boilers India Private Limited

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the Financial Statements of Ansaldo Caldaie Boilers India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects arising out of matters in our Basis of Qualified Opinion paragraph, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- a) We invite attention to Note no 17(a) where the Company had received amounts as Share Application Money of Rs. 1663.97 lacs for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The RBI vide its letter dated August 16, 2018 has asked the Company to refund the money. The Company has replied to RBI asking them to reconsider their directive for reasons detailed in the aforesaid note. RBI has not responded on the matter till date. The Company has not given any effects to the RBI directive and has disclosed the same as Current Liabilities.
- b) We invite attention to note no. 9(a) in the Explanatory Notes to the Financial Statements regarding accessibility of the inventory of Rs. 118.83 lacs. The above Stock are in the custody of the lenders of the GB-Engineering Pvt Ltd who have taken over the possession of the Subsidiary as at March 31, 2020. In the absence of any confirmation from the lenders of the GB-Engineering Pvt Ltd regarding possession of inventory we are unable to comment



upon recoverability and physical possession of the inventory.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

#### **Material Uncertainty relating to Going Concern.**

We invite attention to Note 37 of the Standalone Ind AS Financial Statements. The Company is facing financial difficulties and material uncertainties relating to Operations and cash flows which is significantly impairing its ability to continue as a going concern. These conditions indicate the existence of significant uncertainty over the cash flows expected and the Company's ability to continue as a going concern. Our report is not qualified on this matter.

#### **Emphasis of Matter**

We invite attention to note no. 4(a) in the Explanatory Notes to the Financial Statements regarding recoverability of trade receivable of Rs. 956.70 lacs due from M/s Nagai Power, the management is of the view that the debts are good and receivable, and it holds guarantees in support of recovery. Pending recovery, the Company has initiated legal proceedings in the form of initial demand notice as a pre cursor to NCLT proceedings. The NCLT proceedings could not be further acted upon on account of lockdown and deferment of proceedings on account of lockdown. No adjustments are therefore made for the same in the books except for provision for expected credit loss.

#### **Other Information**

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the Report of the Board of Directors but does not include the Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.





In connection with our audit of the Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

**Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

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

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





**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statements of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon.
  - e. The matters described in paragraphs under the Basis for Qualified Opinion and the Material Uncertainty related to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company
  - f. The Company has not received any representation letter from its directors as on March 31, 2020 relating to eligibility of directorship under section 164(2) of the Act. Based on the information available from Ministry of Corporate Affairs portal, Mr. Ramesh Patel is being disqualified from being appointed as a director in terms of section 164(2) w.e.f .November 2016 and with respect to Ms. Barbara Ellen Lefebvre and Mr. Jagdish Chunilal Sheth, both these directors DIN is deactivated due to non-filing of DIR-3.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer



# *Natvarlal Vepari & Co.*

## CHARTERED ACCOUNTANTS

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to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. The Managerial Remuneration paid is within the limits specified under section 197 of the Companies Act 2013 read with Schedule V.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No- 106971W

  
N Jayendran

Partner

M. No. – 040441

Mumbai, Dated: August 13, 2020

UDIN: 20040441AAAAAU8587

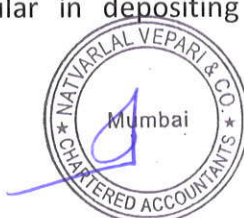




**ANNEXURE A**

**To the Independent Auditors' Report on the Financial Statements of**  
**Ansaldo Caldaie Boilers India Private Limited**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) During the year, all the fixed assets were physically verified by the management. In our opinion, frequency of such verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no immovable property in the Property, Plant and Equipment Schedule and therefore clause 3(i)(c) is not applicable.
- (ii) *All the materials and consumables as at March 31, 2020 are in the custody of the lenders who have taken over the possession of the subsidiary of the Company. There is no confirmation available from the lenders of the Subsidiary that they are in custody of materials belonging to the Company. Our main audit report is modified to this extent.*
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) of clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given to loans, investments, guarantees and security under provisions of section 185 and 186 of the Companies Act, 2013, hence clause 3(iv) of Companies (Auditors Report) Order, 2016 is not applicable.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.
- (vi) As informed to us the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has not been prescribed hence clause 3(vi) is not applicable to the Company
- (vii) (a) The Company has been regular in depositing undisputed statutory dues



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including Provident fund, Employees State Insurance, Income Tax, Custom Duty, Cess, Goods & Services Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Duty of Customs which have not been deposited on account of any dispute except as given below:

<u>Name of statute</u>	<u>Nature of dues</u>	<u>Amount (Rs in Lacs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
Income Tax	Notice u/s 220(2)	0.29	2006-07	CPC
Income Tax	115WE(1)	0.27	2008-09	Assessing Officer
Income Tax	143(1)	3.33	2008-09	Assessing Officer
Income Tax	Notice u/s 154	15.72	2010-11	Assessing Officer
Income Tax	Notice u/s 220(2)	0.64	2011-12	CPC
Income Tax	Notice u/s 220(2)	4.20	2012-13	CPC
Income Tax	Notice u/s 154	359.98	2013-14	Assessing Officer
	<b>Total</b>	<b>384.43</b>		

- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.
- (ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Hence clause 3(ix) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.





# ***Natvarlal Vepari & Co.***

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- (xii) The Company is not a Nidhi Company. Hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standard.
- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No- 106971W

  
N Jayendran

Partner

M. No. – 040441

Mumbai, Dated: August 13, 2020

UDIN: 20040441AAAAAU8587



**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Financial Statements of Ansaldo Caldaie Boilers India Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statement of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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





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

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

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements.**

Because of the inherent limitations of Financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of



# *Natvarlal Vepari & Co.*

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changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No- 106971W

  
N Jayendran

Partner

M. No. – 040441

Mumbai, Dated: August 13, 2020

UDIN: 20040441AAAAAU8587





## ANSALDO CALDAIE BOILERS INDIA PRIVATE LIMITED

CIN:-U28123TN2005PTC055309

BALANCE SHEET AS AT March 31, 2020

(Rs in lacs)

Particulars	Note No.	As at March 2020	As at March 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	2	6.41	7.31
(b) Financial assets			
(i) Investments	3	-	-
(ii) Trade receivable	4	621.18	619.08
(iii) Loans	5	11.33	9.56
(iv) Others	6	1,200.00	1,200.00
(c) Deferred tax assets (net)	7	19.96	24.85
(d) Other non-current assets	8	2,019.00	2,014.56
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,877.89</b>	<b>3,875.36</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	9	118.83	118.83
(b) Financial assets			
(i) Trade receivables	4	25.50	-
(ii) Cash and cash equivalents	10	1.64	13.58
(iii) Bank balances	10	639.54	599.48
(c) Other current assets	8	30.95	104.01
<b>TOTAL CURRENT ASSETS</b>		<b>816.46</b>	<b>835.90</b>
<b>TOTAL ASSETS</b>		<b>4,694.35</b>	<b>4,711.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	11	5,000.00	5,000.00
(b) Other equity	12	(9,172.23)	(8,938.66)
<b>TOTAL EQUITY</b>		<b>(4,172.23)</b>	<b>(3,938.66)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Provisions	13	6.18	7.58
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6.18</b>	<b>7.58</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	14	1,384.72	1,249.61
(ii) Trade payables	15	2,263.76	2,170.44
(iii) Other financial liabilities	16	2,435.78	2,435.78
(b) Other current liabilities	17	2,773.47	2,782.08
(c) Provisions	13	2.67	4.44
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,860.40</b>	<b>8,642.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,694.35</b>	<b>4,711.26</b>

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

As per our report of even date

For Natvarlal Vepari &amp; Co.

Chartered Accountants

Firm Registration No. 106971W

For and on behalf of the Board of Directors

Ansaldo Caldaie Boilers India Private Limited

N Jayendran  
Partner

M.No. 40441

Place: Mumbai

Date:

13 AUG 2020

Chayan Bhattacharjee  
DIN: 00107640Jawahar Pachayap  
DIN: 02328081

Place: Mumbai

Date:

**ANSALDO CALDAIE BOILERS INDIA PRIVATE LIMITED**

CIN:-U28123TN2005PTC055309

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

(Rs in lacs)			
Particulars	Note No.	April 2019 - March 2020	April 2018 - March 2019
I Revenue from Operations :	18	589.52	307.91
II Other Income	19	45.03	189.73
III Total Income (I +II)		634.55	497.64
IV Expenses:			
Cost of material consumed	20	372.44	324.41
Purchases of stock-in-trade	21	-	9.28
Changes in inventories of finished goods, work-in progress and stock-in-trade		-	-
Employee benefits expense	22	80.74	93.09
Finance Costs	23	73.57	135.93
Depreciation & amortization	24	0.90	0.73
Other expenses	25	334.47	113.40
Total Expenses		862.12	676.84
V Profit/(Loss) before exceptional items and tax		(227.57)	(179.20)
VI Exceptional items Income / (Expense)		-	(2,000.00)
VII Profit / (Loss) before tax		(227.57)	(2,179.20)
VIII Tax expenses			
Current Tax		-	-
Deferred Tax Liability / (asset)		4.89	11.51
Total tax expenses		4.89	11.51
IX Profit / (Loss) for the period (VII-VIII)		(232.46)	(2,190.71)
X Other Comprehensive Income:			
Items that will not be reclassified to profit or loss		(1.11)	1.91
		(1.11)	1.91
XI Total Comprehensive Income / (Loss) For The Period (IX +X)		(233.57)	(2,188.80)
XII Earnings per equity share	28		
Basic		(0.46)	(4.38)
Diluted		(0.46)	(4.38)

As per our report of even date

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W


  
N Jayendran  
Partner

M.No. 40441  
Place: Mumbai  
Date:



13 AUG 2020

For and on behalf of the Board of Directors  
Ansaldo Caldaie Boilers India Private Limited

  
Chayan Bhattacharjee  
DIN: 00107640

  
Jawahar Pachayappa  
DIN: 02328081

Place: Mumbai  
Date:



**ANSALDO CALDAIE BOILERS INDIA PRIVATE LIMITED**  
CIN:-U28123TN2005PTC055309  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020**

(Rs in lacs)

Particulars	Apr 2019 - Mar 2020	Apr 2018 - Mar 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	(227.57)	(2,179.20)
Adjustments for :		
Depreciation	0.90	0.73
Exceptional Item	-	2,000.00
Sundry Balance Written Off	-	5.11
Reversal of Credit Losses	(0.85)	(55.74)
Interest Expenses	73.57	135.93
Interest Income	(44.51)	(38.10)
Sundry Balances Written Back	(0.00)	(69.53)
<b>Operating Profit Before Working Capital Changes</b>	<b>(198.46)</b>	<b>(200.80)</b>
Trade and Other Receivables	(28.50)	2,198.65
Inventories	0.00	-
Other Non Financial Assets	73.07	(353.15)
Trade Payables and Provision	89.02	(75.97)
Other financial liabilities	(0.00)	-
Other non-financial liabilities	(8.61)	(133.50)
<b>CASH GENERATED FROM THE OPERATIONS</b>	<b>(73.47)</b>	<b>1,435.23</b>
Direct Taxes Paid	(4.45)	(4.00)
<b>Net Cash from Operating Activities</b>	<b>(77.93)</b>	<b>1,431.23</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	-	(0.26)
Investment in Bank deposits	(40.06)	(584.32)
Interest Received	44.51	38.10
<b>Net Cash from Investment Activities</b>	<b>4.45</b>	<b>(546.48)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(73.57)	(32.43)
Proceeds from borrowings	135.11	-
Repayments of Borrowing	-	(1,123.52)
<b>Net Cash from Financing Activities</b>	<b>61.54</b>	<b>(1,155.95)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11.94)</b>	<b>(271.21)</b>
Opening Balance	13.58	284.79
Closing Balance	1.64	13.58
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11.94)</b>	<b>(271.21)</b>
<b>Components of Cash and Cash Equivalents:</b>		
Cash on Hand	0.20	0.07
Balances with Bank	1.44	13.51
	<b>1.64</b>	<b>13.58</b>

Note: Figure in brackets denote outflows

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and on behalf of the Board of Directors  
Ansaldo Caldaie Boilers India Private Limited

N Jayendran  
Partner  
M.No. 40441  
Place: Mumbai  
Date:



Chayan Bhattacharjee  
DIN: 00107640

Place: Mumbai

Jawahar Pachayappan  
DIN: 02328081

13 AUG 2020

ANSALDO CALDAIE BOILERS INDIA PRIVATE LIMITED  
CIN:-U28123TN2005PTC055309  
Notes to financial statements for the year ended March 31, 2020  
(All figures are Rupees in lacs unless otherwise stated)

Statement of Changes in Equity for the period ended March 31, 2020

**A Equity Share Capital**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Rupees	Number of Shares	Rupees
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening Balance	50,000,000	5,000.00	50,000,000	5,000.00
Changes in equity share capital during the year	-	-	-	-
<b>Balance at March 31, 2020</b>	<b>50,000,000</b>	<b>5,000.00</b>	<b>50,000,000</b>	<b>5,000.00</b>

**B Other Equity**

Particulars	Retained Earnings	Security Premium Reserve	Capital Contribution	Total
<b>Balance as at 31 March 2018</b>	<b>(7,379.65)</b>	<b>45.38</b>	<b>584.41</b>	<b>(6,749.85)</b>
Profit for the year	(2,190.71)	-	-	(2,190.71)
Remeasurement gain/(loss) on defined benefit plans	1.91	-	-	1.91
<b>Balance as at 31 March 2019</b>	<b>(9,568.45)</b>	<b>45.38</b>	<b>584.41</b>	<b>(8,938.65)</b>
Profit for the year	(232.46)	-	-	(232.46)
Remeasurement gain/(loss) on defined benefit plans	(1.11)	-	-	(1.11)
<b>Balance as at 31 March 2020</b>	<b>(9,802.02)</b>	<b>45.38</b>	<b>584.41</b>	<b>(9,172.22)</b>

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W

For and on behalf of the Board of Directors  
Ansaldo Caldaie Boilers India Private Limited

N Jayendran  
Partner  
M.No. 40441  
Place: Mumbai  
Date:



Chayan Bhattacharjee  
DIN: 00107640  
Place: Mumbai  
Date:

Jawahar Pachayappa  
DIN: 02328081

13 AUG 2020



**1 SIGNIFICANT ACCOUNTING POLICIES**

**A Corporate Information**

Ansaldo Caldaie Boilers India Private Limited ("The Company") is the Gammon group company, established in 2005 and is in the business of Boilers. The Company primarily manufactures Boilers.

The financial statements were authorised for issue in accordance with resolution of the Board of Directors on -----

**B Basis of Preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lacs, except otherwise indicated.

**C Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

**D Summary of significant accounting policies**

**ii) Revenue Recognition:**

**a) Revenue from Operations :**

Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Other items of Income are recognized on accrual and prudent basis.

On Bought out goods revenue is recognized upon the delivery of goods to the client in accordance with the terms of contract wherever applicable.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue 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, regardless of when the payment is being made.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

**Use of significant judgements in revenue recognition**

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

**b) Interest Income:**



*[Handwritten signature]*

Interest income for all financial instruments classified under the amortized cost category is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

c) **Income from insurance claim:**

Insurance claims are recognised only when there is reasonable certainty of receiving the claim.

iii) **Employee benefits**

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements,
- Net interest expense or income.

**Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

**Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.





iv) **Property, plant and equipment**

Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Property, plant and equipment are derecognised from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided over the useful life of assets at Straight Line basis as specified in Schedule II to the Companies Act, 2013 or as determined by the Independent Valuer as the case maybe. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on *pro-rata basis* with reference to the month of addition / deletion.

v) **Leased assets**

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

vi) **Intangible assets**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**Impairment of Non-financial Assets**

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

vii) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

viii) **Inventories**

Raw Materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on weighted average method.

Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts.

ix) **Foreign currency transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.





x) **Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

xi) **Taxes on income**

**Current Taxes**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity 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 appropriate.

**Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income 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 income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

xii) **Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

**Contingent liabilities and Contingent Assets**

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

**Onerous contracts**

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

xiii) **Earning Per Share**

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

xiv) **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

xv) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,





- Expected to be realized within 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. Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.

#### xvi) Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 by 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 economic best 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 are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### xvii) Financial instruments

##### a. Financial assets:

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:  
(a) the Company has transferred substantially all the risks and rewards of the asset, or



(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Investment in associates, joint venture and subsidiaries**

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

#### **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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-months 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 Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

#### **b. Financial liabilities:**

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

##### **Subsequent measurement**

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





**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

**Derecognition**

A financial liability is derecognized 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 recognized in the statement of profit and loss.

**c. Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

**d. Derivative financial instruments:**

The Company enters into derivative contracts to hedge foreign currency price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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



2 Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block  
(All figures are Rupees in lacs unless otherwise stated)

A Tangible Assets

Particulars	Plant & Machinery	Office Equipments	Furniture And Fixtures	Computers	Total
<b>GROSS BLOCK</b>					
Opening Block as on April 1, 2018	0.74	59.54	85.93	1.15	147.36
Additions	-	0.26	-	-	0.26
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>0.74</b>	<b>59.80</b>	<b>85.93</b>	<b>1.15</b>	<b>147.62</b>
Additions	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>0.74</b>	<b>59.80</b>	<b>85.93</b>	<b>1.15</b>	<b>147.62</b>
<b>DEPRECIATION</b>					
Opening Block as on April 1, 2018	0.53	56.42	81.50	1.13	139.58
Additions	0.05	0.09	0.59	-	0.73
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2019</b>	<b>0.58</b>	<b>56.51</b>	<b>82.09</b>	<b>1.13</b>	<b>140.31</b>
Additions	0.07	0.11	0.73	-	0.90
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>0.65</b>	<b>56.62</b>	<b>82.82</b>	<b>1.13</b>	<b>141.21</b>
<b>NET BLOCK</b>					
<b>As at March 31, 2019</b>	<b>0.16</b>	<b>3.29</b>	<b>3.84</b>	<b>0.02</b>	<b>7.31</b>
<b>As at March 31, 2020</b>	<b>0.09</b>	<b>3.18</b>	<b>3.11</b>	<b>0.02</b>	<b>6.41</b>



*[Handwritten signature]*



# Statement of Significant Accounting Policies and Other Explanatory Notes

## B OTHER NOTES

(All figures are Rupees in lacs unless otherwise stated)

### 3 Financial Assets - Non- Current Investments

(At Cost)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Rs	No of Shares	Rs
<b>Trade Investment ( unquoted)</b>				
Investment in Jointly Controlled Entity:-				
Equity Shares	20,000,000	2,000.00	20,000,000	2,000.00
Ansaldo GB-Engineering Pvt Ltd ( FV Rs.10)				
Impairment Provisions		(2,000.00)		(2,000.00)
<b>Total</b>	<b>20,000,000</b>	<b>-</b>	<b>20,000,000</b>	<b>-</b>

#### (a) Investment in ACGB:

The Company is having 50% stake in the above Ansaldo GB-Engineering Pvt Ltd and the balance 50% is held by GB Engineering Enterprises P.Ltd.

Ansaldo GB-Engineering Pvt Ltd has taken over the Assets and Liabilities of the Pudukudy division of GB Engineering situated at SF No 63 Pudukudy South under a Business Transfer Agreement (BTA) through a Slump Sale. As per BTA Agreement signed between the company with GB the business has been transferred on and from May 31, 2011. The Company carries on Engineering Jobwork for various customers at its plant located at Trichy.

There is no business and future plans of Ansaldo GB-Engineering Pvt Ltd and one of the Share holder i.e., GB Engineering Enterprises P.Ltd is under liquidation process and is not in a position to support ACGB.

The Company was in receipt of Possession Notice dated November 11, 2017, issued under section 13(4) of Securitisation and reconstruction of the Financial Assets and Enforcement of Security Interest Act 2002.

During the Previous year ACGB is declared as Non Performing Asset by the lenders . Lenders have taken over the possession in May 2019 of aforesaid Company and are trying for e- auction for recovering their dues which will be realised by disposing the Assets of the Company

Based on condition of the subsidiary, the Company on a prudence basis has provided the investment in Ansaldo GB-Engineering Pvt Ltd .

### 4 Financial Assets - Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
<b>UnSecured considered good</b>				
Trade Receivables	640.39	26.29	638.23	-
Less: Expected credit loss	19.21	0.79	19.15	-
	621.18	25.50	619.08	-
<b>Total</b>	<b>621.18</b>	<b>25.50</b>	<b>619.08</b>	<b>-</b>

- (a) The Company has completed substantial portion of Contract value which was to be executed. However there is still balance outstanding of Rs 956.70 lacs as at March 31, 2020. The Company is confident of recovering the aforesaid receivables from the Client which is backed by Corporate Guarantee given by the Client. Pending recovery, the Company has initiated legal proceedings in the form of initial demand notice as a pre cursor to NCLT proceedings. The NCLT proceedings could not be further acted upon on account of lockdown and deferment of proceedings on account of lockdown.

#### (b) Expected Credit Loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date which is calculated on overdue amounts at every year end.

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables. The allowance for credit loss represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.



*[Handwritten signature]*

(i) Movement in the expected credit loss allowance:

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
Balance at the beginning of the period	28.86	-	84.60	-
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.06	0.79	(9.00)	-
Net movement in expected credit loss allowance on Other Asset calculated at lifetime expected credit losses - Other Asset	-	-	(46.74)	-
Provision at the end of the period	28.92	0.79	28.86	-

5 Financial Assets: Loans (at amortised cost)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Deposits				
Considered Good	11.33	-	9.56	-
Total	11.33	-	9.56	-

6 Other Financial Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Margin Money placed with Holding Company for issuance of Guarantee	1,200.00	-	1,200.00	-
Total	1,200.00	-	1,200.00	-

There is a net liability to the Holding Company aggregating to Rs 2310.91 lacs, therefore no provision is made against amount receivables.

7 Deferred Tax Assets (Net)

Particulars	As at March 31, 2020		As at March 31, 2019	
Deferred Tax Asset				
Depreciation		19.20		23.22
Employee benefits		0.76		1.63
Deferred Tax (Liabilities) / Assets (Net)		19.96		24.85





## 8 Other Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Advance for Purchase of Land	1,500.00	-	1,500.00	-
Contract Asset - Retention	323.76	-	323.76	-
Less: Expected credit loss	(9.71)	-	(9.71)	-
Deferred Guarantee Commission	-	-	-	51.89
Prepaid Expenses	-	0.35	-	0.55
Advance Tax (Net of Provision)	204.96	-	200.51	-
Advance to Creditors/Subcontractors	-	7.47	-	10.30
Staff Advances	-	0.75	-	3.51
Balance with Tax Authority	-	22.38	-	37.76
<b>Total</b>	<b>2,019.00</b>	<b>30.95</b>	<b>2,014.56</b>	<b>104.01</b>

## 9 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Material ( Refer note below)	118.83	118.83
<b>Total</b>	<b>118.83</b>	<b>118.83</b>

### Inventory Valuation Policy:

Raw Material

Lower of Cost computed on weighted average or net realisable value

- (a) All the materials and consumables as at March 31, 2020 are in the custody of the lenders who have taken over the possession of the subsidiary of the Company. There is no confirmation available from the lenders of the Subsidiary that they are in custody of materials belonging to the Company.

## 10 Cash and Cash Equivalent

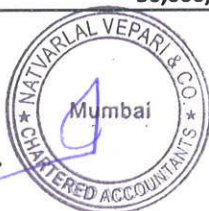
Particulars	As at March 31, 2020	As at March 31, 2019
Cash on Hand	0.20	0.07
Balances with Bank	1.44	13.51
<b>Total</b>	<b>1.64</b>	<b>13.58</b>
<b>Other Bank Balances</b>		
Bank deposits*	639.54	599.48
<b>Total</b>	<b>639.54</b>	<b>599.48</b>

\*Lien is marked against Bank deposit.

## 11 Equity Share Capital

### (a) Authorised, Issued, Subscribed and Fully Paid up :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised Capital :</b>				
Equity Shares of Rs.10/- each	125,000,000	12,500.00	125,000,000	12,500.00
<b>Issued, Subscribed and Fully Paid up Capital :</b>				
Equity Shares of Rs.10/- each, fully paid	50,000,000	5,000.00	50,000,000	5,000.00
<b>Total</b>	<b>50,000,000</b>	<b>5,000</b>	<b>50,000,000</b>	<b>5,000</b>



*[Handwritten signature]*

**(b) Reconciliation of Number of Shares Outstanding**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	50,000,000	5,000.00	50,000,000	5,000.00
Add: Issued during the year	-	-	-	-
<b>As at the end of the year</b>	<b>50,000,000</b>	<b>5,000.00</b>	<b>50,000,000</b>	<b>5,000.00</b>

**(c) Details of Shareholding in Excess of 5%**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of Shares	%	No of Shares	%
Gammon India Limited	36,700,000	73.40	36,700,000	73.40
Ansaldo Caldaie S.p.A	13,000,000	26.00	13,000,000	26.00

**(d) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The distribution will be in proportion to the number of equity shares held by the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**12 Other Equity**

Particulars	As at March 31, 2020	As at March 31, 2019
Surplus	(9,802.02)	(9,568.45)
Capital Contribution	584.41	584.41
Security Premium	45.38	45.38
<b>TOTAL</b>	<b>(9,172.23)</b>	<b>(8,938.66)</b>

**13 Provisions**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
<b>Provision for Employee Benefits:</b>				
Provision for Gratuity	0.25	2.45	1.83	2.91
Provision for Leave Encashment	5.93	0.22	5.75	1.53
<b>Total</b>	<b>6.18</b>	<b>2.67</b>	<b>7.58</b>	<b>4.44</b>

**(a) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits- Gratuity**

Table Showing Change in the Present Value of Projected Benefit Obligation	2019-20	2018-19
<b>Present Value of Benefit Obligation at the Beginning of the Period</b>	<b>15.98</b>	<b>24.54</b>
Interest Cost	1.20	1.86
Current Service Cost	1.42	2.05
Benefits Paid	(2.16)	(10.17)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.59	0.02
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.57	(2.32)
<b>Present Value of Benefit Obligation at the End of the Period</b>	<b>17.60</b>	<b>15.98</b>
<b>Table Showing Change in the Fair Value of Plan Assets</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Fair Value of Plan Assets at the Beginning of the Period</b>	<b>11.24</b>	<b>20.27</b>
Interest Income	0.85	1.53
Contributions by the Employer	4.93	-
Benefit Paid from the Fund	(2.16)	(10.17)
Return on Plan Assets, Excluding Interest Income	0.05	(0.39)
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>14.91</b>	<b>11.24</b>

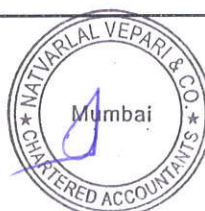




Table Showing Change in the Fair Value of Plan Assets	2019-20	2018-19
Present Value of Benefit Obligation at the end of the Period	(17.60)	(15.98)
Fair Value of Plan Assets at the end of the Period	14.91	11.24
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(2.69)</b>	<b>(4.74)</b>

Expenses Recognized in the Statement of Profit or Loss for Current Period	2019-20	2018-19
Current Service Cost	1.42	2.05
Net Interest Cost	0.36	0.32
<b>Expenses Recognized</b>	<b>1.78</b>	<b>2.37</b>

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period	2019-20	2018-19
Actuarial (Gains)/Losses on Obligation For the Period	1.16	(2.30)
Return on Plan Assets, Excluding Interest Income	(0.05)	0.39
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>1.11</b>	<b>(1.91)</b>

Balance Sheet Reconciliation	2019-20	2018-19
Opening Net Liability	4.74	4.28
Expenses Recognized in Statement of Profit or Loss	1.78	2.37
Expenses Recognized in OCI	1.11	(1.91)
(Employer's Contribution)	(4.93)	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>2.70</b>	<b>4.74</b>

Category of Assets	2019-20	2018-19
Insurance fund	14.90	11.23
<b>Total</b>	<b>14.90</b>	<b>11.23</b>

Assumptions	2019-20	2018-19
Expected Return on Plan Assets	6.83%	7.56%
Rate of Discounting	6.83%	7.56%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	3.00%	3.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Sensitivity Analysis	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	17.59	15.97
Delta Effect of +1% Change in Rate of Discounting	(0.82)	(0.95)
Delta Effect of -1% Change in Rate of Discounting	0.92	1.08
Delta Effect of +1% Change in Rate of Salary Increase	0.90	1.06
Delta Effect of -1% Change in Rate of Salary Increase	(0.82)	(0.96)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.06)	0.03
Delta Effect of -1% Change in Rate of Employee Turnover	0.06	(0.04)

#### **Risk Assumptions:**

- Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.



- (vi) Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**Other Note :**

- (i) Gratuity is payable as per company's scheme as detailed in the report.
- (ii) Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.
- (iii) Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.
- (iv) Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.
- (v) Average Expected Future Service represents Estimate Term of Post - Employment Benefit Obligation
- (vi) Value of assets provided by the client is considered as fair value of plan assets for the period of reporting as same is not evaluated by us.

**14 Current Financial Liabilities - Borrowings**

The borrowings are analysed as follows :

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans Repayable on Demand :</b>		
Overdraft from Bank	259.59	124.48
<b>Other Loans and Advances :</b>		
Related Parties	1,125.13	1,125.13
<b>TOTAL</b>	<b>1,384.72</b>	<b>1,249.61</b>
<b>The above amount includes</b>		
Secured Borrowings	259.59	124.48
Unsecured Borrowings	1,125.13	1,125.13

- (a) **Securities - Overdraft from IDBI Bank:**  
Overdraft is secured against Banks Owend Fixed Deposit.
- (b) The Company has taken loan from Its holding company on which interest is payable @9% p.a on monthly basis. In view of the financial difficulty faced by the Company, the management has decided to seek for waiver of interest from Gammon India Limited and accordingly no interest is provided from April 1, 2017.
- (c) The Company has taken interest free loan from Gammon Realty Limited and the same is repayable on demad.



*[Handwritten signature]*



- (d) Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

Particulars	Non-current borrowings	Current borrowings	Total
Opening balance (April 1, 2019)	-	1,803.58	1,803.58
Interest accrued and payable	-	73.57	73.57
Changes from financing cash flows -	-	-	-
Repayment of long-term borrowings	-	-	-
Net Proceeds form short term borrowing	-	135.11	135.11
Interest paid	-	(73.57)	(73.57)
Closing balance (March 31, 2020)	-	1,938.69	1,938.69

#### 15 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade Payables</b>		
Micro, Small and Medium Enterprises	-	-
Others	2,263.76	2,170.44
<b>Total</b>	<b>2,263.76</b>	<b>2,170.44</b>

- (i) As per the intimation available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- (ii) The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

(iii) The balances lying in the Trade Payables are subject to confirmation and consequent reconciliation.

#### 16 Other Current Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued (Refer note a below)	553.97	553.97
Other Payables- Related Party (Refer note b below)	1,881.81	1,881.81
<b>Total</b>	<b>2,435.78</b>	<b>2,435.78</b>

- (a) Interest accrued and due represents the amount payable to Holding Company which is due beyond the agreed terms.
- (b) One of the customer has encashed BG issued by the Bankers of the Holding Company. This amount has been shown as payable to Holding Company and receivable from the Customer.

#### 17 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Client Advances	1,004.85	1,015.88
Duty & Taxes Payable	2.36	2.35
Share Application Money Pending allotment( refer Note below)	1,663.97	1,663.97
Others	102.29	99.88
<b>Total</b>	<b>2,773.47</b>	<b>2,782.08</b>

- (a) The Company had received amounts as Share Application Money of Rs. 16,63,96,600 for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the extant regulation of the RBI. The Reserve Bank of India had on January 29, 2014 directed the company to refund the said amounts to Ansaldo Caldaie s.p.A. The company has subsequently applied to RBI vide letter dated 28th February 2014 to convert the share application money as ECB Loan which has also been approved by the Board of Ansaldo Caldaie s.p.A. However on 25 June 14 RBI had turned down the companies request to convert the share application money in to loan and directed to allot the share or refund the money within one year. Since Ansaldo S.p.A was unable to increase its holding in the company in the absence of equivalent contribution from the holding company, it has irrevocably waived its right to be allotted further equity shares and has also waived its right to received a refund of the advance share application money vide its letter dated 18th May 2015 Submitted to Reserve Bank of India.

The Company has received letter from RBI dated August 16 , 2018 directing the Company to refund the excess Share Application money received from Ansaldo Caldaie s.p.A with in 15 days of receipt of the letter falling which will constitute as continuing voilation and action under FEMA, 1999 will be taken including the referring to Directorate of Enforcement.



With reference to above the Company has replied to RBI stating various reasons which includes:

- No viability of the Company to generate current and future revenue.
- No sufficient network of the Company
- Cashflow from the current projects of the Company is limited to pending dues of completed projects and towards lenders against Principal and interest.
- Gammon India Limited the holding Company is referred to NCLT and hence is unable to extend and kind of financial support.

The management is hopeful of a favourable response to its reply granting its permission not to allot shares and permit non-refund of the amount.

The matter is still not concluded and the RBI has sought for further clarification which is being responded by the Company.

#### 18 Revenue from Operations

Particulars	April 2019 -March 2020	April 2018 -March 2019
Supply of Goods and Service	577.43	261.49
Other Operating Revenue	12.09	46.42
<b>Total</b>	<b>589.52</b>	<b>307.91</b>

#### Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015

(a) **Method used to determine the contract revenue :**

Method used to determine the stage of completion of contract :

Input Method

stage of completion is determined as a proportion of costs incurred upto the reporting date to the total estimated cost to complete

(b) **Category of good and Services**

Supply of Goods and Service

2019-2020	2018-2019
577.43	261.49

(b) **Geographical region**

India

International

2019-2020	2018-2019
577.43	261.49
-	-

(c) **Market or type of customer**

PSU

Non - PSU

2019-2020	2018-2019
-	-
577.43	261.49
<b>577.43</b>	<b>261.49</b>

(d) **Movement in Contract Balances**

i **Advance from Customers:**

Opening Balance

Less : Released during the year

Add : Advances during the year

Closing Balance

2019-2020	2018-2019
1,015.88	1,031.63
(11.03)	(15.75)
-	-
<b>1,004.85</b>	<b>1,015.88</b>

ii **Customer Advances- Retention**

Opening Balance

Less : Released during the year

Add : Retention during the year

Closing Balance

2019-2020	2018-2019
323.76	359.72
-	(35.96)
-	-
<b>323.76</b>	<b>323.76</b>

(e) **Performance obligation and remaining performance obligation**

The Company is having estimated Contracts in hand of Rs 2,14,33,000/-as at March 31, 2020, and the same is expected to be completed in next year.

(f) The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The amount of contract assets during the period ended 31 March 2020 was impacted by an impairment charge of INR 9.71 lacs. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

(g) The amounts billed but for which payment is due on completion of future performance obligation (Retentions) was earlier shown under "Trade Receivables" have been reclassified to "Contract Assets".

(h) **Trade Receivable:**



*[Handwritten signature]*



Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred. Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

#### 19 Other Income

Particulars	April 2019 -March 2020	April 2018 -March 2019
Interest Income	44.51	38.10
Miscellaneous Income	0.52	8.32
Exchange Gain	-	18.04
Sundry Balances Written Back	0.00	69.53
Reversal of Expected Credit Loss	-	55.74
<b>Total</b>	<b>45.03</b>	<b>189.73</b>

#### 20 Cost of Materials Consumed

Particulars	April 2019 -March 2020	April 2018 -March 2019
Opening Stock	118.83	118.83
Add : Purchases (Net of Discount)	372.44	324.41
Less : Closing Stock	118.83	118.83
<b>Total</b>	<b>372.44</b>	<b>324.41</b>

#### 21 Purchases of Traded Goods

Particulars	April 2019 -March 2020	April 2018 -March 2019
Turbine & Generators Parts & Auxillaries	-	9.28
<b>Total</b>	<b>-</b>	<b>9.28</b>

#### 22 Employee Benefits

Particulars	April 2019 -March 2020	April 2018 -March 2019
Salaries, Bonus, Perquisites etc.	37.01	56.48
Director Remuneration	37.54	32.35
Contribution to PF and other welfare funds.	5.65	3.88
Staff Welfare Expenses	0.54	0.38
<b>Total</b>	<b>80.74</b>	<b>93.09</b>

#### 23 Finance Cost

Particulars	April 2019 -March 2020	April 2018 -March 2019
Interest Expense	21.68	31.05
Interest on direct taxes	-	1.38
Guarantee Commission	51.89	103.50
<b>Total</b>	<b>73.57</b>	<b>135.93</b>

#### 24 Depreciation & Amortisation

Particulars	April 2019 -March 2020	April 2018 -March 2019
Depreciation	0.90	0.73
<b>Total</b>	<b>0.90</b>	<b>0.73</b>

#### 25 Other Expenses

Particulars	April 2019 -March 2020	April 2018 -March 2019
Fabrication Charges paid	132.67	5.82
Labour Charges	12.07	16.15
Freight Charges	0.28	3.84
Power & Fuel	1.15	1.29
Fees & Consultations	25.04	21.41
Arbitration Fees	5.24	29.43
Rent	13.08	12.40
Rates & Taxes	0.21	0.27



Travelling Expenses	18.64	7.48
Communication	0.38	0.35
Insurance	0.96	1.52
Repair & Maintenance: Plant & Machinery	0.86	0.70
Bank Charges	0.29	0.74
Exchange Loss	115.72	-
Sundry Balance Written Off	-	5.11
Expecated credit loss	0.85	-
Indirect Taxes Paid/Disallowed	-	1.25
Sundry Expenses	4.59	1.76
Conversion Charges	1.69	1.38
Remuneration to Auditors	0.75	2.50
<b>Total</b>	<b>334.47</b>	<b>113.40</b>

**(a) Remuneration to Statutory Auditors**

Particulars	April 2019 -March 2020	April 2018 -March 2019
Statutory Audit	0.50	1.80
Tax Audit	-	0.45
Certification	0.25	0.25
<b>Total</b>	<b>0.75</b>	<b>2.50</b>

**26 Exceptional Item**

Particulars	April 2019 -March 2020	April 2018 -March 2019
Provision for Investments- Refer note -3 (Ansaldo GB-Engineering Pvt Ltd )	-	2,000.00
<b>Total</b>	<b>-</b>	<b>2,000.00</b>





## 27 Tax Expense

Particulars	April 2019 -March 2020	April 2018 -March 2019
Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	-
Deferred tax	4.89	11.51
Income tax recognised in statement of profit or loss	4.89	11.51

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Current Tax	April 2019 -March 2020	April 2018 -March 2019
Accounting profit before income tax	(227.57)	(2,179.20)
Enacted tax rates in India (%)	26.00%	26.00%
Computed expected tax expenses	(59.17)	(566.59)
Effect of non- deductible expenses	0.71	521.23
Effects of deductible Expenses	(4.19)	(19.75)
Deduction against Brought forward losses	62.64	65.11
Tax as per Normal Provision	-	-
Tax Liability as per MAT	15.00%	15.00%
Accounting profit before income tax	(227.57)	(2,179.20)
Computed expected tax expenses	(34.14)	(326.88)
Effect of non- deductible expenses	-	0.22
Effects of deductible Expenses	(84.05)	(84.05)
Net tax Liability as per MAT	-	-

### Deferred Tax Movement

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
Property, Plant and Equipment	33.96	(10.73)	-	23.23
Employee benefits	2.41	(0.78)	-	1.63
As at March 31, 2019	36.37	(11.51)	-	24.86
Property, Plant and Equipment	23.23	(4.02)	-	19.21
Employee benefits	1.63	(0.87)	-	0.75
As at March 31, 2020	24.86	(4.89)	-	19.96

## 28 Earning Per Share

Earnings Per Share (EPS) = Net Profit attributable to Shareholders / Weighted Number of Shares Outstanding

Particulars	April 2019 -March 2020	April 2018 -March 2019
Net Profit attributable to the Equity Share holders	(232.46)	(2,190.71)
O/s number of Equity Shares at the end of the year	50,000,000	50,000,000
Weighted Number of Shares during the period – Basic	50,000,000	50,000,000
Weighted Number of Shares during the period – Diluted	50,000,000	50,000,000
Earning Per Share – Basic (Rs.)	(0.46)	(4.38)
Earning Per Share – Diluted (Rs.)	(0.46)	(4.38)



**Reconciliation of weighted number of outstanding during the year :**

Particulars	April 2019 -March 2020	April 2018 -March 2019
Nominal Value of Equity Shares (Rupee Per Share)	10.00	10.00
<b>For Basic EPS :</b>		
Number of Equity Shares at the beginning	50,000,000	50,000,000
Add : Issue of shares	-	-
Outstanding Equity shares at the year end	50,000,000	50,000,000
No. of Equity Shares considered for EPS Calculation	50,000,000	50,000,000
Weighted Avg of Equity Shares considered for EPS	50,000,000	50,000,000
<b>For Dilutive EPS :</b>		
Weighted Avg no. of shares in calculating Basic EPS	50,000,000	50,000,000
Add : Dilutive Shares to be issued	-	-
Weighted Avg no. of shares in calculating Dilutive EPS	50,000,000	50,000,000

**29 Disclosure in accordance with Ind AS – 116 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015.**

There are no non - cancellable leases which are covered as per Ind As 116 "leases ".

**30 Contingent Liability**

Particulars	March 31, 2020	March 31, 2019
i Disputed amounts in respect of demands raised by the Income Tax not provided for	384.43	217.83
ii Corporate Gurantee	36.50	-

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019 has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis without considering any probable obligations for past periods. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

**31 Segment Reporting as per IND AS108 " Operating Segments"**

The entire operations of the Company relate to only one segment viz.Engineering & Construction. As such, there is no separate reportable segment under IND AS 108 on Operating Segments.

Revenue of Rs 515.67 lacs arising from three customer being Privately controlled entities contribute to more than 10% of the total revenue of the Company.

**32 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures" has been set out in a separate Annexure - 1.**
**33 Significant Accounting Judgements, Estimates And Assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

**Judgements**

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.





The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.



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### 34 Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 is as follows:

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Carrying Value		Fair Value	
<b>Financial Assets</b>				
<b>Amortised Cost</b>				
Loans	11.33	9.56	11.33	9.56
Others	1,200.00	1,200.00	1,200.00	1,200.00
Trade receivables	646.68	619.08	646.68	619.08
Cash and cash equivalents	1.64	13.58	1.64	13.58
Bank Balance	639.54	599.48	639.54	599.48
<b>Total Financial Assets</b>	<b>2,499.19</b>	<b>2,441.70</b>	<b>2,499.19</b>	<b>2,441.70</b>
<b>Financial Liabilities</b>				
<b>Amortised Cost</b>				
Borrowings	1,384.72	1,249.61	1,384.72	1,249.61
Trade payables	2,263.76	2,170.44	2,263.76	2,170.44
Others	2,435.78	2,435.78	2,435.78	2,435.78
<b>Total Financial Liabilities</b>	<b>6,084.26</b>	<b>5,855.83</b>	<b>6,084.26</b>	<b>5,855.83</b>

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### 35 Fair Value Hierarchy

The following methods and assumptions were used to estimate the fair values:

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have significant effect on recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on recorded fair value that are not based on observable market data

There are no Financial Assets/ liabilities which are carried at Fair value using Fair value hierarchy

### Financial Risk Management Objectives And Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

	( in full figures)		
Foreign currency exposure as at 31st March, 2020	USD	Euro	Rs in lacs
Trade payables	517,890	1,564,958	1,690.11
Trade Receivables	-	8,981	7.46
<b>Total unhedge exposure</b>	<b>517,890</b>	<b>1,555,977</b>	<b>1,682.65</b>





Foreign currency exposure as at 31st March, 2019	USD	Euro	Rs in lacs
Trade payables	534,362	1,799,515	1,777.02
Trade Receivables		7,703	6.07
<b>Total unhedge exposure</b>	<b>534,362</b>	<b>1,791,812</b>	<b>1,770.95</b>



### Foreign currency sensitivity

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

Increase/(decrease) in profit or loss	(Rs in lacs)			
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
	2019-20		2018-19	
USD	3.90	(3.90)	3.59	(3.59)
Euro	12.92	(12.92)	14.11	(14.11)

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

### Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 621.18 lacs as of March 31, 2020. To manage this, the Company monitors whether the collections are made within the contractually established deadlines.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty,
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

### Interest rate risk

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

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2020	Plus 100 basis point	(13.85)
	Minus 100 basis points	13.85
March 31, 2019	Plus 100 basis point	(12.50)
	Minus 100 basis points	12.50

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

### Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.



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Current Financial Assets position of the Company is given below:

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalent	1.64	13.58
Bank Balance	639.54	599.48
Trade Receivables	25.50	-
Inventories	118.83	118.83
<b>Total</b>	<b>785.51</b>	<b>731.89</b>

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2020	Less than 1 year	1 to 5 years	Total
Long term Borrowing	-	-	-
Short term borrowings	1,384.72	-	1,384.72
Trade payables	2,263.76	-	2,263.76
Other financial liabilities	2,435.78	-	2,435.78
<b>Total</b>	<b>6,084.26</b>	<b>-</b>	<b>6,084.26</b>

As at March 31, 2019	Less than 1 year	1 to 5 years	Total
Long term Borrowing	-	-	-
Short term borrowings	1,249.61	-	1,249.61
Trade payables	2,170.44	-	2,170.44
Other financial liabilities	2,435.78	-	2,435.78
<b>Total</b>	<b>5,855.83</b>	<b>-</b>	<b>5,855.83</b>

### 36 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	March 31, 2020	March 31, 2019
Gross Debt	1,384.72	1,249.61
Less:		
Cash and Cash Equivalent	1.64	13.58
Bank Balance	639.54	599.48
<b>Net debt (A)</b>	<b>743.54</b>	<b>636.55</b>
Total Equity (B)	(4,172.23)	(3,938.66)
<b>Gearing ratio (A/B)</b>	<b>(0.18)</b>	<b>(0.16)</b>



- 37 The Company is facing financial difficulties and material uncertainties relating to Operations and cashflows which is significantly impairing its ability to continue as a going concern. More specifically the company is facing the following issues:
1. The company has incurred substantial cash losses in its operations (in previous periods) and more than 50% of its networth is eroded.
  2. The Current liabilities of the Company is more than the Current Assets by Rs 8043.15 lacs .
  3. There are no Orders on hand and the power sector is already laden with troubled projects and facing uncertainties.
  4. The RBI has directed the Company to refund the excess share application money received as detailed in note 17(a).
  5. The investment in Ansaldo GB-Engineering Pvt Ltd is facing impairment issues on account of defaults to their bankers resulting in possession of properties of ACGB by lenders for auction. Refer Note 3.

The management is hopeful of tiding over these problems with amicable resolution with lenders and RBI. The the Company has made loss in the current year and out of the collection repaid its majority of the debts towards lenders. The Company is also in negotiation with various customers for getting manufacturing and spares contracts and succeeded in getting few. The Company is also taking up the overseas opportunities with its associate companies which can give the new order to substantiate future operations of the Company. The management also is constantly pursuing new opportunities in the power sector and therefore is of the view that there are material uncertainties relating to going concern but is hopeful of reviving the Company.

- 38 The Indian Economy has been severely impacted due to global COVID19 Pandemic resulted into lockdown, wider restrictions and disruption to the business. Supply chain, logistics and travel ban has made the business come to a standstill effective from March 26, 2020. This Company however has its revenue lines from manufacturing of boilers and is not exposed to business risks. Therefore the management's assessment of the impact of COVID19 Pandemic did not require any material impact on the operations of the Company. The said assessment also did not require any adjustments to assets and liabilities while preparing Financial Statement for the year March 31, 2020. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- 39 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

For Natvarlal Vepari & Co.  
Chartered Accountants  
Firm Registration No. 106971W



  
N Jayendran  
Partner  
M.No. 40441  
Place: Mumbai  
Date: 13 AUG 2020

For and on behalf of the Board of Directors  
Ansaldo Caldaie Boilers India Private Limited

  
Chayan Bhattacharjee  
DIN: 00107640

Place: Mumbai  
Date:

  
Jawahar Pachayappan  
DIN: 02328081



**Ansaldo Caldaie Boilers India Private Limited**  
(All figures are Rupees in lacs unless otherwise stated)  
**Annexure - I : Related Party Disclosure**

**A. List of Related Parties and Relationship**

- a) Holding Company**  
1 Gammon India Limited  
2 Ansaldo Caldaie S.p.A
- b) Joint Venture**  
Ansaldo GB-Engineering Pvt Ltd
- c) Fellow Subsidiary**  
1 Ras Cities & Townships Private Limited  
2 AC Project Office  
3 Gammon Realty limited
- d) Associates**  
Sofinter S.P.A.
- e) Key Menegerial Person**  
Jawahar Pachayappan - Director

**B. Transactions with Related Parties**

Particulars	Holding Company		Joint Venture, Fellow Subsidiary and Associates				Key Menegerial Person
	Gammon India Limited	Ansaldo Caldaie S.P.A	Ras Cities & Townships Private Limited	Ansaldo GB-Engineering Pvt Ltd	Sofinter S.P.A.	Gammon Realty limited	Jawahar Pachayappan - Director
Transactions during the period							
Purchase of goods and services	-	-	-	-	-	-	-
	-	-	-	(28.53)	-	-	-
Sale of goods and services	-	9.59	-	-	(1.92)	-	-
	-	-	-	-	-	-	-
Direct Expenses(Fabrication Charges)	-	-	-	81.19	-	-	-
	-	-	-	-	-	-	-
Guarantee Commission(Ind As)	51.89	-	-	-	-	-	-
	(103.50)	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	-	-	-	17.15
	-	-	-	-	-	-	(1.64)
Director Demuneration	-	-	-	-	-	-	37.54
	-	-	-	-	-	-	(32.35)
<b>Closing Balances</b>							
Share Application Money pending Allotment	-	1,663.97	-	-	-	-	-
	-	(1,663.97)	-	-	-	-	-
Margin Money placed for issuance of Guarantee	1,200.00	-	-	-	-	-	-
	(1,200.00)	-	-	-	-	-	-
Receivables	-	7.46	1,500.00	-	-	50.00	0.75
	-	(4.65)	(1,500.00)	(2.84)	(0.65)	(50.00)	(3.51)
Payables	2,956.94	1,299.69	-	3.47	-	-	-
	(2,956.94)	(1,216.01)	-	-	-	-	-
Capital Contribution	584.41	-	-	-	-	-	-
	(584.41)	-	-	-	-	-	-
Interest payable	592.28	-	-	-	-	-	-
	(592.28)	-	-	-	-	-	-

\*Negative figure denotes Previous figure.